

FARM CO-OPERATIVE DIVISION

A MESSAGE TO EVERY MEMBER.

NEW LOW RATE ANNOUNCED BY FEDERAL LAND BANK.

By using the cooperative financing facilities which are available through the Federal Land Bank, local farmers may now obtain first mortgage loans at the lowest rate in agricultural history—4 per cent.

Passing along full benefits from the present cheaper money market, the Land Bank put this record low interest rate into effect on Monday of this week (June 24), according to word received from President E. M. Ehrhardt.

This is the third successive reduction by this cooperative mortgage institution in three months. On April 1 a reduction was made from 5 per cent to 4 1/2, then 4 1/4 on April 10 and now 4 per cent on new loans closed through and indorsed by local borrower-owned associations which hold an investment in the bank's capital stock.

These reductions were automatically brought about by the marketing of new bond issues to the investing public. The rate of interest charged on new loans made through and guaranteed by local farm loan associations may not exceed by more than 1 per cent the rate of interest borne by bonds last issued by the bank. The recent offering and oversubscription of 3 per cent bonds thereby established the new base lending rate of 4 per cent, allowing 1 per cent for operating expenses. Loans made directly by the bank without local association indorsement bear one-half of one per cent higher rate, or 4 1/2 per cent through the new reduction.

"While the new reduction applies only to new loans closed after June 24, all Land Bank borrowers have been given a temporary reduction until 1938, under special provision by congress," President Ehrhardt explains. "Emergency Land Bank 'commissioner' loans, however, made out of a special fund, are not affected and will continue to bear 5 per cent interest."

"The Land Bank was organized in 1917 to give farmers a dependable source of first mortgage funds at lowest cost, and it has steadfastly fulfilled this mission, operating on the cooperative principle for constructive service to agriculture."

Simultaneous with the reduction of interest on new Land Bank loans, A. C. Adams, president of the 12th district Bank for Cooperatives, announced a corresponding reduction of interest to 4 per cent on facility loans closed after June 24 to cooperative marketing and purchasing associations.

Soy Beans for Paint

The soy bean growers have a new outlet for their product, for it has been found that the bean is valuable in the mixture of paint. Manufacturers of paint have found that a certain amount of soy bean oil can be blended with linseed oil in the preparation of paint and excellent results obtained. It has been found that soy bean oil makes the paint film glossier, tougher and more durable. The bean oil is semi-drying.

Horse Has 40 Teeth

In order to help the purchaser of horses to determine to some extent the age of the animals being bought, the Department of Agriculture has issued a bulletin which illustrates the shape and condition of the teeth of the animal from the milk teeth on to the age of twenty. The male horse has 40 teeth if equipped with his full complement, while mares for some reason have four less.

Agricultural Matters

Co-operatives are being organized among cotton growers in China.

Horses that sweat freely, authorities say, seldom suffer from sunstroke.

Farmers own and operate 26 per cent of all the motor trucks.

Of every steer weighing 1,000 pounds, 875 pounds is used commercially.

Erosion Given Attention.

HEPPNER—Morrow county farmers are being increasingly conscious of the desirability of controlling both wind and water erosion in the county, reports Joe Belanger, county agent. Most of the work that has been done along this line in the county so far has been for the purpose of controlling water erosion, but, as was emphasized in a recent tour of the erosion district at Athena, basic control is the same for wind as for water erosion.

Try New Seed Crop in Lane.

EUGENE—A venture in vegetable seed production is being started this year by several farmers on the north fork of the Siuslaw river near Florence. Hans Peterson and Ralph Johnson will each have one acre of beets for seed and Elmer Johnson an acre of cabbage, and another acre of beet seed may be planted. The plantings this year are in the nature of an experiment and if successful may lead to the establishment of a profitable new farm enterprise in western Lane county, says County Agent O. S. Fletcher.

Canning Schedule

JULY 1 to 6.

From 8:00 A. M. to 3:30 P. M.

8:00 to 11:00 A. M.	1:00 to 3:30 P. M.
MONDAY—No. 2 1/2 can Beans	No. 2 1/2 can Peas
TUESDAY—No. 2 can Beans	No. 2 can Peas
WEDNESDAY—No. 2 1/2 can Beets	No. 2 1/2 can Beans
THURSDAY—No Canning	No Canning
FRIDAY—No. 2 can Beans	No. 2 can Peas
SATURDAY—No. 2 1/2 can Beans	No Canning

Laundry and Cannery will be closed July 4.

INSURANCE RATE LOWERED ON CLASS 'A'-A-B' SCHOOL BLD'GS.

SALEM, Ore., June 26 (Special)—School districts having buildings of Class "A" and Class "A-B" construction have been resurveyed at the request of Hugh H. Earle, Insurance Commissioner, with the result that the Oregon Insurance Rating Bureau has filed a new schedule making a substantial reduction in the rate on school buildings of the above classifications.

Commissioner Earle feels that due to the better construction of school buildings in the past few years losses have been lower to the extent that the reduction is merited.

Earle states that re-surveys of other classes of risks will be made during the year.

Westland Dance Saturday.

The regular Saturday night dance will be held at Westland June 29. Music by the Merry Makers. The usual good time is anticipated.

THE COOPERATIVE MOVEMENT

BY E. F. DUMMEIER.

Professor of Economics and Agricultural Economist, State College of Washington, Pullman.

(From the Grange Bulletin)

Cooperation is a method of self help by working with other people. Nearly everything we do in a civilized country involves some cooperation. Broadly speaking, in a democracy all government activity and most business are cooperative. The farmer and transportation company, for example in the production and marketing of grain. The private corporation, as another example, is a particular form of business organization in which different owners of capital unite their resources and work together with the hope that they may profit by doing this. "Cooperation" and "the cooperative movement," however, are usually used with a more narrowly restricted technical meaning. They refer to people working together in an organization for the purpose of making savings in performing a service for the members themselves of that organization. In contrast to this, other business activity is conducted usually with the hope of a profit from performing services for other people, some times with the hope of exploiting other people without performing genuine services.

The idea that cooperative associations are for the purpose of performing services for the members of these associations is included in the Capper-Volstead Act of 1922. This act was originally passed by congress to free cooperative associations of farmers from undesired prosecution under anti trust laws. More recently this act has furnished the legal definition of an agricultural cooperative association which is entitled to be so considered in its dealings with certain federal credit agencies. To be regarded as a cooperative association under the Capper-Volstead Act, an organization must have the following features:

Essential Features.

- (1) No member may be permitted to have more than one vote regardless of the amount of stock which he owns or capital he supplies to the organization, or
- (2) The association may not pay dividends on stock or membership capital at a rate exceeding 8 per cent per annum, and in either of the above cases,
- (3) The association may not deal in the products of non-members to a greater extent in value than such as are handled by it for members.

The cooperative movement in some form is older than civilization itself, because there has always been much cooperation, even among primitive savages. In the more limited and technical sense, however, cooperation on an extended scale is of more recent origin. A noted historian in an industrial history of England says, "The cooperative movement as a definite continuous development dates from the organization of the Rochdale 'Equitable Pioneers' in 1844. This society was composed of twenty-eight working weavers of that town, who saved one pound each, and thus created a capital of twenty-eight pounds, which they invested in flour, oatmeal, butter, sugar, and some other groceries. They opened a store in the house of one of their members in Rochdale, for the sale of these articles to their own members under a plan previously agreed upon. The principal points of the scheme, afterward known as the 'Rochdale Plan', were as follows: sale of goods at regular prices, division of profits to members at quarterly intervals in proportion to purchases, subscription to capital in instalments by members, and payment of five per cent per annum interest on capital."

Made Striking Savings.

The Rochdale pioneers made striking savings, and many other stores were organized under the same general plan. A wholesale division to supply the retail stores was organized, and the whole movement enjoyed a steady growth.

In the United States, the cooperative movement as an organized movement in buying and selling dates from the period following the Civil War. An important part in promoting the early stages of the movement was taken by the Granges, which grew rapidly in numbers from 1868 to 1875. Other farm organizations later also encouraged the movement.

From these early days to the present time the cooperative movement has had a number of ups and downs, but it is now in a stronger position than it has ever been.

In 1932 the total sales by farmers' cooperative associations in this country which reported to the federal government amounted in dollars to more than 30 per cent of the total gross cash income from farm production for the country. This included cooperation in both buying and selling, and involves some double counting because of products passing through the hands of more than one cooperative. It also includes the costs of some services of a manufacturing nature performed by cooperatives. Nevertheless, at the present time close to one-fourth of all farm products are marketed through cooperative associations and purchasing by farmers through cooperative associations is of large importance.

Washington in Front Rank.

Washington is one of the leading states of the union in the percentage of its total farm products which are marketed through cooperative associations, and it is also one of the leading states in cooperative buying. Not all cooperative endeavors in this state have succeeded, but many of the successes have been outstanding and have afforded the farmers large benefits. The cooperative purchasing of gasoline and other products through the Grange Supply companies, fostered by the Washington State Grange, is one of the most recent of these outstanding successes.

Cooperation offers to farmers large possibilities of benefits, but it is not a magic word or a substitute for good business methods. Among its possibilities of high importance is that of reducing costs. This, however, must come to a great extent from the reduction of competitive wastes, and foregoing of non-essential services. To be sure, in many cases, cooperation is the means of breaking monopolies or price agreements by those with whom the cooperators would otherwise deal. But even in these cases the appearance of the cooperative often results in the previous monopolists cutting their prices, and unless the cooperative is economically conducted, it fails to survive in the following price battle.

Reduces Waste.

Selling cooperatives have but little power of arbitrarily fixing prices, but in many cases they have large possibilities of reducing waste and improving the general conditions under which the product is marketed. These possibilities are not the same in all cases, in some cases the greatest possibility is in reducing costs through the handling of a large volume. In some cases it is in improving the grading and standardization or other services involved in handling the product. In some cases it is in extending markets by advertising, or improved methods of selling. Nearly always when the cooperative method of selling has succeeded and benefited those who participated, it has resulted from one or more of the following: (1) better products; (2) reduction of marketing costs; (3) better selling.

Essentials for success in cooperative marketing include the following: (1) members cooperatively inclined and willing to do without costly non-essential services (in buying is often credit); (2) an assured volume of business, sufficiently large to make economic operation possible; (3) skillful and economic management, including adequate financing and accounting. Failures where they have occurred have usually been due to not observing these essentials.

A true cooperative spirit, one of the essentials for a successful cooperative movement, not only affords possibilities for financial gain to those who possess it, but also is the mark of a good citizen. In this world we must work with our fellow men, and must control some of our immediate selfish impulses and desires if both we and our neighbors are finally to profit to the greatest possible extent. A really good cooperators is usually a good citizen. The more widespread the spirit of cooperation, which of necessity is always associated with the spirit of fair play, the better will be the world as a place in which to live.

WANT ADS

HEAVY BREED PULLETS FOR sale. 2 1/2 months old. 40 cents each. V. Wald, 2 mi. east of Stanfield. 44-1tp

UPSTAIRS APARTMENT FURNISHED with ice box, Carter Apartments. 44-1tp

DAVENPORT; PLATFORM SCALES, saddle, Hermiston New & Second Hand Store. 44-1tc

SADDLE HORSES OR WORK horses for sale. See Marian Henderson, Hermiston, Phone 561. 40-1tc

FOR TRADE — THREE 20-ACRE tracts, improved and good buildings, and three houses in small town, buildings and stock of goods for wheat ranch. Forty acre dairy ranch for stock ranch. Three good 20-acre tracts here for sale cheap. Fine ten acres easy money cheap. Lot of other deals. E. P. Dodd, Hermiston. 44-1tc

PLATFORM SCALES; 2 DAVENPORTS, good condition. Hermiston New & Second Hand Store. 42-1tc

APRICOTS—BIG CROP, RIPENING July 1 to 20. Orders for reservations acceptable. Ten pounds peaches free with 100 pound apricot order. Bring boxes. Edmonds Orchard, 2 miles West of Umatilla. 42-3tp

BABY CHICKS—TWO HATCHES each week. Large or small orders. Started chicks. Come, see what you buy. "Vigorbilt" Hatchery, Hermiston, Ore. 31-tfc

Find New Way of Fooling Ewes.

LAKEVIEW — Two Lake county woolgrowers, Ed Boshysell, Dry Creek and S. R. Hanson, West Side, have found that bummer lambs can be grafted on ewes by rubbing kerosene on the lips and under jaw of the ewe and on the lamb to be adopted. They recently reported to County Agent V. W. Johnson that this method is just as successful as the common one of fastening fresh pelts

from dead lambs on bidders, and saves a great deal of time and energy.

To Try New Spud Varieties.

PRINEVILLE—Three new varieties of potatoes recently received for trial at the Oregon experiment stations and in a limited way in demonstrations in the counties, are being tried out this year by George C. Truesdale, certified seed potato grower of Powell Butte, in cooperation with W. B. Tucker, county agent. These are Chippewa, Golden and Warba. Warba is an extremely early variety, resistant to mild mosaic. Chippewa is somewhat earlier than Katahdin and in some tests has been found to produce better, is resistant to mild mosaic and yields a high proportion of number ones. Golden is a yellow-fleshed variety about which there is little information to date, but it is also said to give a high yield of first grade potatoes.

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