



## The President's Message

by Oren Lee Staley

Congratulations on another record national convention. The theme of the convention "Collective Bargaining in American Agriculture Means Farmers Bargaining Together and Selling Together" sums up in one sentence what the meaning of our collective bargaining program really is. The entire success of our collective bargaining program depends on our members understanding the meaning of this one sentence.



The business-like atmosphere of this convention and the interest shown by the delegates in every decision made was the most impressive point of our convention. The challenge we accept in NFO is the greatest challenge that American agriculture has ever had. That challenge is our ability to work together for the vital objectives of NFO. We have made great progress and because of our strength have gained the recognition from processors which is necessary for us to gain our objectives. Now the responsibility is on our shoulders as members of the NFO and the producers of agricultural commodities. Bargaining successes cannot continue to build unless our members do realize that collective bargaining in agriculture truly means farmers bargaining together and selling together.

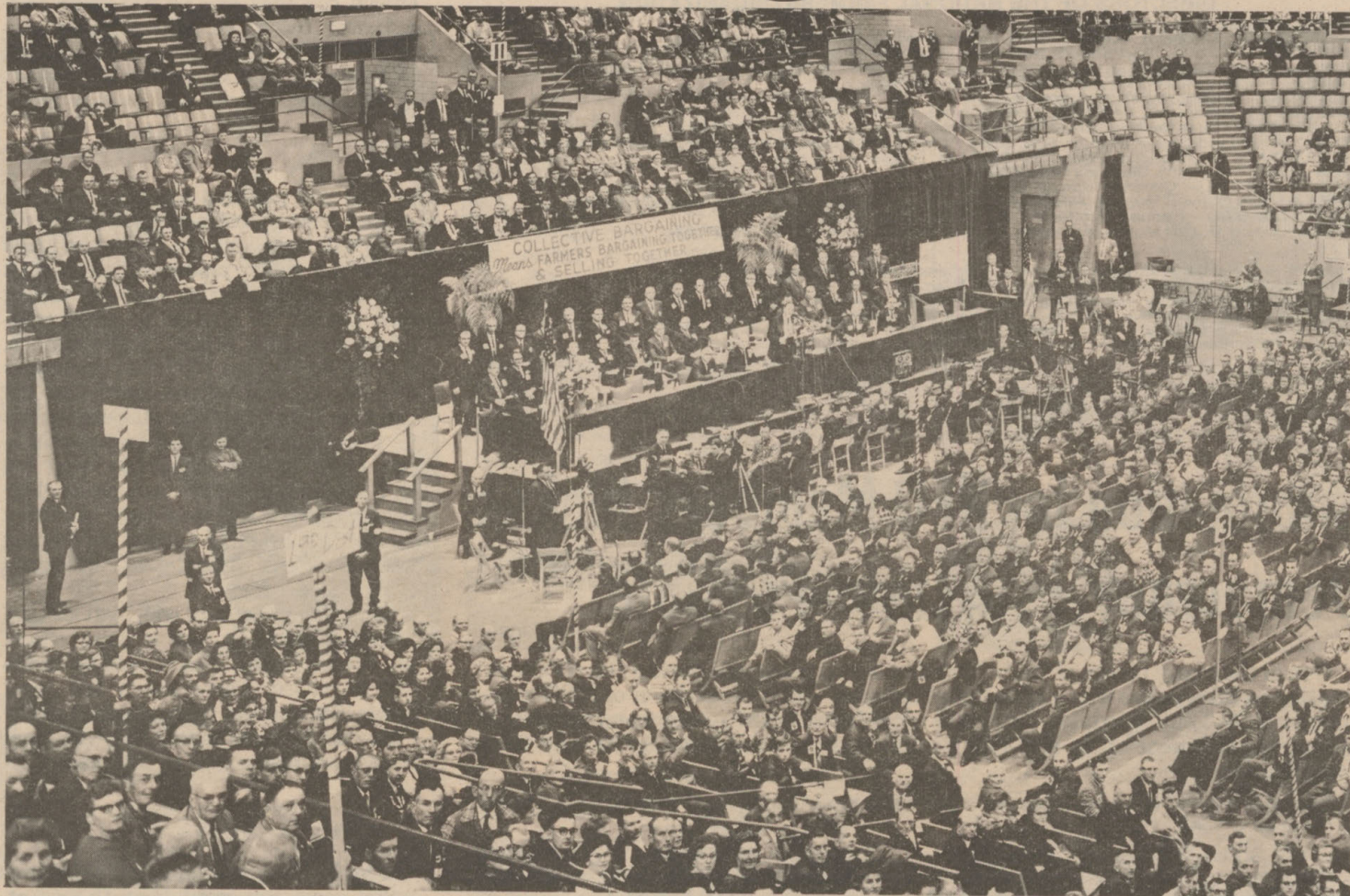
Why a milk holding action? The answer is simple. What other alternative do milk producers have?

The milk prices at the present time are the best proof that the law of supply and demand will not get farmers a fair price for their product. Almost everyone agrees that there is a shortage of milk production — then why have not the prices risen to a satisfactory level to the producers. The answer is obvious. The law of supply and demand works only when there is equal economic strength on the buyer and seller side. As volume buyers became larger and smaller in number then the lack of bargaining power on the part of dairy farmers meant that dairy price increases due to reduction in supply would have very little effect on the price paid to the producer. Many false impressions are trying to be given about dairy prices being satisfactory at the farm level. One of the most obvious efforts to give a false impression was the statement given wide publicity that milk prices averaged the highest in November since 1946. The facts are that the investment in American agriculture has more than doubled since 1946 and farm production expenses have risen from 15 billion dollars in 1946 to over 30 billion dollars in 1965. When anyone tries to say that milk prices at the same level in 1946 are fair prices for farmers they are just talking nonsense. Just think back to what the price of an automobile, a tractor or an hours wages was in 1946. It makes just as much sense to ask a business concern to mark back their prices to the 1946 level and expect them to stay in business, as it does to ask a dairy farmer to take the same price for his milk production that he got in 1946.

The NFO has taken every possible step to increase dairy prices through bargaining and every other feasible step. There has been more conversation in bar-

(continued on page 2)

# Delegates Vote Milk Holding Action



A small section of the delegates attending the NFO convention in Milwaukee, December 7 and 8, 1966. An estimated 10,000 delegates were on hand for voting sessions.

Collective bargaining for agriculture is a reality. A new generation of farmers is on the move. And they will settle for nothing less than complete victory — the right to price their production in the marketplace. These points dominated the NFO annual convention in Milwaukee, December 7 and 8.

In the yawning oval of Milwaukee's giant arena early this month, some 10,000 voting delegates hammered out a milk holding action resolution that turned out to be the focal point of the annual NFO convention. The urgent need for improved farm prices and the role of NFO in the changing farm marketing picture also underwent fine scrutiny during the two-day conclave. From pre-convention sessions in the Sheraton-Schroder hotel until the final gavel closed out proceedings in the Arena before voting delegates from 25 states, an aura of confidence, goodwill and NFO friendliness pervaded the scene.

National attention was drawn to the meeting when NFO President Oren Lee Staley asked the cheering delegates to approve a milk holding action. "NFO bargaining efforts and pressure in some areas have brought price increases above the \$6.00 per hundredweight level," the NFO chief said, "but this increase has been isolated in a relatively few areas and cannot be maintained unless the general price level is brought up throughout the dairy producing areas."

The vote authorizing the NFO Board of Directors to immediately initiate steps to prepare for a milk holding action came on the last day of the convention. Delegates jumped to their feet

and sent a booming response into the delicate microphones when President Staley called for a vote. The vote was unanimous.

The resolution adopted by the NFO convention reads, in part, as follows: "To raise the general price level of raw milk and secure same by contract; which would necessitate a marketing agency in common for the good and

security of the dairy processing industry; to insure an ample supply of dairy products to the American consumer at reasonable prices. Be it further resolved that NFO urge all members to hold their production on the farm and non-members to join NFO and hold to achieve these goals."

(continued on page 8)

## Reports on State of NFO

# NFO "Wave of the Future" Nation's Biggest Farm Meet Told

(A condensation of President Staley's Address)

The wave of the NFO collective bargaining program is the wave of the future. The NFO represents new thinking in a new generation of farmers.

The NFO started out on a collective bargaining approach and very few if any people in or out of agriculture thought it would work and many with in agriculture vigorously opposed the idea. Today almost every farmer accepts the principle of collective bargaining in agriculture. Almost every thinking editorial writer is pointing out to farmers the necessity for collective bargaining.

American farmers can no longer go to the market place as individuals and say, "What will you give me?" and expect a fair return on their investment and a fair wage for their labor.

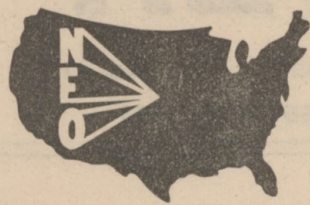
Buyers are fewer in numbers and a small number of volume buyers represent a large percentage of the total purchases in each agricultural commodity. The law of supply and demand as a basis for getting a fair return for the farmer is outdated. The law of supply and demand could only reflect a fair price to the farmer if the buyer and seller met with equal strength. That situation no longer exists.

The NFO has been the greatest educational force in the history of American agriculture. It has educated the farmers to change their thinking on American agriculture. Now our big educational job is to educate the farmers on how to use their bargaining power.

Eight of the nation's 15 largest meat (continued on page 13)



The Official Publication of the National Farmers Organization



Collective Bargaining for Agriculture

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

Published monthly at Corning, Iowa, by the National Farmers Organization. Second-class Postage Paid at Corning, Iowa, and at additional mailing offices.

Subscription price to members, 50¢ per year. To non-members, \$2.00 per year.

OFFICERS

**President** — Oren Lee Staley, Rea, Missouri  
**Vice President** — Erhard Pfingsten, Sergeant Bluff, Iowa  
**Secretary** — Harvey Sickels, Fontanelle, Iowa  
**Treasurer** — Earl J. Thompson, Blair, Nebraska

DIRECTORS OF THE NATIONAL FARMERS ORGANIZATION

**IDAHO** — William Hepworth, Rupert.  
**ILLINOIS** — Merle Willard, Pittsfield; Gene Potter, Sterling; Bob Kessler, Louisville.  
**INDIANA** — Glen Utley, Fort Branch; Don Myers, Waterloo; J. W. McKinsey, Thortown.  
**IOWA** — Harvey Sickels, Fontanelle; Jim Stewart, Columbus Junction; Willis Rowell, Edgewood.  
**KANSAS** — Chris Walker, Mayetta; Don Evertson, Melvern.  
**KENTUCKY** — Earl Hatcher, Hodgenville.  
**MICHIGAN** — John Kuch, Unionville; Eldeen Jones, Charlotte.  
**MINNESOTA** — Oras Kanerva, Zim; Ralph Kittelson, Appleton; Pete Nagel, Amboy.  
**MISSOURI** — Fred Deardorff, Auxvasse; Rhea Hackler, Long Lane; Elmer F. Bell, Jr., Warrensburg.  
**NEBRASKA** — Val Akerlund, Valley; Bill Sellhorst, Dodge.  
**NEW JERSEY** — Henry Douma, Hackettstown.  
**NORTH DAKOTA** — Clarence Stockstad, Minnor.  
**OHIO** — Ralph Hoover, Fostoria; Raymond Zumbrun, Union City, Indiana; Art Phillips, Greenfield.  
**SOUTH DAKOTA** — Kenneth Stofferahn, Humboldt; John Oster, Ethan.  
**WISCONSIN** — Robert Manke, Arlington; Ed Graf, Tomah; Robert W. Rettig, Withee.

**National Organizational Director** — Lloyd J. Fairbanks, King City, Missouri  
**Chief Negotiator** — Gordon Shafer, Kingsville, Missouri  
**Meat Commodity Director** — Wm. Lashmett, Winchester, Illinois  
**Dairy Commodity Director** — Albin Rust, Hillsdale, Wisconsin  
**Grain Commodity Director** — Herb Goodman, Coin, Iowa  
**National Promotional Director** — W. W. "Butch" Swain, Corning, Iowa

## Information for NFO Members Makes Democracy in Action Possible

One of the many pieces of "data" handed out to delegates during the NFO convention in Milwaukee was a schedule of salaries, and a breakdown of NFO's disbursements. That schedule — which is reproduced below — represents the most complete statement of its sort being published in America today by any farm organization.

Following is a list of all salaries paid to officers and directors for fiscal year October 1, 1965 to October 1, 1966.

Oren Lee Staley	\$22,166.00	Willis Rowell	1,007.50	Val Akerlund	1,465.00
E. Pfingsten	10,792.20	Jim Stewart	4,255.00	C. C. Deterding	1,415.00
Harvey Sickels	8,952.02	Don Evertson	115.00	Ralph Hoover	4,208.75
Earl Thompson	7,642.15	Chris Walker	627.50	Ralph Pollock	311.25
Wm. Hepworth	—	Earl Hatcher	1,043.25	Raymond Zumbrun	—
Bob Kessler	1,225.00	John Kuch	1,545.00	John Oster	3,134.00
Gene Potter	3,249.37	Oras Kanerva	5,099.05	Ken Stofferahn	2,420.00
Merle Willard	1,320.00	Ralph Kittelson	2,463.75	Ed Graf	4,663.75
Charles Grogan	4,645.00	Elmer Bell	1,185.00	Robert Manke	4,180.00
Don Myers	3,397.50	Fred Deardorff	4,869.25	Robert Rettig	1,595.00
Glen Utley	2,632.50	Rhea Hackler	5,140.00	Pete Nagel	908.75

The salary listed for Board Members is for the work they did in addition to their regular board duties.

Following is a percentage breakdown of disbursements based on audit reports for fiscal year October 1, 1965 to October 1, 1966.

- 49.90% — Field Staff Department — salaries, expenses and telephone.
- 6.32% — Office personnel salaries, rent and utilities.
- 6.14% — Telephone and telegraph with exception of that portion to Commodity Departments, Public Information Department and Field Staff Department; freight; insurance; county, district, and state dues refunds; county drive refunds; marketing refunds to counties; state and national meeting expense; miscellaneous refunds and subscriptions.
- 5.80% — Public Information Department — activities, television, radio, advertising, speech recording, telephone, supplies and printing.
- 8.78% — Employer's share of social security tax and unemployment insurance; supplies; publication of NFO Reporter; postage; office equipment, repairs and maintenance.
- 23.06% — Commodity Departments — salaries; expenses; telephone and professional services.

In terms of the jobs being performed by NFO staffers, this schedule is modest enough. Anyone who has ever followed an NFO regular in the field for a few days usually drops in his tracks, or has his hip pockets dragging. No one will ever know the hours all those listed on this salary schedule put in working for NFO.

Still, it must be remembered that volunteers have made NFO work. Without the countless hours of volunteer work, the results gained by NFO's salaried employees would have proved pitiable indeed.

Undoubtedly, NFO members will be confronted with criticism, by those hostile to farmers pricing their own production. NFO members are aware of the job their leaders are doing. They are fully informed on the details of their organization. Thus they are well armed to cope with those critical of NFO, for they have simply to ask: "What do the officers in your farm group get?" Answers to such questions are never forthcoming because the information is not available. NFO preserves full democracy in action by publishing all the information. Indeed NFO realizes that democracy is impossible among the uninformed.

## Housewives' Revolt Leader Talks to NFO

The housewives met the NFO during the annual convention in Milwaukee recently, and they got along from the start. Economists who think consumers are standing across the squared circle from the farmers at all times are still trying to noodle it all out.

The leader of the first consumer revolt, Mrs. Paul West of Denver, appeared for an unscheduled talk, and told NFO delegates: "We realize the farmer has been getting the short end of the stick for a long long time. We want to help and we need your help."

Mrs. West explained that the revolt was against chain monopolies, not against farm prices. "We feel we have opened a bucket of worms and this bucket of worms needs investigating," she said. Mrs. West noted that when chains were asked to explain price increases, none could give a satisfactory answer. And she said that one chain official conceded that he had never met a farmer before an NFO member was introduced to him. "How could they be in sympathy with farmers?" she asked.

Mrs. West related how another chain

official admitted that no one in his organization dared face an NFO tie-clasp in debate.

Mrs. West concluded: "We can't put every smidgen of blame on the supermarkets. We all know we are living in an inflationary era. But we don't put any of the blame on the farmer." Mrs. West said that almost all chains have tried to explain pricing policies by blaming the farmer. "We know better than that," she said. "Of the original group that started, all had agricultural backgrounds. We all know the farmer has not made his just profits in quite a long time. In fact, I don't see how you people exist. How long is it going to take before you have to give up your farms and come into the cities? I hope you farmers can find some way of staying on your farms."

At the conclusion of her remarks, Mrs. West and a delegation from Milwaukee—Mrs. Ruth Ann Olson, Mrs. Arnold L. Lawrence, and Mrs. Raymond E. Kadrmas—were given "a few pounds of good old Wisconsin cheese" by the Wisconsin delegation.

## PRESIDENT'S MESSAGE

Continued from page 1

gaining and progress has been made in getting master contracts signed. But we could still be talking ten years from now unless the milk producers themselves take action. This action must be holding their product for a price. As the preparations for a milk holding action develop, it is the hope of the NFO that the buyers of milk products will recognize that the dairy farmers must have adequate prices for their products and that the big stumbling block in bargaining has been the fact that existing dairy groups on their own would not set up a legal structure through a marketing agency in common with sufficient strength to effectively price milk products.

Bargaining efforts will continue and will be stepped up, but if those efforts are not successful then a holding action will be called. There are a few legal points that must be re-emphasized again. First and foremost is that the NFO cannot advise anyone else to hold except its

members. The NFO cannot solicit support from any group or individual outside of the NFO. This point must be stressed to non-members. The non-members must realize that if they want to be a part of the effort and if they want something done, then they must become members of the NFO in order to be a part of the effort. Our job in the NFO is to advise our members and to present our program and outline our efforts to non-members, but though non-members must realize that they must join the NFO in order to be a part of the effort. Additional legal dos and don'ts are being sent to county leaders as instructions in carrying out a milk holding action.

I would like to again stress that this action is a business action. It is simply farmers using the same business principle that every businessman uses every day of the week — putting a price tag on their products. It must be carried out in an atmosphere of calmness and coolness.

## NEW THINKING IN A NEW GENERATION

The NFO represents new thinking in a new generation of farmers. This was never more apparent than it was at this year's national convention. As you looked out over the large delegate body, you could see and sense an atmosphere of business determination. It was evident that these delegates were the leaders of new thinking in a new generation of farmers. They realized that the decisions they were making would determine the prices of agricultural commodities in the future.

They seemed to realize that they had had a part in educating farmers to the necessity of bargaining and now they seemed ready to take the leadership in educating NFO members on how to use their production in building bargaining power through the NFO collective bargaining program. These delegates realized how movement of livestock on a volume basis into new marketing patterns created a vacuum and was the reason that the general price level on hogs had been \$4.00 or more per hundred weight than it would have been without NFO meat marketing arrangements. They seemed determined to build cattle volume under NFO meat marketing arrangements to have a like effect on cattle prices.

There seemed to be a growing awareness that grain bargaining meant more than just storing and holding at harvest time. It also means bargaining together and selling together on a volume basis through in-position grain sales. A much greater understanding has developed on why holding actions have been necessary to establish farmers' bargaining power and recognition in meat and grain bargaining. For this reason, the delegate body was willing to take steps toward preparation for a milk holding action to correct the greatest injustice in American agriculture — low milk prices at the producer level.

Out of all these thoughts the delegates realized more than ever before that collective bargaining in American agriculture does mean farmers bargaining together and selling together.

Two outstanding observations were made by sideline observers. First, that farmers have been slow to accept changes in the past and that it took a generation of farmers to pass from the use of horses to tractors. This observer remarked that the NFO was steadily bringing about the change in thinking in farmers' minds and in policy makers' minds. They further pointed out that as you looked over the delegate body, it was a much younger group of people than you saw at conventions of other farm groups. This prompted him to make his second point — NFO's collective bargaining program is bound to win because of the use, the drive and determination of the organization, and that if nothing else happens the NFO was sure to win because the old ideas and the old age of other farm groups just meant that the NFO would outlive them. But the NFO is not and must not be willing to wait to just let Father Time take its toll of the past generation.

The challenge is simple and clear. They must meet their problems in agriculture together. They now have the opportunity to make the progress that we all desire and so desperately need. This takes work, understanding and determination on the part of all members. The NFO is their chance to run their own business by bargaining and selling together.

So NFO's collective bargaining program is the wave of the future because NFO represents new thinking in a new generation of farmers.



## Research and NFO

In a survey of 8,700 farm operators, Michigan State University researchers Denton E. Morrison and Allan Steeves found that—

1. NFO members, on the whole, have larger, more economically productive farms, are younger and have had more formal education than others.

2. NFO members, on the whole, exhibit communication practices which would be likely to dispose them toward greater or equal technological adoption and innovation.

3. NFO members are less satisfied with farm prices and farmers' income, are higher than others in technological adoption and innovation, more often have Democratic political preferences and are more likely or equally likely to have no political preferences.

4. NFO members, on the whole, are equal to or greater than others in community intergation, position and participation.

5. NFO members more often or equally often have past and present off-farm job experience.

6. NFO members do not differ in any consistent way in tenure status or in type of farming from others.

7. NFO members earn more or equal amounts of farm income.

## Hide Embargo Fiasco

Senator George McGovern of South Dakota said in a Senate speech recently that last March, export limitation on cattle hides has proved to be a "fiasco" with hide prices down 25 to 35 per cent, shoe prices up, and foreign tanners not now buying even their quota limits from the United States.

Instead, they are making long-term connections with other, more reliable sources of hides, the Senator said.

He declared that the order should be rescinded at once and that additionally the Senate should give final congressional approval to a house provision in the Commerce Department appropriation bill forbidding use of any of the funds to impose export quotas on hides.

"It won't be enough for the Commerce department to rescind the order," Senator McGovern said. "That should be done. But if American farmers are to have even a chance of recapturing some of their foreign markets, Congress must enact a prohibition that will reassure buyers that there cannot be another administrative blunder like the current order, and their supply of raw materials again abruptly cut off.

"No manufacturer can afford to operate without reliable raw materials sources," McGovern continued.

## Young Men Needed

An agricultural official said in St. Louis recently that American agriculture faces a crisis unless it can find young men to replace aging farmers.

H. G. 3. Fick, president of Doane Agricultural Services, Incorporated, said forecasts now indicate that farmers must double their current output by 1980 to meet world needs.

Fick said that the average American farmer is in his 50s and agriculture must find younger men coming along in their place if these production goals are to be met.

Fick said the beginner who can rent a corn belt grain farm still needs 17,000.00 dollars for machinery, plus average operating funds of \$30.00 per acre.

Fick said that on a 250 acre farm, this would amount to about \$25,000.00 to begin the operation of a rented property.

## The Australian Meat Board Drives for World Market

Denis Muirhead, United Kingdom and European representative of the Australian Meat Board, in London launched a concentrated promotion campaign for Australian boneless beef, spring lamb and canned meat.

The campaign involved newspaper and television advertising estimated to reach a potential 9.5 million persons in the Lancashire-Cheshire areas, cookery demonstrations and promotional efforts by 6,000 butchers and food outlets.

At a reception tonight the launch the campaign, Muirhead forecasted Australia's sheep population would rise from 170 million to 2.00 million in a few years, and cattle would increase from 18 million to 30 million.

"I believe Australia can supply meat that will meet the needs of people of all levels of income," he said.

## The Matter of Imports

In case you're interested, here are the details on beef imports as stated by E. Y. Berry of South Dakota in the House of Representatives:

Mr. BERRY. Mr. Speaker, with beef imports soaring to 100 million pounds in June, the highest monthly rate in 3 years immediate action is necessary by the Department of Agriculture to impose restrictions to avoid price decreases.

This rapid jump will push yearly beef imports to the same level that triggered the disastrous 30-per cent decline in domestic beef prices in 1963.

If the June pace continues, imports will reach 977 million pounds or far above the level which automatically triggers quotas at 890 million pounds.

The Secretary of Agriculture must not sit idly by and permit the bottom to fall out of the market before acting. The law, which this Congress passed in 1964, states that the Secretary must impose quotas if estimates indicate the beef flood will exceed the legal limit. Obviously, it is time for this action.

Cattle prices are on the increase and it appears the reason the administration is sitting on its hands on beef imports is to beat down beef prices before the fall run.

## Safeway & A&P under P&S

A U.S. circuit court of appeals has upheld an earlier U.S. district court decision and ruled that two national retail food chains—Safeway Stores, Inc., and the Great Atlantic & Pacific Tea Co., Inc.—are meat packers subject to the jurisdiction of The Packers and Stockyards Act. The U. S. Department of Agriculture has announced.

USDA's Consumer and Marketing Service said the case was decided in the U.S. Court of Appeals for the District of Columbia on Oct. 6.

The district court had ruled in September 1965 that the firm's manufacture and preparation of meat and meat food products for shipment in commerce constitute the operations of a packer within the meaning of that term as defined in the P & S Act.

## Meat Smugglers Problem

Outlaw activity in smuggling of meat from Mexico to the United States is causing serious trade and labor problems, a joint meeting of labor leaders from the two countries reported. Frank Garcia, international representative of the Meat Cutters and Butchers Union of the U. S. said that packing houses are closing and workers losing jobs in California, Georgia, Illinois, Minnesota and Wisconsin. He said smuggling has been going on for 10 years.



If you have been waiting for the government to come up with a yardstick for "income parity" you are in for a disappointment. When it comes, the new formula won't include higher prices to take the place of the gradually whittled down "parity" as a measure of how farmers are making out in comparison with non-farm segments of the economy.

If farmers want higher prices to come closer to returns comparable to that received by self-employed operators of businesses in the non-farm economy, they won't be able to lean on the new formula to show parity price is too low, whether with payments or not.

The new formula will abolish the parity-ratio as a measure of income entirely.

The cardinal principle of the new formula is that farmers don't need parity prices to get parity of income. This leaves farmers — what?

USDA has been sitting on the report since last spring on the grounds that full returns of the last agricultural census were not available at the time and were needed to make any such report as up-to-date as possible.

But the facts behind the hold up show that the report was held back with the approval of the two chairmen of the congressional agriculture committees though Congress ordered the report to be presented to that body by June 30, 1966. At press time, the Administration was still uncertain when to send up the report.

However, here is how the report is shaping in its final form:

The goal of 100 per cent of parity prices for farmers would be buried. Government has been subjecting the parity price formula to a slow death anyway by revising it every time the farmer made gains in efficiency.

So far, each time the farmer made gains by getting more and more out of his land or livestock by becoming more efficient, the government decided to change the formula to "reflect increases in efficiency" as the phrase went.

The word "reflect" in the phrase meant to take the gains away by supporting at a price actually lower, though the parity figure floors and limits read the same.

When, finally, even these devices turned up even lower parity ratio farmers began to talk of wanting "parity of income". This is how the call on USDA to come up with a new concept of income that would measure farmers returns in a more fair way became a part of the new agricultural Act.

But the new formula, like the parity price concept, will still leave farmers where more and more of them realize they were all the time: in the position of asking "how much will you give me?", unless they take action to set their own prices to cover their own costs and bargain collectively to get it.

Take a look at some of the gimmicks in the new formula. For one, an effort to set wage rates for the work the farm family does on the farm. So far, so good — family labor shouldn't count for nothing as if it were free. But also under consideration is whether to count the farmer's house and automobile as income. The city worker's home and automobile are not counted as income.

Percentage return on investment necessary to farm would be counted, too, but at what percentage? About 5 per cent has been under consideration. However, as the farmer increased his efficiency he would not get a higher price. The per cent return on investment would remain the same.

Note that in the case of the gradually revised ingredients of the parity price ratio, milk price supports began to fail to provide sufficient returns to keep the milk supply up, no matter how efficient the farmer became.

Hence a milk holdback action was necessary. Such actions on more and more farm commodities will be increasingly necessary as government programs fail to provide enough price insurance to give the farmer high enough returns to stay on the farm.

Whether Congress approves the formula and makes it part of the official criteria for measuring farmers returns or not, the formula won't bring about better farm prices by itself. The government will still have to set some kind of price guarantee floors for production plus payments to keep U. S. farm commodities competitive in world markets.

But unless farmers go out after their own prices, future farm prices under the new formula would still depend on the value put on the various ingredients that go to make up the "income parity" policy.

What this means is that government would increase the incentives on commodities in need, but only in such miserly amounts as it has in an effort to get more soybeans, dairy products, wheat and feed grains. Incentives would be lowered on commodities less in demand.

The answer to the whole problem of getting a fair price still is: determine your own price and then go out and try to get it the same as other businesses.

Who got the benefit of most of the increase in food costs in recent years? Here is part of the answer: food marketing employees' average hourly wages in 1958 were 65% above the 1947-49 average, but net income from agricultural sources (including wages) per farm worker was only 17.2% above the same base period.

Out of 4,783,000 farms in the most recent Census of Agriculture, there were only 134,000 which had total sales of \$25,000 or more per year. This is about one-half of one week's volume of business at a large supermarket.

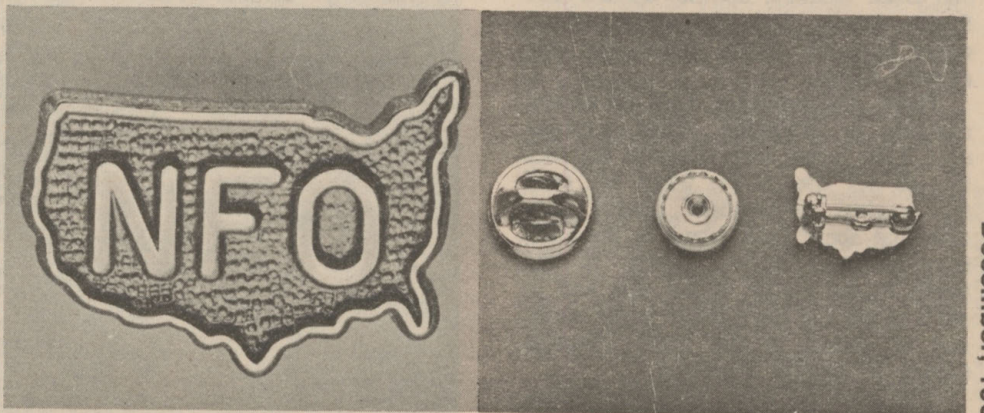
In the past 18 years, farmers have improved their efficiency more than in the preceding 120 years.

Today's homemaker no longer has to be concerned with "seasonal" food buying. Thanks to better farming and marketing, perishable fruits and vegetables are available from the nearest grocery store year-round.

Since the late 1930's, the number of people on farms has declined by one-third and actual number of farms by one-fourth. Yet the goods and services bought by farmers cost more than \$40 billion, or about 4 times the 1937-41 average.

Production per man-hour has increased almost four times as fast (90%) on farms as in industrial employment (24%) in the past 11 years.

## The Symbol of Distinction



Here is a new official design NFO member lapel pin, which is being sold through the Roger Johnson Company, 3212 Ingersoll Avenue, Des Moines. It was made available at the convention through a duly accredited representative. The pin is available in a clutch back, a screw post back, or a safety pin back — all at 75 cents each.



# NFOers ... the tall men in WYOMING



*Martin Brill, Torrington, Wyoming. Brill joined NFO because, in his words, "I realized that if everybody hung back we'd never get going." When Brill first heard of NFO, he saw immediately that NFO had the plan that would work. That's why he is helping NFO "get going" in Wyoming.*

Long before Owen Wister described his strong, silent Wyoming cowboy in *The Virginian*, an eastern word had gone west to become a state. Wyoming was named after the Wyoming Valley of Pennsylvania, meaning "upon the great plain." The plain is great, just as the snow-capped peaks of the Rocky Mountains in the west are great, and just as a new farm organization now forming along the eastern border of Wyoming is great. The organization, of course, is NFO. The type of farming: dryland and irrigated. The objective: the survival of the family farm in Wyoming.

There are 100,000 acres under irrigation in Goshen County, Wyoming alone, and NFO members account for a not insignificant number of those acres. Water, stored up by Gurnsey, Alcova and Glendo dams, has changed the face of much of Wyoming—but withal, some 95 out of every 100 acres are still used for grazing. Understandably, most of NFO's growth is to be found in the beet and bean country, in the Goshen and Platte County irrigated areas where water from the Platte makes the arid country bloom.

There are probably 9,500 all-around ranches in Wyoming. They average over 3,700 acres each. Despite the fact that 95 per cent of the acres are used for grazing, government figures indicate that some 7,000 farms in the state have irrigated acres, chiefly in the North Platte Valley in the east and in parts of the Big Horn Basin in the north, and of course in the great Fremont County in central Wyoming.

You hear the term "suitcase" farmers now and again because many of Wyoming's dryland farmers live in the towns during the harsh winters, and spend time on their dryland farms during the growing season. The term is somehow inaccurate, nevertheless.



*Irrigated farming in Wyoming. The land is full of distance, semi-arid, and filled to the brim with NFO potential. NFO has already established itself in Wyoming.*



*Wyoming NFOers Dave Stricker, Floyd Helzer, David Sittner and Arthur Helzer, all of Goshen County, pause for a Reporter snapshot. NFO farmers are not "accepting peasantry," the word has gone forth; that's the reason for NFO and collective bargaining in agriculture.*

Martin Brill, NFO's good right arm in Wyoming, knows almost every NFO member in the organized counties, and this requires him to have a memory worthy of Jim Farley, whose famous green ink signature and faculty for remembering names made him a legend during the Roosevelt years. Brill came to Wyoming from New York, where he was a dairyman, principally to find some living room. In the fast declining farm country around Torrington he perhaps has found too much of it.

## The Right Idea

When NFO crossed the border a couple of years ago, Brill was not the first to join. "I had seen organizations come and go," Brill now recalls. "And I joined most of them. I told the fellows at that time that ideas won't work an organization, that people have to work it. My neighbor wanted me to go to a meeting with him. I'd heard a little bit about NFO. Dave Grasmick was out, and he explained NFO, but I didn't join that night. Oh, they put the question to me. I said—"Listen, I've been through a lot of these things. A lot of you fellows are fireballs now, but are you going to be that way in another two or three months."

Brill, of course, knew whereof he spoke. He had been a milk producer serving New York City. He had seen organizations come in ready "to raise hell and put a block under it," and they all turned out to be found wanting. In every one that had been a missing element.

Almost immediately, Brill saw that NFO had the right idea. He agreed to go to some of the meetings. Slowly, by degrees, it became apparent that NFO had the plan that could work. "But will you work it?" he asked those who thought they could organize Goshen County "no later than yesterday morning."

Brill came in a few weeks later. He joined, because, in his words, "I realized that if everybody hung back we'd never get going." Dave Grasmick, in organization, had mentioned Brill to NFO headquarters before his untimely death, and so in the fullness of time Brill came to run his car well into its second 100,000 miles seeing to it that Wyoming farmers understood NFO and pooled their production with their neighbors for collective bargaining.

Fall is not the best time to see Wyoming. Spring is. But in either spring or fall, the country wears an unkempt and scrawny look these days. In towns like Torrington, with its Junior College, you still see a few young people, but on the land itself the youth is no more. An apathy hangs like a pall over the farms because of this. Here and there you find a youngster, but his dad is almost always being tortured over whether it is the right thing to encourage the young man to stay on the farm.

## Beyond Denunciation

Individually and in groups, anyone following the NFO story in Wyoming can find good members. "Jim Sinner," Martin Brill points out the house, modest, unchanged since the 1930s, not home. "Kenneth Webb." Not home. The land on which farmers live will not allow them to make a living without moonlighting either the farm, the job on the beetpile, or both. The sorrow is here, unspoken, and yet it shouts in a manner that weeping cannot symbolize. Irrigation ditches dug into the land with horse power three or four decades ago still function, but the production will not fetch a fair price in the markets dominated by processors who span the valleys. The failure is here, and it brings to naught all the great successes. . . The crime is here, and it goes beyond denunciation.

"It's plain spooky out there," someone said about the farm country that seems so abandoned these days. And your chances of catching someone home during daylight hours are almost zero, so dominated have the remaining farm-



## How

the front office in a big metropolitan newspaper keeps tab on coverage has found classic expression in the most mis-covered story since NFO. Except for one financial weekly in Denver, the big national story of housewives in revolt over high food prices was almost universally characterized by contradictions. Wire stories compounded basic errors, and the Denver Post could only explain: "We ran out of editors." At the Post, the management uses six editors to one reporter. "Since we had six reporters working on the housewives story, there was bound to be a foul-up."

The story was simply in the extreme. A few housewives in south Denver met for coffee. They discussed food prices, prices which the women felt were being manipulated upward week after week, possible because of persistent rumors that there would be post-election 1966 price freezes. Any casual shopper walking down the aisles of a chain store had every reason to make the same observation. Chains apparently were moving their prices upwards so as not to be caught in a low price posture should the government invoke rationing.

Using telephones and door-to-door techniques, the ladies spread word of their discontent. They elected a leader, a Mrs. Paul West, and they designed strategy. They would withhold their bus-

Mula said stores giving stamps either must discontinue their use, or make items with two prices. . . on showing the price with trading stamps & . . . the other showing the price without.

In Miami Beach, at a meeting of the National Association of Food Chains, the nation's number one grocer told militant housewives to direct their ire at the federal government for causing high food prices. Clarence Adamy, president of the association, said "boycotts will have little effect until the housewife recognizes and shows her resentment about the current inflation." Adamy said promotional gimmicks, such as trading stamps, are needed to draw volume. Only when volume is increased, said Adamy, can costs be reduced.

But the federal government didn't agree. In Washington, the federal Trade Commission came out with a report showing that the price of milk and bread jumped seven per cent in the first seven-and-on-half months of 1966. This, said the F.T.C., is due to retailers taking double and sometimes triple advantage of rising farm prices. Retailers not only passed on the higher farm costs, said the F.T.C., but "added to them by expanding their own gross margins, both absolutely and proportionately."

By early November it was "Don't Buy Day" in 40 cities in New York State.

those for potato washing at the big Wiggins plant, were all handed back to farmers, and that chains did not have many of the processing costs they said were driving up prices. Hessler did the unique chore of describing the farmer's position in the food business, and after that not a housewife's group in the U.S. blamed the farmer.

Without NFO spokesmen, working quietly in the background, the "revolt" would have been focused on farm prices by adroit chain store spokesmen. This was not done at least partially because NFO was on the job.

Homer Jackson of Rifle, Colorado, speaking before the Missouri State NFO convention gave direction to the examination. He commended the housewives for spotlighting for public inspection the chain monopoly issue, and in closing he told farmers to join housewives in seeking legislation that would restrict food chains, their activities—such as operating packing plants and feedlots—and their rates of profit.

Speaking before a Kansas City group, NFO Reporter correspondent Charles Walter, Jr. summed up the gist of the housewives revolt story, which follows anon:

The housewives have accomplished more in 35 days than a National Food

listic power to control wholesale and retail prices and this gives them dominance over city home makers, as well as over all of rural America. They dominate the livelihood of rural bankers, doctors, rural community businessmen, not just farmers. Their fantastic profits—gained both by controlling prices at the farm, and again by arbitrarily raising food prices at retail—is enabling them to take control of all food in America, from production on through retail.

## Farm Production

There are about 3 and one-fourth million farms in the country. The production from these farms—plus production of imported specialties and other sundry food sources, such as fishermen—is funneled into the facilities of approximately 30,000 processors. Food processed, frozen and packed by these processors for all practical purposes is handed to approximately 30 chains for distribution to 200 million American consumers.

This makes food retailing America's largest business. Last year the food costs to American housewives were about \$91 billion. Food sales are about twice those of steel.

Of greater significance to the housewife is the fact that the food retailers are strategically located between the suppliers of food products—farmers and processors—and the consumers. In this unique role the chain stores have explained that they are the "most efficient food distribution system in the world," that they are handing the housewife "a food bargain" because—in their words—"food marketing from the farm to the city supermarket has grown in efficiency."

The truth, with or without varnish, is that food retailers are taking an ever increasing percentage of the food dollar, whereas the farmer is getting less and the consumer is paying more.

The magic of understanding all this lies in understanding margins. Such margins are of interest only because they provide a rough measure of the cost of performing the retail function and because they are a key to the significance of seemingly small increases in gross margins. In a statement delivered to the National Commission on Food Marketing in May of 1965, Dr. Willard F. Mueller detailed how an increase of 1 per cent in gross margin involves over \$600 million. As chain store margins increase, either consumers pay more or suppliers receive less, or both. In recent years, it has been a case of both.

They charge what the traffic will bear. In recent weeks this has meant raising prices simply to be in a "high" position should the Administration impose price freezes. But food a bargain per se — no, not at this time.

Much of every 1 per cent increase in gross margin has to come out of the housewife's pocket, but even more has been coming out of the farmer's earnings. The processors are frequently owned outright by chains, and if not they fall under their complete economic domination. Processors can be "busted" almost at will by chains when they are not part of a vertically integrated setup.

## The Trend Starts

Where did all this start?

It was during the 1920s that most of today's leading chains achieved a prominent place in food retailing, usually through acquisitions involving some 6,000 stores. By 1929, five chains, each with annual sales of over \$100 million, accounted for 25 per cent of all grocery store sales in the U.S. The other 75 per cent remained in the hands of small operations that on an average grossed \$50,000 per year.

During the Depression of the 30s, the idea of the supermarket was introduced by independents, largely as an answer to the chain. The main weapon of the supermarket was price competition.

(continued on page 6)

## The Questions Got Serious

# The HOUSEWIVES REVOLT



*Inevitably, housewives started asking serious questions about the food business. The answers they got from industry were found wanting. Only when talking to farmers, NFO farmers, did the ladies get straight answers. Today, housewives who have researched the chain store and food question are agreed that farmers are not to be blamed "at all" for the rapid creep of inflation in food at the chain stores. Mrs. Paul West is shown here being applauded at the recent NFO meeting in Milwaukee.*

iness from major chains and buy their groceries from independent stores, even though this meant driving great distances in order to do the shopping. Typing handbills for publicity, and spreading the word the hard way, the ladies tumbled prices in a hurry. Radio stations picked up the story, and, belatedly the press got into the act. In the words of Cervi's Journal reporter, Douglas Bradley, "The artful 'play' to favor the supermarkets and combat the housewives campaign by story changes and insertions emanates from top editorial levels," presumably the six editors who stand guard over what each single reporter has to say. Thus the boycott was "called off," according to the Post, one chain was "exempt," the ladies were quoted as doing certain things even though they had never talked to the reporter in question. Viewed from a vantage point anywhere near the center of the storm, the whole thing took on a comic opera effect as far as press coverage was concerned.

Almost overnight the "Housewives revolt" story leap-frogged into other cities. The pickets wore skirts.

Women in Warwick, Rhode Island, and across the nation picked up the battle-cry. "Denver did it. . . so can we" said some 30 housewives as they began distributing flyers outlining plans to march in front of supermarkets this week end.

In New York, a former state legislator, John La Mula, threatened a boycott of supermarkets throughout the state which gave trading stamps. La

Inevitably, the revolt got to asking serious questions. The ladies who had hardly delved into heavy economics, suddenly found themselves looking at statistics and learning a great deal about the chain monopolies.

Mrs. Esther Peterson came out from Washington to appear on a panel program in Denver, and some irresponsible political papers made capital of the fact that she was photographed with Denver leader, Mrs. Paul West. But in the end Mrs. Peterson contributed little to the dialogue. The expenditure for food was not bad, she said. The music in the stores was nice, she said. The services and the packages were delightful, she said.

Chain store executives, of course, made pronouncements, and farmers under contract to chains, of course, also made pronouncements. But the answers that were being handed to housewives across the nation violated simple arithmetic. They did not add up. Farm prices were up, the housewives were being told. Food was a bargain, the litany went. But still the ladies wanted to know.

One TV personality in Denver contacted NFO. He wanted facts, not double-talk, and he knew NFO well enough to realize that something more than glittering generalizations would be forthcoming from any good NFO spokesman.

The spokesman turned out to be Louis Hessler of Wiggins, Colorado. He confirmed what Gene Cervi of Cervi's Journal had said, that chains were dominating markets, squeezing farmers. He described how processing costs, such as

Commission accomplished in 350 days. They have among other things spotlighted for public inspection the chain monopoly issue.

It has been observed before that chain stores are not in competition with each other to the extent that their volume of business would indicate. For instance:

1. There is the simple fact that the major chains operate in fairly well defined sections in different parts of the country.

2. More important, there are 25 major chains that do close to 85 per cent of the nation's food business.

As for the "housewives revolt," certain things are evident:

1. The action of the housewives is spontaneous. It has not been prompted by any consideration other than the quite obvious fact that food prices have been rising dramatically, and many people can no longer pay their food bill.

2. The women have pointed up in no uncertain terms their observations that chain stores are gouging the housewife at the consumer level, and manipulating prices downward at the farm level.

3. The women have displayed an understanding of the farmer's position under the chain store monopolies that is more sophisticated than any understanding being voiced by some farm leaders and most government farm administrators.

Briefly, America's food bill is about \$91 billion.

The top 25 chains handle 85 per cent of it. They handle unrestricted monopoly



# The HOUSEWIVES REVOLT

Over two decades, the number of supermarkets grew from a scant 300 in 1932 to around 15,000 in 1950. During this period the corporate chains share of grocery sales remained rather stable—a decline occurring during World War II being offset in the immediate post-war years.

It was the supermarket idea, in the final analysis, that accounted for a complete change in grocery retailing. Tens of thousands of small Mom and Pop retailers vanished from the scene as their business was absorbed by the supermarkets of either independents or chains.

## Economic Detective Work

Economic detective work requires good statistics. It is impossible to pinpoint with precise detail the changes wrought during the decades supermarkets came into being, because perfect data is not available. Fairly reliable statistics covering the 20s indicate that there were no marked trends in gross profit margins of large chains. The average for all chains covered was 20.3 per cent during the 1926-30 period. There were no great differences in margins by the size of chains.

The only information for the entire period since the late 1920s is based on published data for Safeway, Kroger and American Stores, which were second, third and fourth largest chains in the country. Based on the Safeway-Kroger-American Stores data, gross margins average around 18 per cent in the late 1920s, rose during the Depression, and then held steady at about 20 per cent until 1939. Margins declined during the war years, partially because of controls, but also because of changes in accounting procedures.

From 1947 to 1952, the margins held steady at about 15 per cent. There is only a small variation in all this, whether approached through the Harvard-Cornell studies, IRS data, or Market Institute figures. Data from the Federal Trade Commission showed average margins of all corporate chains rising from 16.8 per cent in 1954 to 18.5 per cent in 1958. The largest increase occurred among chains with sales exceeding \$100 million.

When we translate all this into English, we have to ask: In short, is there a clear cut economic mandate for an unregulated chain store system that attacks the standard of living of both the consumer and the primary producer?

## Nonprice Competition

We all know what has happened. The economists call it "Intensification of nonprice competition." Stores in the main have "not" been competing by handing the housewife a food bargain. They have competed by spending heavily on institutional advertising, more elegant store buildings, bingo games, trading stamps, Sunday hours, and so on.

Let's just take trading stamps. Trading stamps, legend to the contrary, are not free. Just for one example, look at a recent Wall Street Journal report of a financial statement by Sperry and Hutchinson, the firm that produces S & H Green Stamps. The company has assets of more than a quarter of a billion dollars—every bit of it pennied out of the housewife budget and the farmer's hide. Last year the profits of Sperry & Hutchinson jumped almost 20 per cent. The year before that S & H profits had increased 42 per cent. These profits, increased despite the fact that the trading stamp business is not expanding as fast as it used to. The S & H Green Stamp business is owned by a family named Beinecke. The elder Beinecke, who is around 80, is Chairman of the Board. He was paid \$200,000 last year—about \$100 an hour. Four other corporate officers each get \$100,000 or more. By the way of contrast, a farmer

milking 100 cows in the Philadelphia milkshed gets hardly 90 cents an hour, based on a 3,000 hour year.

Nor does the fact that a state has no stamps absolve it from paying the price anyway. Large chains tend to take what the traffic will bear in one area, where they may have no competitors, and pour the profits into an area where competition is keen.

Stamps, and carpets and music! Non-price competition has made the cost of doing business go up for everything—except the price the farmers were to get for their pre-processed production. Uneconomic practices have become part of food retailing. Thus much competition merely shifts housewives from one brand to another—at the cost of terrific ad expense—just as trading stamps stalemate each other when all stores use them. When brands proliferate and coupons clutter up the cash register, they too become uneconomic practices. The housewife pays and the farmer pays.

Gross profit margins are about 4 to 5 per cent higher today than they were in 1947 to 1951-52 period—an era in which American farmers were being paid a fair price for their production.

## Gross Margins

Food retailers have claimed that the widened gross profit has not resulted in a bigger net. They like to express earnings in terms of a per cent of sales, and thus you hear that chains make a profit of 1 and one-fourth per cent. They neglect to tell you that they make this 1 and one-fourth per cent every time they turn their stock—and thus honesty requires them to multiply this 1 and one-fourth times the annual turnover.

Food chains like to claim that labor costs are too high, yet the House Committee on Agriculture has demonstrated that food industry employees get 29 cents less than the average of employees in manufacturing. (At the same time, returns per hour of farm labor and management declined from 1947 to 1955 and began a slow rise in 1964. Farmers now get only 5 cents an hour more than they got 17 years ago.)

The profits that have been used to bring under domination of 25 chains some 85 per cent of the food business could not possibly have been as low as chain store spokesmen would have you believe. Even after the fancy stock deals have been made, the mergers consummated, even after funds have been poured into integrating poultry houses and feedlots, the grocery chains average nearly 13 per cent profit on their capital investment.

## Chains Dominate

In the matter of buying, let's take red meat.

It has been established by the Food Marketing Commission that 23 chains do not have procurement agencies. They use a market guide known as the "yellow sheet." This is a market publication that lists the prices of dressed beef, pork, lamb, dairy products, etc. These 23 chains use the yellow sheet to determine for them the prices they will pay to processors, and processors in turn have to reflect yellow sheet prices in their bids at auctions or direct buying from farmers. The two major chains do have their own procurement departments—consequently the yellow sheet is no more than a market report on prices being paid by the two major chains.

In short, half a dozen men out of 200 million people fix the price of dressed beef for the nation each week. Half a dozen men can unbalance every housewife's budget in America, break the farmer, and answer to no one.

Here is a quote from a comprehensive 100 page plus report by the Federal Trade Commission:

—The structure of food retailing is sufficiently oligopolistic to give large

retailers considerable discretion in pricing individual items. Hence, as their costs rise, for whatever reason, they are in a position to pass them on in the form of higher prices to consumers or lower prices to suppliers. . . commonly called administered pricing.—

What FTC does not say in so many words has become obvious. The food business is probably the only major one in America in which systematic liquidation of the primary producer (the farmer) proceeds as a matter of policy.

In nations where agriculture has gone to corporation farming, the corporation ultimately require more to produce food. In nations where titled individuals own all the land and hire peasants to do the farming, people pay from 33 to 50 per cent of their income for food. This is where we are heading—and when you find yourselves paying 50 per cent of the family income for food, you will most assuredly lower your standard of living.

The housewife and the farmer stand in the same corner. They have a problem to solve. Housewives know who is driving up the prices. They must band together in a united effort to obtain law from Congress that will classify

## PART II

# An Analysis of Supply and Demand

The jungle was populated by two types of beasts—herbivores which ate plants, and carnivores which ate the herbivores. There the law of supply and demand maintained a perfect balance between production and consumption.

If plant growth became scant, or failed, the herbivores suffered a depression. They became weak for want of food which made them easy prey. Temporarily, the carnivores enjoyed great prosperity. But since the supply was not replenished, it soon became exhausted. The carnivores starved in sympathy with the herbivores.

As plant growth again became plentiful, prosperity returned for the herbivores. The carnivore population increased in direct proportion as the herbivore population became larger.

Herbivore prosperity spelled carnivore prosperity. Conversely, herbivore depression spelled carnivore depression. But carnivore prosperity at the expense of a herbivore depression is comparable to the stock market crash of 1929.

The wolves of Wall Street grew fat and enjoyed unparalleled prosperity devouring the poor, weak farmers in the 1920's. But when their bones were stripped bare, the wolves starved along with the farmers they had robbed.

## Strong and Weak

The carnivores were strong and vicious; the herbivores gentle and weak. But in the final analysis they were totally interdependent. The carnivores feasted on the misfortune of the herbivores only to find themselves without food.

It may be argued and perhaps justly so, that currently more people are living an underprivileged condition than in any previous time. The higher civilizations of the past have risen, the greater has been the inequality between the strong and the weak—the haves and the have-nots.

The Pharaohs of Egypt drove their slave-hordes to perpetuate the rulers' glory throughout eternity by building pyramids.

Nebuchadnezzar forced his underlings to build the hanging gardens of Babylon to please his favorite wife.

President Eisenhower was banqueted in regal splendor in Spain December 1959. At the same time thousands of Spain's peasant families were squatting on dirt floors ladling soup out of a common bowl.

Situations like the above, taken from antiquity and the present, illustrate how the law of supply and demand was bypassed for the benefit of the haves at the expense of the havenots. The strong appropriated a major share of the supply

chains as monopolies, and regulate them—their rate of profit, their efforts to vertically integrate, and their dominance over markets (buying and selling)—a domination which is enabling them to "pace" the rate of farm bankruptcy as it becomes convenient to take over the family farm under a corporate type agriculture.

\*\*\*\*\*

## Probe Needed

The housewives revolt may be here to stay, or it may fade away, but without a federal probe into the economic consequences of allowing chain monopolies to continue driving the family farm to the wall, the great effort may spend itself, leaving the old force of chains in command of the field. Certainly the chains expect to emerge without a scratch, as evidenced in this release from the Supermarket Institute recently. Said the Institute: "Food prices probably will go up again next year despite the new rash of housewife boycotts. Michael O'Connor said in Chicago that prices probably will level off at a high later this year and then rise again in 1967."



DAVID J. SCHWARTZ

In his book, "The Sick Man of the American Economy," Schwartz disposes of false concepts concerning the law of supply and demand, surpluses, subsidies, parity — and disparity — as they relate to agriculture; shows why widely touted "remedies" have failed; and offers constructive formulas for making basic principles, properly applied, work. He also takes a long look at the coming population "explosion," scientific farming, and automation in agriculture.

The paragraphs included here concern supply and demand, a topic on which Schwartz sheds light and one that makes his book worth reading. Those interested may want to order a copy directly from David J. Schwartz Sr., R.R. 1, Road 27 North, Berne, Ind., \$4.00 postpaid.

to themselves and the demand of the weak was unsupplied.

## Victimizing The Farmer

From this premise we shall evaluate the problem as to why the law of supply and demand fails to operate equitably for the farm economy in relation to other segments.

(continued Next Month)



# GENEVA NEGOTIATIONS HOLD PROMISE FOR RAISING FARM INCOME THE WORLD OVER

*an editorial comment on the role of the United States  
in determining world commodity prices and American farm prices*

The negotiations which will soon be going on in Geneva under GATT offer for the first time an opportunity for development of world wide trade agreements that would raise American farm income above its present level. In fact, the decisions made at Geneva can be more important than any farm legislation considered in the last 20 years. NFO is taking an active interest in these negotiations because a rather basic question has been asked, and the answer has not been forthcoming.

Is our State Department going to lead the bid for lower farm prices in the world market, or will the thinking of those who have turned their back on low world commodity prices prevail? Without the advice of farmers and USDA to lean on, negotiators seem ready to follow the mistaken lead of those who seek ever lower farm prices in world markets, lower prices which can be translated into low American farm prices.

This is the new challenge to NFO — to expose the fallacy of the low world commodity prices concept.

It is a different challenge that confronts not only the farmer, but the national leader as well. It is a stark, desperate, yawning, colossal challenge — and how it is answered will determine whether international leadership for world peace will pass from the United States to Europe, even whether the United States will participate in an attempt to effect international economic stability, which is the first prerequisite for peace.

The negotiations that will soon get underway in Geneva will deal with the matter of setting a new world price for certain basic commodities, chiefly wheat. So far, there has been a great deal of disagreement between the United States and the Common Market on the one hand, and between the United States and Canada, Australia, New Zealand and other wheat producing countries on the other. The big stumbling block seems to be that the United States Representative in Geneva, Mr. Christian Herter, wants a world price for wheat lower than

the world price other wheat producing nations seem ready to accept. This is not a misprint. The word is "lower." But why?

In recent years the United States has become dedicated again to laissez-faire economics. When the nation was founded, the basic idea of laissez-faire was scrapped — chiefly at the insistence of old Ben Franklin. But the old system, dedicated to maintaining low raw material prices, is very much in the saddle in this modern era.

There are four basic conditions under which laissez-faire has to operate, and fulfillment of these conditions is always fatal to world economic stability.

The first of these is "free contract between employer and employee." In a word, no unions. Jeremy Bentham and David Ricardo found "economic laws" to justify the harsh realities of labor conditions, but on the firing line of trade, low wages in industry simply mean that workers cannot consume the production of their economy. This requires an economy to seek markets elsewhere.

The first law of laissez-faire naturally leads into the second law: free export of goods.

There never really has been a time when laissez-faire held sway completely. Human consciences would not allow forever some of the conditions that developed, and there were laws to raise wages. But, said the Benthamite, that does no good because you can't raise the wages of foreigners. So all that happens is that a foreign competitor captures your market. Thus it can be seen that unless laborers and farmers and service industries earn enough to consume the production of their nation, that nation must look to foreign markets for outlets. They thus require free export, and free export implies free imports. Bargained wages in the United States coupled with free imports are, indeed, allowing foreigners to capture American markets. And world prices for farm commodities produced under the American cost-of-production schedule (which is twice as high as

the schedule in most of the world) are driving American farmers into bankruptcy.

All this, it has been reasoned, could be avoided with tariffs — but again, laissez-faire has its condition number three — free export of capital. Export of capital has never been challenged, and in the long term it can bring back into play the first two conditions of laissez-faire simply by starving local markets in the same way that low wages and low farm income starve local markets.

The last condition of laissez-faire is metallic money, because the principle of partial metal backing makes it possible for money to be the only real citizen of the world. The money system makes free export of capital a working reality.

The discussions in Geneva must proceed with this basic structure in mind, and they are so proceeding. But one thing has changed. The Common Market countries have turned their back on at least three conditions of laissez-faire. They no longer look for a profit by exploiting labor, just as they no longer look for a profit by exploiting the farm producer. Therefore, they have variable levies (tariffs) on imports with which to protect markets from low-cost producers, and these levies require a higher price for wheat and corn, among other things. They realize that the ultimate consequence of low world commodity prices is to subject every "developed" economy to having to accept the same rate of wages as those accepted in the lowest paid country involved in world trade. This cannot be accomplished without a depression, and the policies that drive world commodity prices down are fairly tuned in on creating such a world depression.

If our government policy is for low prices in world markets, then every farm organization must use its leadership to bring exposure of this policy to the public — exposure of its consequences not only to the economic stability of America, but to the prospects of peace in the rest of the world.

It is a matter for common observation that the internal market of the U. S. has become limited because too much of the earned income has gone to the far corners of the world, either as foreign investment or as a governmental attempt to wetnurse much of the world, or to fight the world's wars and keep it on relief. The natural decline in purchasing power has been stalled these many years simply by floating more debt.

In the meantime, Bulgarian cheese, Japanese electronic equipment, European manufactured goods — all produced under an income structure hardly \$500 per capita a year vie with American production produced under a per capita income structure of \$2,400 a year.

The shock waves have become intensified because American farm production rides along at world prices, whereas manufactured goods command a price closer to American cost-of-production parity. But the shock waves have to be absorbed as best possible. This has come to mean that American farmers must be processed into bankruptcy, business has to operate with a declining rate of profit, and corporations have to protect themselves with wave after wave of mergers, elimination of competition through market domination, and also through removal of bargained wages with automation.

In a word, Mr. Herter is not only talking about wheat in Geneva. He is talking about American public policy — and about the future of America. The time has come for American diplomats to abandon their re-discovered laissez-faire economics and look reality squarely in the eye. NFO has already gone on record in communicating the mandate for an improved world commodity price structure. Farmers, all Americans, indeed, the people of the world, cannot afford to permit the sterile policies of laissez-faire, of low world commodity prices, to prevail any longer.

## TAPE RECORDED HISTORY

History can never dispute what went on at the 1966 NFO Convention in Milwaukee. Every word was caught and recorded by tape recorders — some of which belonged to interested sociologists and NFO members, and one of which made the record for the NFO historical record. Here is a section set aside for those interested in taping the NFO proceedings. A few members of the press came too late for seats in the overcrowded press section, and settled for working space among the electronic gadgetry.





(continued from page 1)

# NFO convention

# DELEGATES VOTE

The action climaxed an enthusiastic two day session, termed by officials as the most productive and most successful in the history of the organization.

NFO president Oren Lee Staley and Dairy Commodity Department Head Albin Rust had both called attention to shrinking dairy herds and the real danger that the present milk shortage would attain disastrous proportions if dairy farmers did not make a stand for higher prices and contracts immediately. Both leaders stressed that a target price for Grade A should be \$6.05 per hundredweight, and \$5.00 per hundredweight for manufactured milk.

During the opening session on December 7, NFO Vice President Erhard Pfingsten used Economic Indicator to inform the delegates that farm income figures were largely fictional, and to prove the point that consumer food prices will be four times higher if food production falls into the hands of giant corporations. Pfingsten noted "that the housewife of this nation is very, very fair if she's given the opportunity to know the facts."

In seconding the call for a milk holding action, Pfingsten pointed out that beer costs 80 cents a quart, pop 60 cents a quart. "We're selling our milk so cheap that they don't think it's worth drinking." Pfingsten said every businessman, every farm organization, everyone "I talk to tells me that they are all for the farmers having a fair price. . . I appreciate it, but it's not going to get us anything. We are not going to wish ourselves out of the hole. We have to get ourselves out and what other method is there but the one that the NFO is proposing—collective bargaining?"

Collective bargaining for agriculture was endorsed across the board by Democratic Senators William Proxmire and Walter Mondale, and by Republican Congressmen Alvin O'Konski and Melvin Laird.

## "You Must Organize"

Senator Proxmire of Wisconsin not only endorsed collective bargaining, but warned the farmers that "if you are going to improve your income you must do it the way every other successful group in American history has done it. You must organize." Proxmire called the present parity a depression figure and urged farmers to bargain together and sell together.

Speaking on the second day of the annual conclave, Senator Mondale renewed his plea for a fair farm budget. He applauded NFO for supporting this measure because without it no one will ever be able to "correct a monstrous wrong," the Senator said. Mondale noted that there was a clear cut identity between what American consumers pay and what American farmers receive. He detailed how the low prices farmers are forced to take are in fact subsidies to the consumer. "When will American farmers tire of subsidizing the public?" he asked the applauding crowd.

Commenting on REA, Mondale pointed to the high sense of duty NFO had displayed in pushing for a re-financing bill in the summer of 1966. And in a word on the food for peace program, Mondale said "farmers must be assured a fair price if they are to expand production."

## Income Fiction

During the evening session on December 7, Representative Alvin O'Konski assailed USDA figures which defined farm income in the aggregate. "Meat eaten on the farm is computed as income, rent for a farmer living in his own home is income," O'Konski said, "and I suspect they're charging you for having a Sears-Roebuck catalog on the farm as income." O'Konski, interrupted

from time to time by heavy applause, said women and children work for nothing on the farm, and without any return on investment the average farmer earns less than half the minimum wage fixed by Congress for industry. "No segment is asking for less than the American farmer," O'Konski said. "Until you achieve your goals, you aren't going to get what you have coming," the Congressman went on. "You aren't going to achieve it through Washington. The federal government is using the farmer to subsidize the consumer." Instead of being used to keep farm prices up, O'Konski noted, the Commodity Credit Corporation is being used to keep farm prices down.

## NFO Progress

Congressman Melvin Laird appeared before the jam-packed rows of delegates during the evening session on December 8. Laird agreed with earlier speakers that farmers were subsidizing consumers in an era of "profitless prosperity," and asked for fair competition for the farmer. The Congressman noted that foreign cheese delivered in New York at 10 cents below the cost of production in the U.S. was being manufactured under conditions that would not be tolerated in America.

Laird also went on record favoring a "truth in budgeting" measure, and predicted that such legislation will be passed.

Senator Gaylord Nelson of Wisconsin made a surprise visit before the convention and made a few informal remarks.

Special attention to the business of the conclave became evident when President Staley reported to the delegates on NFO progress.

In presenting his State of Affairs of the Organization report, President Staley told delegates that "the wave of the NFO collective bargaining program is the wave of the future." Staley went on to detail progress in meat and grain marketing, and then focused attention on a milk price situation which has "caused dairy farmers to sell their cows for slaughter." Point by point, the NFO leader analyzed the reason for sinking milk prices in the face of scarcity:

"The reason dairy farmers' prices continue to be low is because they have not used their bargaining power, and the big stumbling block in dairy bargaining is the fact that a sufficient number of groups have not been willing to



*Symbolic of "cutting off the milk," NFO Milk Commodity Department Head Albin Rust is shown here tying a green ribbon. The cow is Lowell Admiral Kay, owned by Robert Larson, NFO President of Racine County, Wisconsin. In 305 days, Lowell Admiral Kay produced 17,105 pounds, 3.7 test. The animal was born August 5, 1963.*

join in a legal structure so a marketing agency in common could be effectively established so that the dairy producers are represented with equal strength of the buyers."

Staley told the delegates that the



A section of delegates at the NFO Convention in Milwaukee, December 7 and 8, 1966

NFO has tried every means possible to avoid the use of a holding action, "but it is becoming more apparent that dairy buyers and processors are not going to pay dairy farmers an adequate price for dairy products unless producers demand the price and back up the demands with their production." (An abstract of the Staley talk appears elsewhere in this issue.)

Both President Staley and Vice President Pfingsten were returned to office by acclamation. NFO attention was focused on the growing strength of the organization in the addition of three more members to the National Board of Directors. One Director was added for each of Michigan, New Jersey and North Dakota. All directors nominated by state conventions were elected to office by the entire NFO delegation. They are:

ILLINOIS—Merle Willard, Pittsfield; Gene Potter, Sterling; Bob Kessler, Louisville.

INDIANA—Glen Utley, Fort Branch; Don Myers, Waterloo; J. W. McKinsey, Thortown.

IOWA—Harvey Sickels, Fontanelle; Jim Stewart, Columbus Junction; Willis Rowell, Edgewood.

IDAHO—William Hepworth, Rupert. KANSAS—Chris Walker, Mayetta; Don Evertson, Melvern.

KENTUCKY—Earl Hatcher, Hodgenville.

MICHIGAN—John Kuch, Unionville; Eldeen Jones, Charlotte.

MINNESOTA—Oras Kanerva, Zim; Ralph Kittelson, Appleton; Pete Nagel, Amboy.

MISSOURI—Fred Deardorff, Auxvasse, Rhea Hackler, Long Lane; Elmer F. Bell, Jr., Warrensburg.

NEBRASKA—Val Akerlund, Valley; Bill Sellhorst, Dodge.

NEW JERSEY—Henry Douma, Hackensack.

NORTH DAKOTA—Clarence Stockstad, Milnor.

OHIO—Ralph Hoover, Fostoria; Raymond Zumbrum, Union City, Indiana; Art Phillips, Greenfield.

SOUTH DAKOTA—Kenneth Stofferahn, Humboldt; John Oster, Ethan.

WISCONSIN—Robert Manke, Arlington; Ed Graf, Tomah; Robert W. Retig, Withee.

## An Appeal To Unite

In other activity, the NFO in convention voted to call "on all general farm organizations and commodity groups to unite their efforts wherever legally possible to establish farm prices at a sound economic level, so as to maintain a

sufficient supply of agriculture commodities to feed an ever increasing American and world population." The NFO also went on record favoring the Patman bill, which would return control of the Federal Reserve system to Congress, and voted in favor of farm credit policies "to insure the continuation" of the family type farm. During pre-convention sessions at the headquarters hotel, the Resolutions Committee under Gene Potter and John Oster hammered out statements of policy which the delegates accepted.

Be it resolved that farm commodities purchased by the Federal Government for whatever purpose be charged to their proper department, other than USDA, be it further resolved that strategic reserves be established and marketed only to maintain condition.

Be it resolved that the CCC continue a resale program on grain, refrain from calling in sealed grain prematurely, and submit to an extension of maturity date on same to avoid depressing prices and to better effectuate collective bargaining.



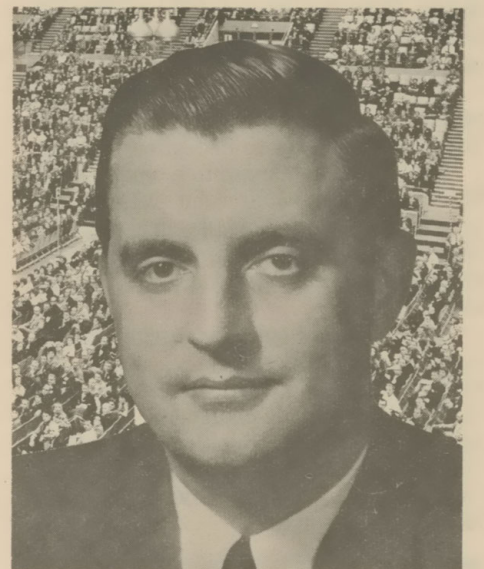
Senator Proxmire of Wisconsin. "If you are the way every other successful group in America"



# DELEGATES VOTE MILK HOLDING ACTION FOR THE FUTURE OF AGRICULTURE



A section of delegates at the NFO Convention in Milwaukee, December 7 and 8, 1966. NFO members in convention were "all business," and their trip to Milwaukee was undertaken for the most serious of reasons.



Senator Walter Mondale. "To correct a monstrous wrong," he renewed his appeal for a fair farm budget bill, and applauded NFO for supporting the measure.



NFO Field Staff Department Director, Lloyd Fairbanks, explained the scope of activity involved in servicing old areas and organizing new areas in his report to the convention.

NFO has tried every means possible to avoid the use of a holding action, "but it is becoming more apparent that dairy buyers and processors are not going to pay dairy farmers an adequate price for dairy products unless producers demand the price and back up the demands with their production." (An abstract of the Staley talk appears elsewhere in this issue.)

Both President Staley and Vice President Pfingsten were returned to office by acclamation. NFO attention was focused on the growing strength of the organization in the addition of three more members to the National Board of Directors. One Director was added for each of Michigan, New Jersey and North Dakota. All directors nominated by state conventions were elected to office by the entire NFO delegation. They are:

ILLINOIS—Merle Willard, Pittsfield; Gene Potter, Sterling; Bob Kessler, Louisville.

INDIANA—Glen Utley, Fort Branch; Don Myers, Waterloo; J. W. McKinsey, Thorton.

IOWA—Harvey Sickels, Fontanelle; Jim Stewart, Columbus Junction; Willis Rowell, Edgewood.

IDAHO—William Hepworth, Rupert. KANSAS—Chris Walker, Mayetta; Don Evertson, Melvern.

KENTUCKY—Earl Hatcher, Hodgenville.

MICHIGAN—John Kuch, Unionville; Eldeen Jones, Charlotte.

MINNESOTA—Oras Kanerva, Zim; Ralph Kittelson, Appleton; Pete Nagel, Amboy.

MISSOURI—Fred Deardorff, Auxvasse, Rhea Hackler, Long Lane; Elmer F. Bell, Jr., Warrensburg.

NEBRASKA—Val Akerlund, Valley; Bill Sellhorst, Dodge.

NEW JERSEY—Henry Douma, Hackettstown.

NORTH DAKOTA—Clarence Stockstad, Milnor.

OHIO—Ralph Hoover, Fostoria; Raymond Zumbrum, Union City, Indiana; Art Phillips, Greenfield.

SOUTH DAKOTA—Kenneth Stofferahn, Humboldt; John Oster, Ethan.

WISCONSIN—Robert Manke, Arlington; Ed Graf, Tomah; Robert W. Retig, Withee.

## An Appeal To Unite

In other activity, the NFO in convention voted to call "on all general farm organizations and commodity groups to unite their efforts wherever legally possible to establish farm prices at a sound economic level, so as to maintain a

sufficient supply of agriculture commodities to feed an ever increasing American and world population." The NFO also went on record favoring the Patman bill, which would return control of the Federal Reserve system to Congress, and voted in favor of farm credit policies "to insure the continuation" of the family type farm. During pre-convention sessions at the headquarters hotel, the Resolutions Committee under Gene Potter and John Oster hammered out statements of policy which the delegates accepted.

Be it resolved that farm commodities purchased by the Federal Government for whatever purpose be charged to their proper department, other than USDA, be it further resolved that strategic reserves be established and marketed only to maintain condition.

Be it resolved that the CCC continue a resale program on grain, refrain from calling in sealed grain prematurely, and submit to an extension of maturity date on same to avoid depressing prices and to better effectuate collective bargain-

ing efforts.

Be it resolved that NFO favor the passage of the Congressional bills, truth in lending, truth in advertising, truth in packaging, and minimum wage for agricultural workers.

NFO favors pursuing present investigation of the concentration of power in the food industry, utilizing all power available.

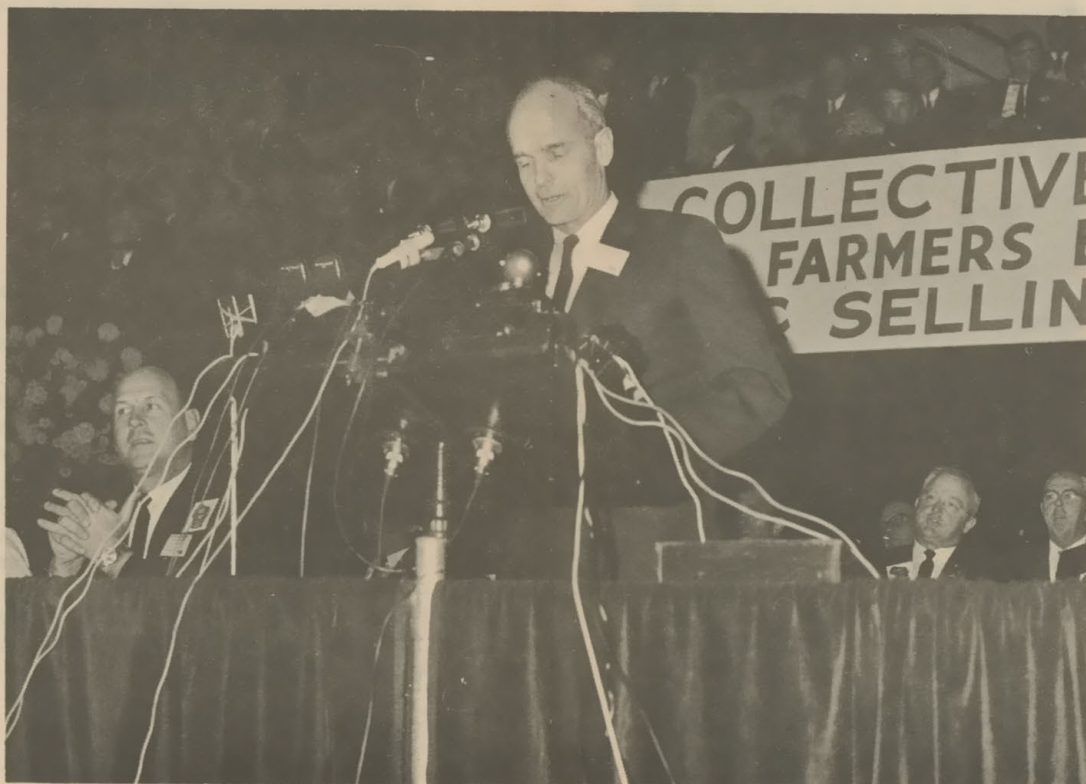
Be it resolved that NFO go on record in support of any legislation that will help increase net farm income, such as the previous McGovern and Mondale bills; be it further resolved that NFO will vigorously oppose any legislation or Government actions that will depress or maintain low farm prices.

Be it resolved that the Packers and Stockyards Act be amended to give the agency jurisdiction of all processors and handlers of agricultural commodities and authority to prohibit vertical integration of same; including the separation of processing from retailing and producing. Be it further resolved that processors and handlers be required to ac-

(continued on page 10)



Wisconsin Congressman Alvin O'Konski and NFO President Oren Lee Staley. O'Konski warned that farmers are being processed into extinction by government's programs, because ultimately the farmer "subsidizes the consumer."



Senator Proxmire of Wisconsin. "If you are going to improve your income you must do it the way every other successful group in American history has done it. You must organize."



Is the farmer up the creek without a paddle? Not this Ohio delegation, which came well supplied with paddles. Ralph Poggmeyer explained that anyone not caught paddling for NFO — got the paddle! A gold paddle was later given to each NFO President Staley and NFO Vice President Pfingsten.



## NFO Delegates Vote Holding Action

Continued

quire and maintain surety bonds to guarantee payment to producer supplies. Be it further resolved that sufficient funds be allocated to implement and enforce the provisions of the Packers and Stockyards Act.

Be it resolved that the NFO go on record as being opposed to the new parity system, due to deception created.

The By-Laws Committee under Glen Utley and Ken Stofferahn refined the governing statutes of the organization. Details of changes endorsed by NFO delegates appear elsewhere in this issue.

Other Committees in session before opening day, December 7, were Arrangements, Ed Graf, chairman, and Robert Manke, co-chairman; Election and Tally, Rhea Hackler, chairman, Ralph Kittelson, co-chairman; Credentials, Merle Willard, chairman, John Kuch, co-chairman.



Congressman Melvin Laird. Farmers are subsidizing the consumers in this era of "profitless prosperity," Laird said. "All we want is fair treatment." Laird said he supports the fair farm budget bill.

The Convention also heard Department reports from Chief Negotiator Gordon Shafer and from Dairy Commodity Head, Albin Rust; and Grain Commodity Department Head, Herb Goodman. Meat Commodity Department Head Bill Lashmett was unable to attend the convention because of a bout with pneumonia, but a Meat Commodity report was given to the convention by Gordon Shafer, NFO Chief Negotiator. The Grain Commodity Department report rated special attention across the nation because it served notice on elevators, grain handlers and Board of Trade executives that farmers will hold their grain and priced to regulate its flow onto the market.



Over 1,600 Catholic farmers attended a 6:30 a.m. mass in the convention Arena prior to the opening session on December 8, the Feast of the Immaculate Conception. Msgr. John G. Weber, Executive Secretary of the Catholic Rural Life Conference, officiated. In a short sermon, Msgr. told the farmers to look to the teachings of the Church in their search for justice in the marketplace. "We have duties to take positive actions," he said, "but we have an equally compelling duty" to guide those actions so as to comply with the teachings of the Church, he said.

Field Staff Department Head Lloyd Fairbanks told the convention that building the organization and servicing



NFO Chief Negotiator Gordon Shafer — a report from the collective bargaining firing line.

the counties now organized remained his department's reason for being, and that NFO, while still gaining every hour, never lost ground because of lack of service.

W. W. "Butch" Swaim of the Public Information Department detailed the necessity for communication of NFO information, and demonstrated the "NFO state of that art" at a special Public Information Meeting before some 400 county publicity people.

Early in the sessions it became apparent that NFOers in convention were "all business," and that their trip to Milwaukee was undertaken for the most serious of reasons. That NFO members were making decisions only after due deliberation was pointed up when some 1,600 members got up for an early morning Mass on December 8, the Feast of the Immaculate Conception, which was presided over by Msgr. John G. Weber of the Catholic Rural Life Conference.



Dairy Commodity Department Head, Albin Rust. The convention endorsed a resolution favoring a holding action on milk.

## Workaday Details of

All roads led to Milwaukee, but they were slick with ice, and the airports were fogged in much of the time. Nevertheless, some 10,000 delegates arrived to fill all the hotel space for miles around when NFO staged its annual convention in the Arena early in December.

As early as Sunday night, December 4, lobbies of Milwaukee hotels became jam-packed. The working mechanism of NFO Headquarters at Corning seemed transplanted as if by magic to special rooms on the 4th floor of the Sheraton-Schroeder. Even before weary travelers had unpacked, workmen were busy installing market reporting equipment.

While most of NFO officialdom assembled early for working sessions, the work-a-day program of NFO went on. Marketing arrangements continued to function. Organizers in the field continued making calls, and—later—not a few arrived at the convention with checks from new members in tow.

The leaders are always the first to arrive, and long before conventionneering delegates check into the city, news releases are clicking out over AP and UPI wires. News gathering used to be a simple affair. A reporter would simply interview an important leader, write a few notes on the back of an envelope, and head back for the desk for a quick "five W" report. With the introduction of radio and TV, things changed. Many radio reporters go on "live", and this means they have to compose as they report. TV reporters handle things in much the same manner—but with TV at least a hundred pounds of equipment must go along with the reporter and his helper.

It would be difficult to calculate the endless minutes President Oren Lee Staley spent under hot TV lamps, extending interviews to TV stations, and network reporters. Questions were always pointed, and the answers had to be straight from the shoulder.

In crowded hotel rooms, and later on the convention floor—while business proceeded on the stage—newsmen filmed interviews and later telecast them to the far corners of the nation. Everyone knew what was going on in Milwaukee.

### Convention Work

All is not fanfare at an NFO convention. Hours of hard work keep Committees busy. Resolutions from every quarter are considered. Those rejected in Committee can be brought to the floor of the convention for consideration. Yet as each resolution is considered in Committee, expert testimony is sought. The business is serious, and mundane matters are excluded. Only rarely does a convention over-ride its Resolutions Committee. But it happened in Milwaukee. A resolution taking a position against gimmicks and trading stamps in grocery retailing was endorsed on the floor of the convention after having been rejected in Committee, for instance.

Much the same is true in Rules and By-Laws. Each word, each sentence of the NFO's governing structure is reviewed at least once a year, and once a year delegates have every opportunity to change the operating rules of the farmers' farm organization.

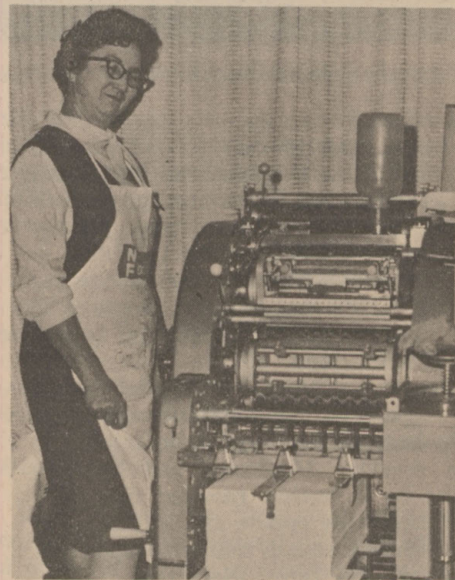
Individually and by carloads, delegates started arriving long before the opening sessions, some to take up problems with Commodity Department Heads, all to discuss the big business of the convention—the milk holding action.

There was the Ohio delegation, each with a paddle duly inscribed "NFO" on

# NFO



NFO meat marketing did not stop because of the convention. Here, Vic Holst of Austin, Minnesota, checks market figures arriving on the teletype newly installed at Convention Headquarters.



At temporary "headquarters" on the 4th floor of the Sheraton-Schroeder, this printing press ran off thousands of copies of releases, texts of speeches, and other convention data, such as proposed rules, by-laws, and resolutions.



From the National Grange, this basket of flowers conveyed the warm feelings Grange Legislative Representative Harry Graham brought to the convention in person. "The oldest of the farm organizations wishes to salute the baby of the farm organizations — NFO." Looking out over the crowd which was extending the Grange a big hand, Graham commented: "Some baby." Back to camera, NFO President Oren Lee Staley is holding up the flowers.



# In Convention - 1966

one side, "OHIO" on the other. Said Ralph Poggmeyer, "Is the farmer up the crick without a paddle?"—and before the convention was over, everyone was paddling for NFO.

There was cheese for sale, courtesy of the Wisconsin delegation.

And there were guests ranging from leaders of other farm and poultry groups to representatives responsible for P. & S. enforcement. Sociologists interested in NFO as a social movement were on hand, and students of the economic scene were also among the observers.

When the big crowd had registered and spilled into the oval of the Arena for a fling at grass roots democracy, the delegates wore the looks of businessmen engaged in serious business. The only big overall on the scene was sported by Fred Bull, who called it a farmer's tuxedo. The second day of the meeting Bull had on a real tuxedo—illustrating what fair prices could do for farmers.

And there was a gentleman who looked like Lincoln. He was Herb Ziegenhorn of Illinois City, Illinois. "Tell everyone," he said, "farmers are not a selfish group. When we help ourselves we help everybody in the economy."

The talks, reported elsewhere in this issue, and the work-a-day business of holding formal meetings on two session days, all seemed to focus on one point at the 1966 convention—the holding action. When debate on the resolution passed to the floor, a strange line of silent marchers filled the hall. Placards declared: "Wisconsin Will Lead the Way, Minnesota Will Follow." Another: "Quicker the Better," and still another, "We Wives are Behind You." One sign had been hastily lettered on the back of a placard advertising Handel's Messiah. One rural poet had this message on his sign: "Topless Bathing Suit Shows Skin and Tissues. Just Like Farmers Prices, They Cover Half the Issues."

## Issues Aired

The issues were fully aired by speaker after speaker. Seizing a floor mike, May Ann Beetz, a registered nurse, supported the milk holding action. "If we're holding the milk, it's a holding action, not a dumping action. If babies cry loud enough, they'll get their milk." Not a single delegate voiced disapproval of the holding action. Not a single delegate voted against it.

The 1966 NFO convention started with studied restraint. Discussion and reasoning prevailed. Every point pro and con was evaluated—not only in formal talks, or even at the convention arena, but in hotel rooms and over supper tables. In the end the delegates agreed that action, not talk would jar loose the stubborn dairy bargaining issue. And that's what the delegates voted for.

Cases of mimeograph paper evaporated as reports to delegates, talks by Staley and Pfingsten, and other information was reproduced for distribution to delegates and the press. And when it was all over, and the farmers went home for another year, the leadership stayed on, first to welcome new Board members, next to plunge right into the business of making NFO work even better. The next Monday, it was a matter of Staley in Washington, the rest of the leadership scattered to the far corners of the farm country—all because NFO is a working organization, an organization that will work because farmers are working it.

Here are a few snapshots which tell something of this story.



Michigan State University rural sociologist Dr. James Hundley (at end of table) visits at the Field Service Department "office" during the convention. Behind the table in shirtsleeves — l. to r., Harold Miller, Don Zmolek, and Clarence Thatcher.



NFO President Oren Lee Staley being interviewed by WTMJ-TV. Reporting requires at least 100 pounds of equipment in this age of electronics. On the air: an explanation of why farmers have no choice except to hold their milk for a higher price.



Chairman of Election and Tally Committee Rhea Hackler of Missouri is shown here reporting to the convention. The Committee is set up to handle paper ballots. Since both President Staley and Vice President Pfingsten (standing right) were re-elected by acclamation, the Election and Tally Committee had an easier job during NFO Convention 1966.



National Grange Legislative Representative Harry Graham is shown here speaking before the Resolutions Committee. Working sessions started on December 5. The Convention followed two days later.



Glen Utley, who chaired the By-Laws Committee, is shown here detailing proposed changes during the convention.



# MEANS TELLING THE NFO STORY

(a convention special)



The PI department opened two different sections for the press during the convention. Seated, left to right, NFO Vice President Erhardt Pfingsten, NFO President Oren Lee Staley, Dr. E. W. Mueller and Grange Legislative Representative, Harry Graham.



W. W. "Butch" Swaim, addressing a standing-room-only audience at a special pre-convention Public Information meeting. Seated, left to right, NFO Vice President Erhardt Pfingsten, NFO President Oren Lee Staley, Dr. E. W. Mueller and Grange Legislative Representative, Harry Graham.



Granite Falls, Minnesota businessman Arnold Paulson told the PI crowd that the farm problem was now so deep seated that it affected every sector of the economy. Communicating the scope of this problem, he said, is the most important task in America today.

Of the several hundred counties in the 25 states now under NFO organization, no two are exactly alike. Although each NFO county organization is conducted under the same ground rules for the same long-range objectives, different problems and situations, methods of operation and solutions exist for each.

For this reason W. W. (Butch) Swaim of the NFO Public Information Department staged a massive pre-convention Public Information meeting. Those on the platform included Dr. E. W. Mueller, Head of the Rural Division of the National Lutheran Council; Harry Graham, Former Public Relations Director and now Legislative Representative of the National Grange; Arnold Paulson, Minnesota Business and Industrial Promotion Agency; Phil Allen of U.S. Farm Report; and Charles Walters of NFO Reporter. NFO President Oren Lee Staley and NFO Vice President Erhardt Pfingsten also appeared for brief statements before TV cameras.

Dr. Mueller keynoted the afternoon affair in a brief talk during which he charged county public information personnel with the task of telling the nation that a laborer is worthy of his hire, and Grange Legislative Representative Graham detailed some of the obstacles that must be faced by those who attempt to tell the farm story.

The farm story became the national economic story in a short talk by Arnold Paulson. Paulson showed how low farm income was feeding poverty into the cities and reduced purchasing power into the economy so that the people of America can no longer consume their production. The deep-seated nature of the problem precluded spot attempts at a solution, Paulson said.

W. W. (Butch) Swaim moderated the afternoon affair.

Earlier, TV cameras were on hand to

tape Dr. Mueller's elegant plea: "Are you ready to make your commitment," he asked. "As long as farmers desert the leadership, farm leaders can't deliver." Mueller applauded the NFO's effort to price human effort, and warned that as long as farm effort goes underpaid, young people will continue to leave the farms.

Graham of the National Grange defined the basic problem in America as "a cheap food policy. The problem is to get a price in the face of an expanding industrial claim on consumer purchasing power." Graham said that the Grange had no objection to a holding action on milk, and told those present that the Grange applauded the NFO effort, but had no struc-

ture for marketing activities itself. "We have to convince America," Graham said, "that a prosperous agriculture is more beneficial in the long run than cheap food in the short run."

Dr. E. W. Mueller was awarded the NFO Distinguished Service Award by Public Information Department Director, W. W. Swaim.

Also making brief appearances on the platform before the capacity crowd of 400 were Hugh Crane, Public Affairs assistant; Lee Elliott, Speaker's Bureau manager; Don Mach, Radio and TV Programming assistant; and Ed Shima, Traffic Manager for U.S. Farm Report TV Films.



A part of the standing-room-only crowd attending the PI sessions.



At the PI conference, l. to r., Leonard Kramp, Lucille Gander, Bob Cline, David Ziegenweid, Mildred Davis, Janet Wagner, Doris McElwain, — all recipients of special commendations from PI director, W. W. "Butch" Swaim (seated).



# THE KEY CONVENTION TALKS CONDENSED FOR EASY READING

## Staley . . . State of NFO

Continued from page 1

processors are accepting production from NFO members as such.

Enough of the major meat processors are accepting production from NFO members through meat marketing arrangements so that farmers have the opportunity to build their bargaining power on meat animals. The burden of responsibility now falls on farmers realizing that meat processors are accepting a new meat marketing structure designed to offer a dependable source of supply, deliver a better quality product and to perform valuable services for processors while reducing marketing expenses to members and, at the same time, giving farmers an opportunity to improve their bargaining position. The past year's bargaining efforts with meat processors have proved to be a year of improved understanding and acceptance on the part of processors and NFO members in establishing a more efficient marketing system.

The first step in grain bargaining is to store and hold at harvest time. The second step is to make as large a volume of grain available to buyers as the market will absorb, while prices continue to rise. This bargaining and selling process in the NFO in-position sales program is gaining results.

There is a trap being laid for grain farmers who do not recognize that after they store and hold at harvest time they still must hold and bargain together if they are to have favorable price increases, because otherwise the grain trade will cause wide fluctuations in price unless there are volume sales bargained for and sold together.

Progress has been made in dairy bargaining efforts, but the dairy farmers still have the lowest income of any group of farmers. The supply of milk has been greatly reduced as a result of many dairy farmers being forced out of business because of unfair low prices.

Even though milk production is low enough to create a near scarcity of milk products, prices in many areas have risen only a small amount and in some areas are now starting a downward trend.

NFO bargaining efforts and pressure in some areas have brought price increases above the \$6.00 per hundred-weight level, but this increase has been isolated in a relatively few areas and can not be maintained unless the general price level is brought up throughout the dairy producing areas.

In the dairy area of Wisconsin, official government statistics show that dairy farmers in the years 1962 through 1964 averaged from 37 cents to 63 cents an hour for their labor. The price of milk at the farm level being from 8 to 9 cents a quart, is far from being adequate.

The recent scarcity in milk products has developed because low farm prices have caused dairy farmers to sell their cows for slaughter.

The reason dairy farmers' prices continue to be low is because they have not used their bargaining power and the big stumbling block in dairy bargaining is the fact that a sufficient number of groups have not been willing to join in a legal structure so a marketing agency in common could be effectively established so that the dairy producers are represented with equal strength of that of the buyers.

The dairy farmers must decide whether they want to accept more of what they have had in the past or whether they want to unite their strength and establish a fair price level for their commodities.

We have asked each county to call meetings of NFO member who are dairy producers to discuss the feasibility of a milk holding action.

The NFO has tried every means possible to avoid the use of a holding action in milk, but it is becoming more apparent that dairy buyers and processors are not going to pay dairy farmers an

adequate price for dairy products unless producers demand the price and back up the demands with their production.

In preparing for this milk holding action, we must first point out all alternatives to our members who are dairy producers. We must call meetings in every county where all dairy producers are invited and are asked to join the NFO and support the efforts. We must push our bargaining efforts and give the buyers the opportunity to bargain in a satisfactory manner while we are preparing for a milk holding action. We must have tremendous support of dairy producers and we must get this through an understanding of our objectives.



STALEY

The last price rise in milk reflected 1 cent a quart increase to the producer, but in most areas the retail price went up 2 to 3 cents a quart to the consumer. This means that if this increase had all gone to the farmer, as it should have because handling and processing costs did not go up any appreciable amount, then the consideration of a milk holding action would not have been necessary. The consuming public must realize that there is a holding action in effect every day at the display counter in the super market. The price tag is there and all we are trying to do is to back that price tag up one step and that being to the producer level where the milk is produced and is first owned.

The purpose of this holding action must be to increase dairy prices at the farm level; prevent expected dairy price drops; establish contracts that would give stability in the future, and to hope that the pressure exerted would necessitate cooperatives joining in a marketing agency in common that could effectively bargain with big milk handlers nationwide at the processor level.

This convention must serve notice in behalf of dairy producers that we have the courage to give dairy producers the opportunity to use their production to build their bargaining power.

We must educate the consuming public to the fact that our cause is just and that we are not holding food from them in order to cause a hardship, but rather that we are offering the product for sale at a satisfactory price to the producer.

This holding action must not be built on emotion. This holding action will be a simple business approach—farmers putting a price tag on their products instead of saying, "What will you give me?"

This holding action must be conducted in an atmosphere of calmness. This organization has never advocated or condoned violence. We must reassure everyone that this is our firm stand on this matter and that no matter how much those opposing our efforts try to antagonize our members, that the NFO members and leaders must be the statesmen of agriculture as well as the leaders of courage. This means that we go about our business of pricing our products in a dignified and determined manner. We own the product first. All we have to do is to hold it for a price.

## Pfingsten . . . A Rural Appraisal

According to the Economic Indicator, an official publication of the U.S. Government, the American farmer in 1965 received a net return of \$14 billion. This is disgusting enough in itself, but even so, I consider the figure padded. They are figuring in between \$2 and \$3 billion net income for farmers living in their own homes. I object to this because when my income as a farmer is compared to that of my city cousin, there is nothing figured in for their living in their homes.

In the case of the tenant farmer, this calculation actually shows up twice. I've been a tenant farmer and if any of you are, I don't believe I have to tell you that you're paying through the nose for the privilege of living in those homes in added rent, and then it's figured once more as income for the landlord. If I read a recent newsletter correctly, we've got another increase in our income coming. They're going to figure income for you using your car.

Let's get down to what the American farmer honestly and truly receives for feeding and clothing this nation. All the production from all farms in the U.S., whether it be dairy, meat, grain, cotton, tobacco, fruits, nuts it's all figured in. The entire production for all farms in the U. S. last year was marketed for \$39 billion. The production expenses for producing that \$39 billion worth of merchandise was \$30 billion. So it's simple arithmetic. For feeding and clothing this nation, we received \$9 billion. Now in the same year, 1965, the American farmer had an investment of \$231 billion so on the basis of that investment, we received 4 per cent interest on the investment and nothing for the work that we and our families did. This, in my opinion, is a disgrace to this nation.

In terms of labor—nothing as a return on investment—the average for all farmers in the U.S. was 73 cents an hour, about half of what a business is required by law to pay other people.

Going back to the investment figures, 16 years ago the American farmer had half the investment he has today. Yet now he received \$1 billion less for over half again as much production. This can not continue. Agriculture cannot continue to give this nation the best and the cheapest diet on earth unless it is economically able to do so. I think we had better start considering what will happen, if the farm prices are not restored.

Now in recent months we've had housewives' consumer strikes or boycotts, if you want to call them that. And it impressed me very much that the housewife of this nation is very fair if she's given the opportunity to know the facts, because in all cases, in all accounts that I read on it, they recognized that the farmer was not getting paid. So I believe we need to take a look at what we've been doing and what is going to happen and what position it's going to put that housewife in if we don't see that she gets the proper information. Many people have something to gain by exploiting agriculture. Many deliberate efforts have been made to confuse people in a false hope of increasing other segments of the economy or the income thereof.

I'm going to talk about milk and compare it to other commodities the housewife is buying, but before I get to the housewife, I want to get to the public in general. In this state of Wisconsin, the beer consumption is 55 gallon for every man, woman and child. I've got a hunch the kids aren't getting their full share either.

But I would say that in 15 years, I have not heard one single complaint about the price of beer. In milk, we're told that if the consumer has to pay more than a quarter for a quart they can't do it and they're not going too. Did you ever stop to consider the price of beer per quart, if you buy it in 12 oz. bottles? You will find that the price is somewhere around 80 cents a quart and

very often, this leads me to believe that our real problem is, we're selling our milk so cheap that they don't think it's worth drinking.

People of this country have come to appreciate quality. Let's take the soft drinks in comparison. The leading soft drink of this nation, if you buy it in 6 oz. bottles, will cost you 60 cents a quart with the kids drinking most of it and consuming twice as much of it as they do milk, but I've never heard anybody complain about 60 cents a quart for that. I think we need to inform the housewives of exactly what the situation is and we can perhaps do so by getting away from dollars per hundred and get it down to the quantities in which she is buying it.



PFINGSTEN

When we talk about \$7 and \$9 milk that sounds like a profit, but when that housewife finds out that she's paying 25 cents a quart for milk that you guys are getting 8 or 9 cents for, she gets pretty indignant. She wants to know what's the score? In meat, hogs 20 cents a pound, beef cattle, 23 cents-24 cents, let the housewife understand it, but let's take a look at what's going to happen to this nation if our goals are not met to the fullest extent.

According to an economist of this nation who has made a lifetime study of the effects of farm prices and farm incomes on the entire economy, the raw materials of any nation are the basis of its economy.

In the U.S., agriculture produces 70 per cent of those materials. For each one dollar that is paid to American agriculture that dollar has a multiplier of 7—in short, it generates that much more income before it gets through the entire economy. So reverse it for each one dollar that the American farmer is short-changed, the entire economy is short-changed by a multiplier of 7, and your own county by a multiplier of 3, so when the earned income is no longer there, it has to be made up in some other way. This has to come through deficit spending or borrowing. This is what has confused us and the entire nation in the past. We have been confusing credit with income and consequently we've kept it up long enough to the point we've reached the tight money situation we're in today. You cannot continue to borrow indefinitely. After awhile there is a payday and when that payday comes, then comes a collapse of the entire economy.

According to Vince Rossiter, the past chairman of the study committee of the independent Bankers, in a speech that he delivered in Austin, Texas on the 19th of October, 1966, if the nation as such, continues to borrow as we have in the past at exactly the same rate of increased indebtedness that we've followed for the last 10 to 15 years, then by 1975, every single dollar available is going to be loaned out. I don't believe that I have to tell you that, this would have to bring a collapse of economy so this is what we are facing on one hand.

Let's assume that through juggling within our economy and our government, we are able to stave off a national depression. What would happen then? Well, I think it's generally recognized and actually advocated that we're go-



# Pfingsten

ing to eliminate 2½ million farmers and bring American agriculture down to a corporate setup. And this is what I have the greatest fear of, what the consequence will have to be if this transition comes about. The American farmer and the family-type farm has proved itself to be the most economical agriculture in the world.

I think that in efficiency of producing we have out striped every industry in the world and our failure lies in inefficiency in marketing. We go to the market, we say what will you give me, how much sloppier than that can you get?

So if we're not able to maintain the family-type farm, then we will have to assume that the corporations will take over, and here's where the horror comes in. What will happen to food prices at that stage?

First, agriculture as it stands today has an investment of \$231 billion. For that \$231 billion, even accepting the \$14,000,000,000 figure, that is all agriculture received for both investment and labor. In this same year, the corporations of this nation, as represented in the Economic Indicator, had an investment of a little over \$300 billion, roughly between one-third and one-fourth more than agriculture. Yet these corporations, with just one-third more invested, turned a profit of \$80 billion. Had the American farmer been paid at exactly the same rate of profit that these corporations, then the farmer should have had more than twice as much profit as his gross income turned out to be. He should have been paid \$2.64 for his work in addition to that, because, keep in mind, the corporations had paid their labor bill before their profits were figured at the rate of \$2.64 an hour.

Now let me give you another figure. It is estimated that corporation profits this year will be \$87,000,000,000. In two year's time, they increased their profits more than the American farmer receives in total, even with padded figures given. So I would say that if this nation is foolish enough to let the family-type farm be destroyed, farm prices to pay the same profits that corporations are getting now, will have to go up 4 times higher than they are today.

The housewives had better start to think what will happen when that takes place. If the American farmer were to be paid at the same rate of wage per hour as corporations paid, the labor bill alone would be \$48 billion—\$8 billion more than all the production in the U.S. brought today, and this does not count one single penny for the investment, and money for one single gallon of gasoline, or seed, or fertilizer. It's serious and it has to be prevented, and there's only one group that's seriously working at doing it—the NFO.

Every businessman, every farm organization, everyone I talk to, tell me that they are all for the farmers having a fair price. That's wonderful. I appreciate it, but it's not going to get us anything. We are not going to wish ourselves out of the hole that we're in. We have to get ourselves out, and what other method is there but the one that the NFO is proposing—collective bargaining?

In the discussion of the milk holding action, if you have noted, it just doesn't go through their minds what it is we are trying to do. It is easy for them to understand that after milk goes into the grocery store, the groceryman says it is 25 cents a quart and what happens when the consumer doesn't want to pay that 25 cents. He throws a holding action, doesn't he? He won't let them have it—he is holding for a price, and this is what we, as farmers, must do.

In other words, we have to become businessmen—establish our price and sell our production just exactly the way every other good industry and other good business of this nation does everyday. We have the power. We have the food. We have it first and there isn't anybody going to do anything with it till we let them have it. This is the NFO program.

# WYOMING

(continued from page 4)

ers become, and the pity of it all can be read in the herds that pasture the rolling countryside, while the owner "works in the sugar factory."

A timelessness seems to pervade the farm marketing scene in Wyoming. The prices seem to stay just below the cost of production, and the credit seems to advance just fast enough—but no faster than necessary—to pace the rate of farm bankruptcy. Thus season relieves season as fall relieves summer, and the sun never fails to travel the sky. And on the farms one can see that what is happening is being inflicted beyond measure and guilt.

Across NFO country there is a difference, but the difference is chiefly that some areas are further down the drain than others. In the states that border the corn belt one can see more clearly than elsewhere that rural America is not being gutted as in a mirage or fever, but in a reality from which it cannot seem to wake. Rural Wyoming is not suffering in remembrance, as some oldsters who wear a hidden scar might suffer, nor in anticipation, as those who can read signs and calculate the future might. Wyoming is suffering in the present, here and now.

In Wyoming the farmers still do battle, either standing on the ramparts of their individualism, or on the narrow platform called effort. All these efforts have a legend quality about them. They fit neatly into a parable. And properly they can be described abstractly in a story that begins with, "Once upon a time. . ."

Once upon a time a group of farmers in the great western lands met to solve their problems. One young farmer stood up and said: "We can settle our bean business right here in this county. We will buy a processing plant. Since all the farmers who grow beans will buy stock in this plant, it is again said that they will also sell their beans to the farmer-owned plant. The plant will then process the beans and find customers. Others up and down the valley, those who now buy beans from farmers and process them before selling to chain stores, will not enjoy such excellent rapport with the primary producer, the grower. Therefore all the advantage will accrue to the farmer, and the marketing picture now faced by farmers will evaporate."

An old farmer stood up. His white hair stood out in the half dark meeting hall. The wrinkles on his face told of many hard winters in the great western lands, and a scar made by a bullet recalled days of courage when ranchers put down outlaws who stole the livestock. He had helped dig ditches for irrigation on the dryland farms and he had seen the problems of the change over to marketing. "The problems are different now," the old man said. "The bandits no longer carry guns."

Alas, there were shouts from the farmers. "You are anti-progress, old man," someone said. Another: "We will drive the processor who owns all these beaneries up and down the valley to the wall."

And so some 400 farmers bought stock for \$300 each. They decided that a nationwide program for collective bargaining would be too slow, and that they would solve the problem right away by going into business. The old man was barely tolerated as an "enemy of the farmer" as the group bought an old grain elevator and went into business of buying, processing and selling beans. They hired a manager. Dutifully, the farmers brought in their beans. The processing plant hummed with activity.

Soon, the manager called in the President of the local farmers and said: "We have no customers. All my old customers have deserted. They have made other connections. The posture of this business is changing."

And so the beans stacked up. On a certain day a government man came

This legend of how farmers have tried to cope with their inferior marketing position has become so classic that it can fit into any state in any NFO territory. The road out is almost always through the wringer because farmers have not learned that their only power is their production, and that this production loses its power if it is not collectively bargained.



Barbara (seated) and Dorothy Stricker. Mrs. Stricker was chairman of dinner attended by 300 in August 1966. Barbara attends Juco in Torrington.

"Call this a legend, call it foolishness, but this is the story of farmers before NFO," Martin Brill says, "—and a few since NFO too." When Brill was farming in New York, Empire State farmers followed the mandate of legend and brought a milk plant. "The boys got the idea of going into the milk plant business. They bought this plant from a New York City native, and decided to go the do-it-yourself bit. They ran the plant for a year and a half and sold it

## A LEGEND

by. He presented his credentials and told the farmers and their hired manager that he would have to inventory the contents of the plant. He was polite. But he had formidable looking forms, and even more formidable credentials. In a short time, he went to work counting bags. No one wondered at why this government man had "chosen" this plant for a spot check at this time. As a matter of fact, the manager had been worried about the "shrink" and about the "bad blend problem," and he concluded the plant would have a shortage that legal bookkeeping entries and some other approaches could account for. But so far this had not been done.

"I must close this plant," the government man said. "There is a shortage."

Thus the plant was closed. Business came to a complete stop. There would be time to "sell out" or "take bankruptcy," the government man allowed—and as he spoke a dignified man with a brief case came in.

"I am the processor who owns all the beaneries up and down this valley," he said. "Now I am not here to steal this plant. A fair price is a fair price. Please make an offer."

A plant is worth only junk price unless it operates. "Unless the processor who owns all the beaneries up and down the valley buys," one of the farmers on the Board of Directors mentioned, "we must take bankruptcy. We will lose all. Let us propose to sell to him so that we can recover 50 cents on the dollar. He is a businessman. He has no gun in his hand."

The farmers voted to make the sale of the plant at 50 cents on the dollar, but the counter offer was 20 cents on the dollar. After all, the man who owns all the beaneries up and down the valley said, the plant is worth only junk price unless it operates. And this offer represents a little more than it would take to gain control out of bankruptcy proceedings. Business is business, after all. Since you are individual farmers, the man who owns all the beaneries up and down the valley said, "I must have your beans in storage, and this means I must have a signature from each farmer. . ."

And the old white headed farmer nodded knowingly. The battle was over. The formalities had been kept, even down to the signing of the articles of unconditional surrender.

for \$500 to have it torn down. You'd never know there had ever been a plant there today."

Across the board, Wyoming NFO members, on the farms or in meeting halls, have analyzed the organization problem. Dave Strickler farms in Goshen County. "We're fighting more than the fact that other earlier efforts have failed. We're fighting the fact that Wyoming farming is a long way from Iowa farming, and we're fighting the fact that there's something missing in all this—the farmer himself." Stricker went on: "Enough farmers think something ought to be done, but too many still think the other fellow ought to do it."

Floyd Helzer: "And a lot have pretty much given up the idea of keeping their kids in farming. A lot figure they can hang on until they're gone and dead, and after that they can do with it what they want."

Dave Sittner: "You hear these fellows crying about the price of beans. But it looks like the NFO route is the only one."

The price of beans, the price of meat, the price of anything when the farmer sells—all farmers are agreed that they need the improved prices, but can seem to rely on no more than fond hopes in getting them. Others see a different dilemma.

"Beans at \$6.00? That's too high. They ought to be \$2. Cattle down to \$6.00 a hundredweight. Then some of these fellows would get up on their hind legs and do something about it. But so long as you can get somebody that'll trust you for a tractor at long interest, you get a few groceries on the table, you think you're getting along." So spoke one farmer. A black picture? Perhaps, but a truthful one. And one that does not, in a way, picture the true situation in Wyoming, according to Art Helzer, Torrington.

The true situation is that Wyoming agriculture cannot be painted in black and white, but in ever-graying tones that permit those too thin to live to be processed out of agriculture before they reach the point of joining for collective bargaining.

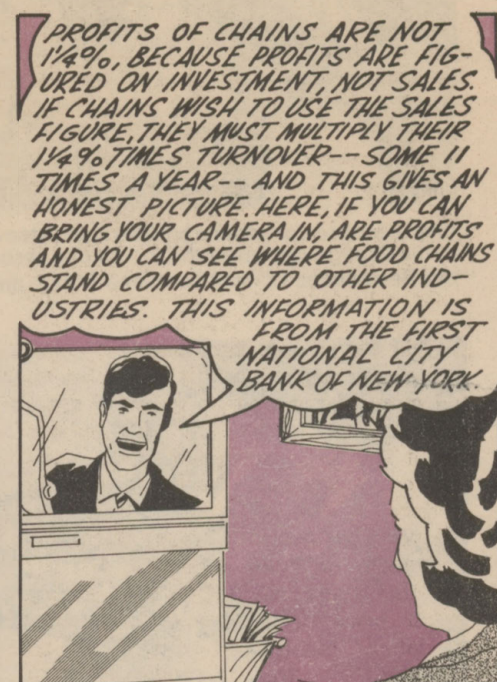
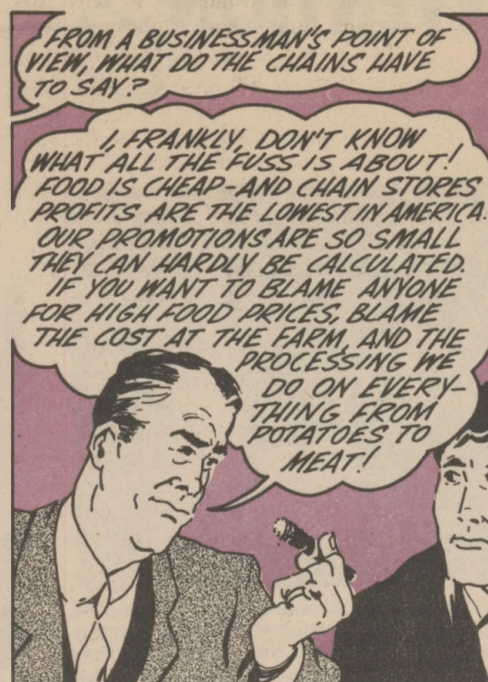
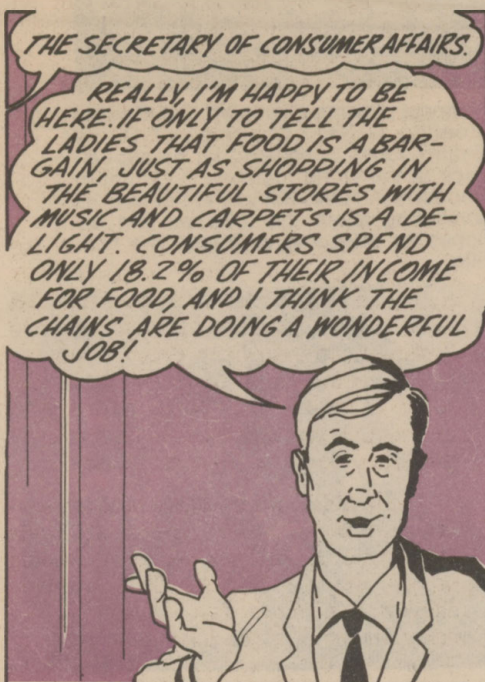
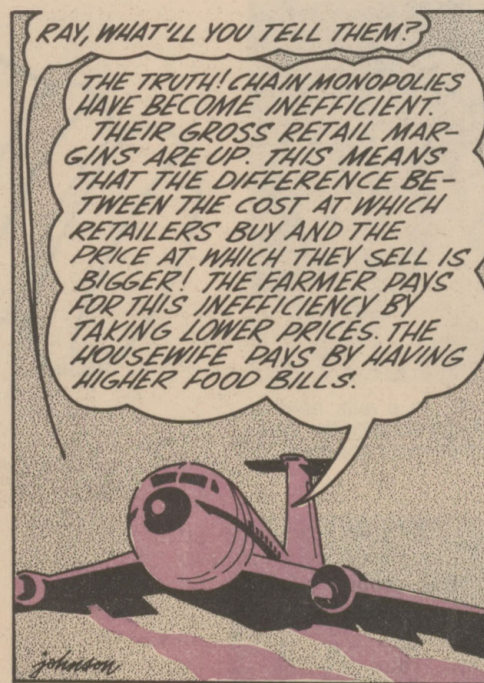
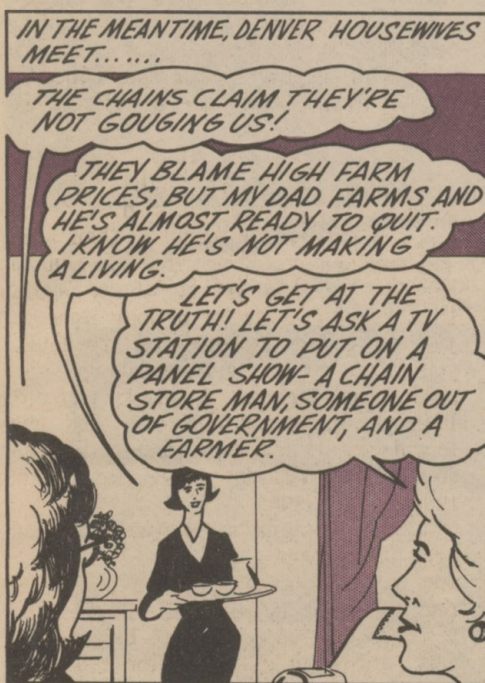
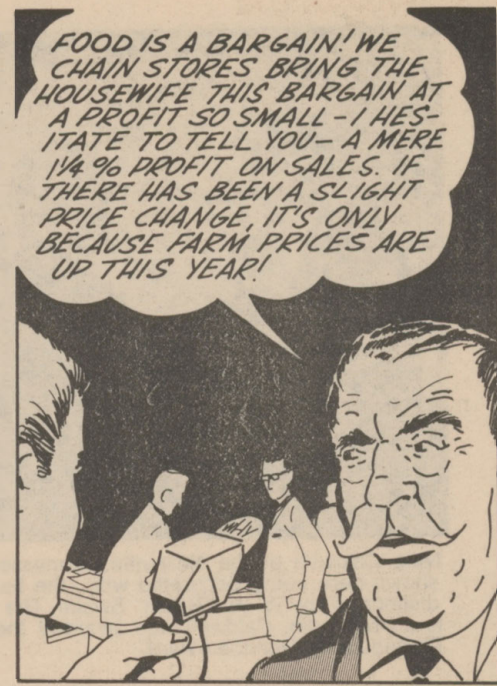
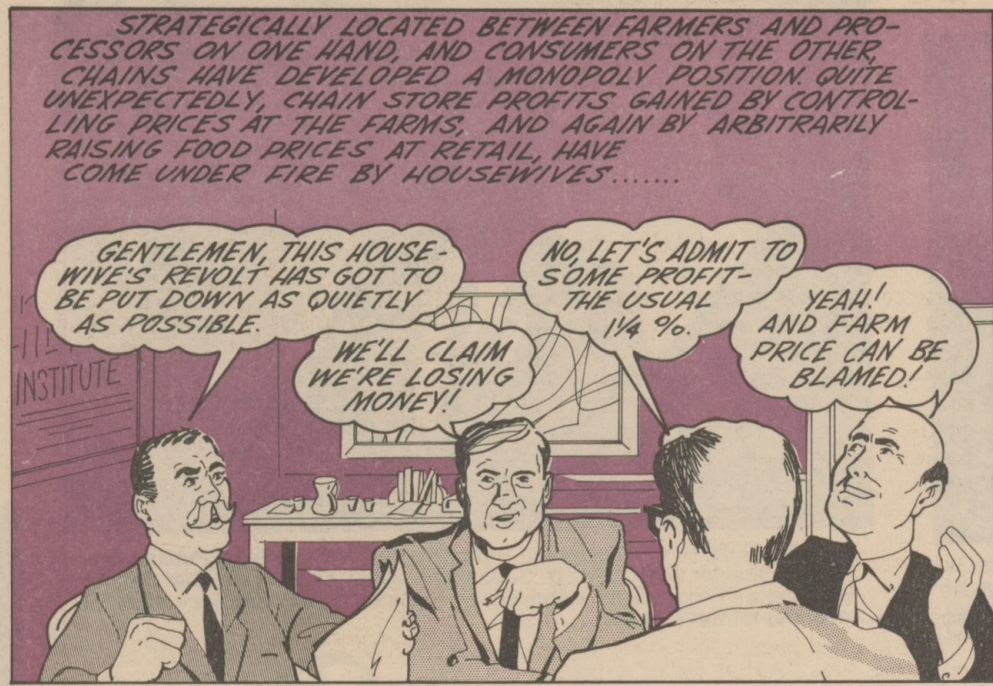
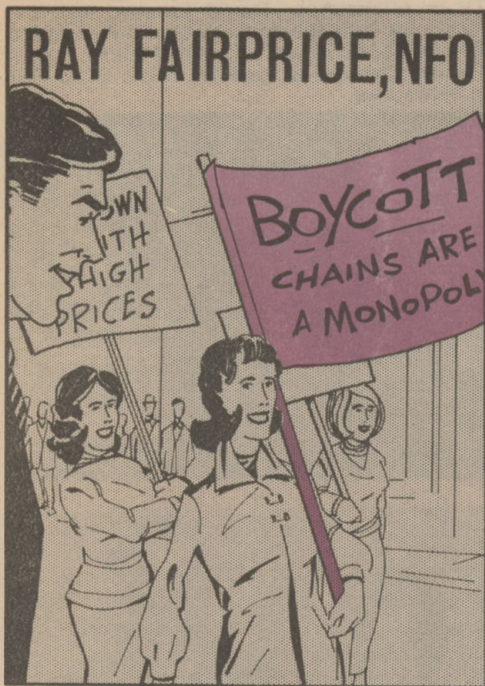
"As long as the sale signs can go up, one at a time," Martin Brill pointed out, "you have an orderly process of bankrupting farmers. If too many go broke in unison, you'd have action and disaster at the same time. This way we have rolling disaster without the open action required if farmers are to help themselves."

But withal, Wyoming's NFO is strong and viable. Mrs. Dave Stricker was chairman of a dinner in August that fed some 300, all farmers who had come to Goshen County to hear Grain Commodity Chairman Herb Goodman detail the scope of progress in NFO, particularly in grain. Dave Strickler is Chairman of the Meat Board in Goshen County.

In the fields, where \$8,000 beet top savers must be viewed as against \$14 beets (the same as 1947), when beets should be \$20, you can find the NFO membership—if you move fast enough during early November, the harvest season. In Wyoming, as elsewhere, the lack of help has been offset by expensive machinery, but the machinery—likely as not—is under heavy mortgage, and the fact that Alex and Dave Sittner feed out 100 head of cattle in addition to all the rest just to stay even hangs like a pall over the farm.

"They have accepted peasantry," is often heard when those who understand the situation discuss farming, but certainly such analysts are not speaking of NFO members such as Marvin Rawlings, Goshen County Chairman of the Grain Board, or Bill Ray, an NFO member who sees that the only necessary ingredient left for complete NFO victory is the farmer himself. NFO farmers see all obstacles vanishing. People who would not have listened to NFO a year ago are now listening. If the farmers who have not joined NFO are not listening, or fail to hear, their failure will most assuredly be recorded—by the passing of the family farm. And if those farmers continue to fail to listen, their failure will one day be seen as one of the nation's most enduring tragedies.

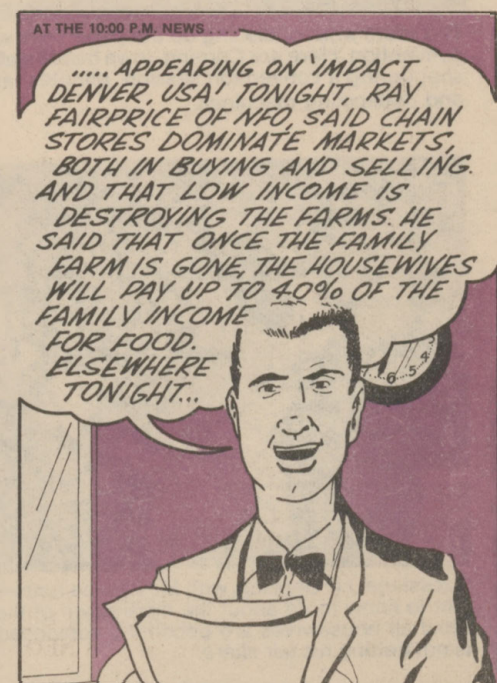
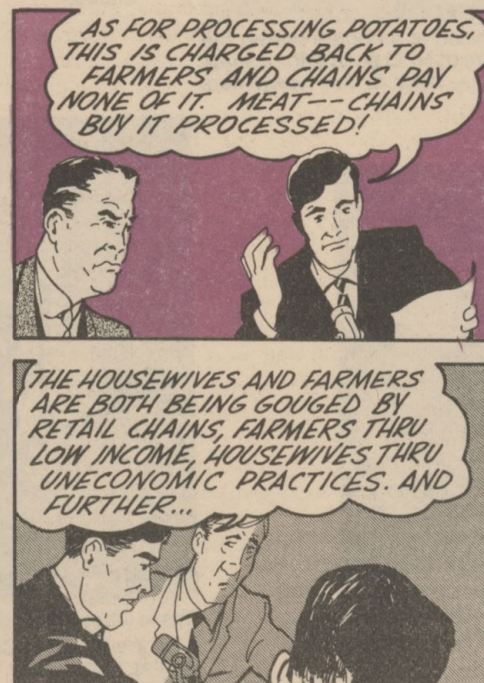
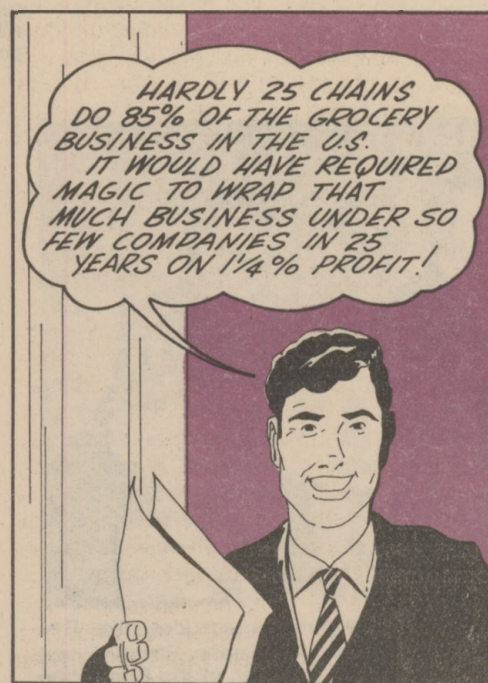




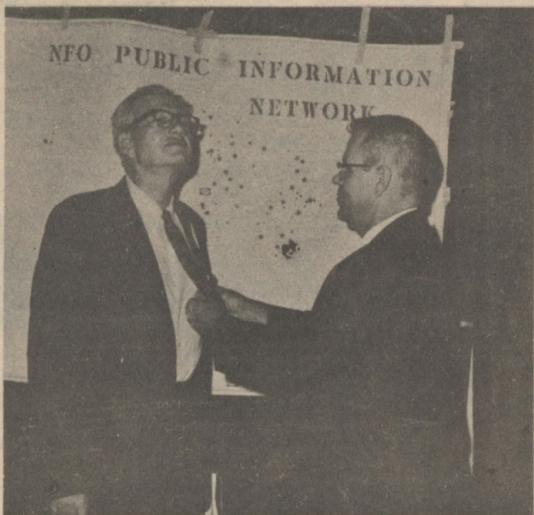
**PROFIT RATES**

Grocery Chains	1985
Lumber and wood products	12.9
Paper and allied products	6.3
Chemical products	6.7
Paint and allied products	8.5
Petroleum production and refining	5.7
Cement	9.4
Glass products	9.1
Iron and steel	7.4
Nonferrous metals	5.9
Automotive parts	8.1
Aircraft and space	4.8
Metal mining	3.3
Class I railroads	12.7
Shipping	8.0
Restaurants and hotels	6.8
Farming	3.4
	0.0*

NOTE:  
\*If only 50% of farming's wage bill is paid, there is no return on farm investment at all.





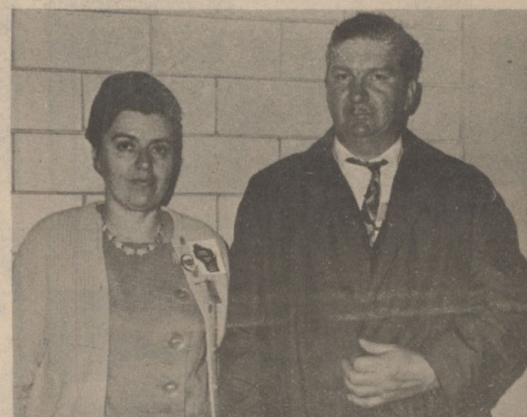


Nate Caldwell of the Nashville Tennessean is shown here being decorated with "the badge of distinction" by W. W. "Butch" Swaim. The badge is an NFO pin. Caldwell was awarded the NFO Distinguished Service Award.



Cleo Narwold, NFO President of Ripley County, Indiana; NFO Public Information Director W. W. "Butch" Swaim; and Danny Dieckmann, Star Farmer of Indiana FFA pause for a convention snapshot. Danny has been an NFO member for three years.

Below, Lowell Admiral Kay as she appeared on TV in Milwaukee. David Larson, age 14, recounted how the animal won 1st Red at the Racine County Black and White Show, 3rd at Racine County Fair, and 1st at the State Fair in Milwaukee.



May Ann Beetz, a registered nurse, supported the milk holding action. "If babies cry loud enough, they'll get their milk," she told the convention. Her husband, an NFO farmer, is Andrew Beetz, Batesville, Indiana.



Moments before the vote on a Resolution ordering a milk holding action, a tense hush fell over the convention. Moments later the delegates were on their feet. The vote was a big, unanimous approval for action — NFO action.



Interested pre-convention NFO arrivals listen intently while Harry Graham of the Grange discussed the merits of a resolution being entertained by the Resolutions Committee, Gene Potter presiding.



The silent work of dishing up the paperwork went on at all hours during the convention. Here are Corning, Iowa based staffers of NFO posing for a snapshot during a convention session. Minutes later — back to the typewriters and duplicating machines.



Backstage, NFOers mix with Milwaukee housewives who would like to know more about the breakdown of the food dollar. Almost all housewives are becoming convinced that the farmer is not getting his fair share.

## SCENES AT THE CONVENTION



The lobby of the Sheraton-Schroeder Hotel, Milwaukee, became a pre-convention headquarters for NFO members anxious to get together with their neighbors from other states. NFO buttons and tie clasps moved well. Hardly a delegate was without an NFO "symbol of distinction."



National plowing champion, Bill Goette-moeller, is NFO Chairman of Darke County, Ohio. Scheduled for an appearance at the world matches in Southern Rhodesia in 1968, Bill told the delegates something about the matches and his hopes for attending to defend the U.S. title.



NFO President is shown here fielding questions from farm editors, radio, TV and metropolitan daily reporters, and from wire service representatives after his state of the organization report. Focal point for most questions: a milk holding action.



This is what the business end of a working session looks like. Behind the By-Laws Committee mike, Ken Stofferahn. Standing next to him, Glen Utley, co-chairman and chairman of the Committee respectively.



Edgar Wolfe of WBNS-TV in Columbus, Ohio was awarded an NFO Distinguished Service Award by W. W. "Butch" Swaim. Unable to attend, Wolfe asked Bill Davis (center) and Ed Sasey (right) to accept the award. Both Davis and Sasey are well-known Ohio NFO members.