The Grain Marketing Act and Its Relation to the Farmers Elevators

(Address by Dr. James E. Boyle)

[This was the subject of the address delivered at the 24th annual convention of the Farmers' Elevator Association of Minnesota by Dr. James E. Boyle, professor of rural economics of Cornell university, Ithaca, N. Y. .Dr. Boyle is recognized as one of the foremost agricultural economists and marketing experts in the country. He was formerly an instructor at the University of North Dakota and thus is well acquainted with the production and marketing problems of the northwest.]

It was a little over 26 years ago when I first came to this part of the country. For many years I made my home among the grain growers in the spring wheat belt; where I was a student of the grain trade and a teacher of agricultural economics. It was over a quarter of a century ago when I first heard that slogan of yours, "There is no substitute for the farmers' elevator." And in the last 25 years I have become convinced, more than ever, that there is no substitute, political or otherwire, for the farmers' elevator.

You are met today in the midst of a serious business depression. Your troubles are double those of the ordinary business man because you must forecast and meet not merely the usual business hazards but also those arbitrary and unpredictable risks of governmental competition in your business. We have laws that prohibit unfair competition in your business, but these laws do not restrain the federal government. We have laws against monopoly in your business, but these laws do not curb the activities of the federal government. We even have laws against price manipulation and carnering the wheat mraket, but these laws were aimed at citizens like yourselves, and do not now apply to the agencies of the government. In other words, we are living in a time when our government is in business in competition with the citizens and taxpayers as never before. I am here today to discuss one aspect of this very serious matter. My subject is the relationship of the Farm Marketing Act to the Farmers' Elevator Movement. To reach any sane and helpful conclusions on this subject it is necessary for us to ask and answer two preliminary questions: What is the Farm Marketing Act? And what is the Farmers' Elevator Movement?

1. What Is the Farm Marketing Act?

You are all familiar with the title and with the language of the Agricultural Marketing Act. The important thing about this law is that it creates a political board with large and undefined powers. Therefore, what the law says is not so important as what the Board does. To learn the real meaning of the law we must watch the Farm Board, listen to the words of its members and keep close track of their deeds. They have ample funds, $500,000,000 of the taxpayers, money, to use pretty much as they please. They have vast additional powers, for in this respect Congress really signed a blank check and told these men to fill it in with powers to suit themselves. They did. President Hoover correctly stated the situation and forecast the future when he launched this Board on its way with these formal words:

"By your appointment, I invest you with responsibility, authority and resources such as have never before been conferred by our Government in assistance to any industry."

I say Congress signed a blank check when conferring this unprecedented power on this Board. For instance, the law says in Section One that it is the policy of Congress to control surpluses, or in other words, this is to be a surplus control measure. Yet one of the first agricultural commodities organized by the Board was wool, which is not a surplus commodity. In fact there has been a shortage of domestic wool every year for over 75 years.

The Act, in Section Ten, makes it a crime for any officer or employe of the Government to issue or publish any prediction with respect to cotton prices, provided, however, that this restriction does not apply to members of the Board. Among the Board's many and uniformly wrong price predictions was that of cotton prices. In fact as early as October, 1929, the Board not only predicted an early rise in cotton prices, but offered to loan to cotton co-operatives money "without limit" to peg the prices at 16 cents at country points. The price was then 18 cents. It is now 8 cents. This prediction did not cost the Board anything, but it cost the cotton farmer his shirt.

This blank check for unlimited power gave the Board authority, according to its first publicity articles on grain, to set up a 100 per cent monopoly of farmer owned and farmer controlled wheat marketing system. It gave the board power to elevate prices and "stabilize" prices, whatever that means. On October 26, 1929, Chairman Legge announced that $100,000,000, and more if needed, would be loaned to agencies of the Board to keep wheat off the market. The aim was, of course, to force prices higher by this strong artificial control. Almost on the same day that Chairman Legge was taking this action to manipulate the market the Attorney General of the United States was telling a meeting of the American Bar Association at Memphis that the Government intends to enforce the anti-trust laws with vigor and without discrimination. The fundamental intent of the anti-trust laws, said Attorney General Mitchell, is to keep open

"avenues of industrial opportunity to the initiative of the individual citizens."

Our laws forbid unfair competition, but the Farm Board has power and uses the power to discriminate in favor of the few farmers inside a few of the co-operatives as compared with the many farmers outside of these few co-operatives; it loans money below current market rates to certain co-operatives but not to other corporations in the same business in the same locality.

Monopoly is forbidden by law, but it fosters certain types of monopolies.

Under the Farm Marketing Act, to sum up what has been said, we see a Board of eight appointed men exercising powers never before conferred or exercised under our Government. And back of these powers is a financial fund of $500,000,000.

In its 19 or 20 months of operations the Board's activities have fallen into three general classes which are best described by the words Merchant, Banker, Speculator. A very brief description of the Board's activities in each of these capacities will best answer the question. What is the Agricultural Marketing Act?

Merchant.—The Farm Board is now the largest grain merchant in the United States. The Board has been operating in grain through three agencies, the co-operatives, the Farmers' National Grain Corporation, and the Grain Stabilization Corporation. The Board denies that it is in business. But this denial does not alter the fact that the Board finances these agencies, that federal control always follows federal financing, and that in fact all important decisions referring to acts of these agents are made by the Board itself. The grain market recognizes the acts of these agencies as the acts of the Board; Congress also regards the market activities of these corporations as the market activities of the Board itself. The Board, in denying these facts, is hiding behind a very thin camouflage. In all honesty and frankness they should not seek an alibi, even though their work as grain merchant has been a conspicuous failure. Omitting from consideration at this time the Board's activities in other lines of merchandise, I wish to establish clearly the fact that the Board now is a grain merchant.

The Board, from the funds at its disposal, put $117,000,000 into the grain business during its first year of operations. Part of this money was used to buy or lease physical equipment for handling grain. For instance, the following grain firms were bought out: Hall Baker of Kansas City; Marshall Hall Grain company of St. Louis; Nye Jenks company of Omaha; Quinn Shepardson Grain company of Minneapolis. The trade regards these houses as government houses; the grain now stored in the elevators of these houses is called government grain. The trade waits for Chairman Legge's statements as to what is to be done with this wheat; whether or not it is to be dumped on this year's market, or is to be carried over into the 1931 crop year. The trade also waits for Mr. Legge's announcements as to whether or not he will enter the July futures market. It is the board itself that makes all important decisions in these matters. The agents of the board cannot be held responsible.

When the future historian writes the true story of the farm board he will picture it as a grain merchant, a very big and a very active grain merchant. When this same historian prepares an inventory of the words and deeds of this super grain-merchant, he will list the following items among others:

In its press release of July 27, 1929, the farm board discussed the proposed Farmers National Grain corporation then in process of being formed by it. The farm board here spoke of the functions of the new corporation and named this one function among others:

To conduct stabilization operations on the open market, if and when such operations have been approved in advance by the Federal Farm Board.

"If and when approved in advance by the Farm Board" places the responsibility where it belongs.

The Farmers National Grain corporation was incorporated October 29, 1929. About four months later, that is, in February, 1930, the Grain Stabilization corporation was set up The head of the National corporation had, of course, the approval of the Farm Board. On April 24, 1930, this man was made head of the two agencies of the Farm Board—that is, of the National Grain corporation and the Stabilization corporation. The Stabilization corporation was created by the board itself! That is, it was created from above, not from below. These two corporations with unit management carry out the policies of the Farm Board itself. The Farm Board is directly responsible for the acts and policies of both corporations. The trade and the general public and the Congress view it in this manner, and rightly so.

The historian, then, who is tracing the activities of the Farm Board as a grain merchant will note a few interesting and important events between the time the Farm Board entered the wheat market and the present time.

The historian will note that the Farm Board began its first grain operations by loaning to the co-operatives and telling them to buy and hold for a bull market; the second step since the first was a failure, was to operate through the National corporation; since this method also failed, the third step was taken, namely, direct action in the market in the name of the Stabilization corporation. When the Farm Board fired its first shot in its big bull campaign, namely, August 7, 1929, it announced to the world that wheat was too low. Wheat was then $1.34 in Chicago. Now after 18 months of operations wheat in Chicago is 76 cents a bushel.

If our future historian of the Farm Board compiles an inventory of facts in chronological order, he will have something about like this:

October 26, 1929. The Farm Board made the startling announcement to the world that wheat, then $1.23 in Chicago, was too cheap, and that the board would do something to raise the price. The board had a reason for the low prices, namely, "disorderly marketing"—and likewise the board had a remedy, namely, "orderly marketing" or withholding wheat from the market. The board further agreed to furnish money "without limit" to help certain farmers speculate for the promised bull market by withholding their wheat, (Here it must be said, parenthetically, that a few months later the board said it was not the marketing method that made wheat prices low but the overproduction of wheat; and the new remedy which the board then offered was acreage reduction.) The pronouncement of the board, October 26, 1929, was so important that its exact language must be carefully recorded

Said the Board—"The Federal Farm Board believes that based on known world supply the present prevailing prices for wheat are too low. The Board believes that this unsatisfactory price level is chiefly due to the rapid or disorderly movement which is putting a large part of the year's supply of wheat on the market within a short time. . . .

The Board also believes that the remedy lies in a more orderly marketing. In order to assist wheat farmers to hold back their crops and at the same time have money with which to pay their obligations, the board proposes to loan to wheat co-operatives.

The co-operative will market the wheat in orderly fashion through the year. . . . The board places no limit on the amount of government money to be so loaned. Nearly $100,000,000 is available for this purpose and, if necessary, the board also will ask Congress to appropriate more.

The board accordingly began to loans millions to certain co-operatives, on the theory that thereby the minimum price of wheat would be pegged at the schedule fixed by the board—$1.25 in Minneapolis for No. 1 northern spring; $1.12 in Duluth for No. 1 durum; $1.18 in Chicago for No. 1 hard winter, and so on for the other classes of wheats at other terminal markets. These wheat loans were in effect a government guaranteed, minimum pegged price for wheat. The price did not stay pegged. These loans were discontinued April 30, 1930.

November 1929. The Farmers' National Grain corporation, made up of a small fraction of the co-operatives, began operations in grain. The first stabilization operations, begun through loans to co-operatives, were continued through loans to the National corporation.

February 1930. The Grain Stabilization corporation began operating, representing the Farm Board.

February 1930. The Farm Board openly entered the futures market. At first it was done secretly; then openly and in a large way.

June 1930. Farm Board began acreage reduction campaign.

July 1, 1930. The Farm Board had bought and paid for over 60,000,000 bushels of cash wheat which was carried over into the new crop year. The new crop year proved to be a year of large carryover and of larger world crops. Wheat prices rapidly declined. The decline was attributed to overproduction and large carryover.

November 1930. Second stabilization operations were begun by board. December futures were bought, at first secretly, then openly. A joint announcement by Chairman Legge and the head of the board's two agents was made to the effect that December futures were to be pegged at 73 cents. A genuine corner in December wheat by the board was avoided by permitting the shorts to exchange March and May contracts for their December contracts.

January 12, 1931. Chicago's big wheat pit was closed to wheat and given over to corn. Trading in wheat futures, now reduced to a mere shadow, was given a smaller pit.

January 17, 1931. Arthur Cutten, one of Chicago's heaviest wheat traders, bought a seat on the Winnipeg Grain Exchange. This act marked definitely the Farm Board's influence on driving the speculative investor out of the American wheat market. No market can continue to function or even to live under government domination. A wheat market without speculative buyers is a narrow market. We have such a weak market today, and the farmer is the main loser by it.

Since the Agricultural Marketing Act makes the Farm Board a big merchant, there are a few other sides to this question to be looked at. The act declares it aims to set up a farmer owned and farmer controlled marketing system. Marketing requires both credit and transportation facilities. This means banks and railroads. But the Farm Board has not yet claimed that farmer owned and controlled banks and railroads would be any better than the present privately owned systems. Yet the board does assume that a farmer owned selling or merchandising system would be superior to the present middleman system based on individual initiative, free and open competition, and the survival of the fittest. The only argument I find the board gives for their belief is the old orderly marketing theory. That is, let the wheat and cotton farmer avoid "dumping;" let him practice orderly marketing—that is, feed it to the market throughout the year. No theory of marketing could be further from the truth than this. It was the following out of this theory that largely accounts for the wrecking of the Canadian wheat pool and most of the wheat pools of the United States. Apparently the Farm Board has not yet learned the very elementary lesson that dumping wheat or cotton on the domestic market has no effect whatever on price; also that the average farmer is better off by selling grain direct from the thrasher or cotton direct from the gin than he would be by carrying this wheat or cotton till spring. The future markets and the speculative investors absorb the offerings. They carry the risks more cheaply than the farmer can, and give him his cash when he most needs it.

The Farm Board as merchant has endorsed certain types of business as sound and condemned others as unsound. Thus the Board has given its blessing to the big centralized co-operatives as against the small local co-operative. Yet our own history shows that the big centralized co-operatives have been the least successful. Witness the big potato pools of Maine and Minnesota; the three big tobacco pools; the late lamented United States Grain Growers, the deceased Farmers Grain Company, and many other large-scale, highly centralized organizations once active and now all dead. The Canadian Wheat Pool was "big" but that only hastened its failure. In the private grain trade the Armour Grain Company was big—in fact the biggest grain company in the world. But it is gone where so many big enterprises go. In trying to set up these big super-organizations the Farm Board is looking for super men to operate them. But there are not enough super men in the market to be secured by the Farm Board to operate its pet type of corporation. I'll venture the assertion at this point that the average farmers' elevator is more efficiently and successfully managed right now than is the average big co-operative corporation working directly under Farm Board control.

Since the Farm Board as big grain merchant did not make money for the farmers during its first 18 months, but lost money, it has been sounding a new note—and a rather strange note for a big merchant. Reduce your acreage, says the Farm Board. You are giving me too much to sell! It is your fault, not mine, that I cannot get a good price for this stuff, even by orderly marketing it, even by feeding the market, even by withholding it from the market! So our big grain merchant is passing the buck to the farmer. The farmer answers, very naturally, "Tell me something better to grow and I will grow that." But the Board says, "Reduce." Further than that the Board sayeth not.

One more thing now needs to be said about the Board Board as a grain merchant. The Board now is operating through the National Grain Corporation and a number of its subsidiaries as terminal markets. No evidence has been produced thus far by the Board that these agencies handle the farmers' grains any more cheaply than the private grain trade agencies handled it. No evidence has been given that they handle the grain as cheaply as it was handled by the so-called private interests. As is now generally known, grain is the one farm commodity which has long been handled at the lowest margin of cost.

A few years ago, I made a detailed cost study of handling grain at terminal markets. Among other things, I went through the books of one typical commission house and took the records of every car handled for the past five years, 50,000 cars in all. After collecting the commission on cash grain fixed by the rules, and after deducting the costs of running their own business, this house had a net profit of exactly $5 a car on every car handled. It was an efficiently managed house, and practically all the grain handled came from farmers' elevators. Can the Farm Board as grain merchant beat this record? I very much doubt it. The Farm Board thus far has proved a very unsuccessful grain merchant. Its work as speculator and banker remains to be considered.

Speculator.—I now wish to speak of the Farm Board in its second capacity—that of speculator. The "stabilization" operations of the Board have unstabilized the market and have been pure unadulterated speculations. Likewise the withholding of certain commodities from the market, transactions advised and financed by the Board, have likewise been pure speculation and in most cases unsuccessful speculation.

The Farm Marketing Act says its aim is to minimize speculation. But as now administered its main result thus far has been to increase speculation. We know now, for instance, that the withdrawing of 1,300,000 bales of cotton from last year's crop and letting it hang over the market for this year's crop and next year's crop is the major factor in keeping cotton prices depressed. We know that carrying over 60,000,000 bushels of wheat from 1929's small crop into 1930's big crop has helped depress the world's wheat market to the lowest level in years.

The Board, as I said a few moments ago, advised the farmers in August, September, and October of 1929 to withhold their wheat for the higher prices promised in the spring. Likewise in the fall of 1930 the same advice was given. Advice was followed by action to carry the advice into execution. Now we know, looking back upon it, that this Farm Board advice to farmers to speculate for a bull market was bad and costly advice. The tragedy of it is, it was followed by so many farmers. Take one concrete and typical case which had had some publicity — that of a farmer named August J. Wagner of Central City, Neb.

August J. Wagner. — Mr. Wagner in July and August, 1930, delivered three cars of wheat to a subsidiary agency of the Farm Board, the Farmers' Westcentral Grain Company of Omaha. Wheat was then worth 81 cents a bushel in Omaha, but Wagner took the advice from above and ordered his grain stored in the terminal market. The Westcentral Grain Company made him an advance of 48 cents a bushel. At the end of December he was called for a check to cover the carrying charges on his grain amounting to $432, or about 10 cents a bushel. The accumulated charges were made up of these items! Turning charge ¼ cent a bushel; unloading, 1 cent; commission, 1¼ cents; storage, 6 cents; interest, 1 1-3 cents. Total charges, approximately 10 cents a bushel. It is obvious in this case, and in the thousands like it, that speculation has not been minimized; speculation has been merely shifted from the shoulders of the professional speculator to the shoulders of the farmer. This particular farmer says he speculated because of advice of the Farm Board to hold for a bull market and because of efforts of the Farm Board to bring about the bull market.

In this case, and in the thousands of others like it, the farmer learned that it costs money to withhold wheat from market and pay the carrying charges. In this case the storage and interest amount to over 7 cents a bushel. This wheat did not advance in price 7 cents a bushel. In fact it declined in price 10 cents a bushel during this period, July-December. Apply this same principle of carrying charges and price declines to the Farm Board's 60,000,000 bushels of wheat bought in 1929 and carried up to the present. Here the carrying charge is approximately $1,000,000 a month. The Farm Board has announced that it expects to end the 1930 crop year with 130,000,000 bushels of wheat on hand. To carry this much cash wheat would cost $66,000 a day.

The speculative nature of the Farm Board's "stabilization" operations were quickly and frankly recognized by the ablest farm journals of the United States. To cite a good example, I will quote from an issue of the Pennsylvania Farmer in February 1930.

Last week the Federal Farm Board announced that it had recognized the Grain Stabilization Corporation and would provide it with $10,000,000 "to carry on its initial operations." This is the first stabilization corporation to be formed under the Agricultural Marketing Act. It has broad powers under that Act, since it may "prepare, purchase, handle, store, process and merchandise" the grain for the purpose of controlling the surplus or stabilizing the market. All profits accruing from its transactions, or any losses resulting therefrom, are assumed by the revolving fund, the members of the corporation not being benefited by profits or harmed by losses. The real Function of the Corporation is to speculate in grain in this instance, in wheat, for that is what any individual or organization must do if it buys, holds and sells or does any of the other things specified in this Act. One of the declared purposes of this Act is to promote the effective merchandising of Agricultural commodities by "minimizing speculation." One of the results of it is a big speculation by an agency created by a federal board and financed by public funds.—Pennsylvania Farmer, February 22, 1930.

Butter Stabilization.—In the first annual report of the Farm Board it singles out one of its stabilization operations as an example of brilliant success. It judged this speculation to be a success because it prevented a decline of butter prices over a period of some two or three months. The Board suggests that prices were even raised 2 or 3 cents a pound for a month and a half. This stabilization operation, socalled, consisted in loaning to one large corporation several million dollars, and the purchase from farmer creameries and in the open market of over 5,000,000 pounds of butter which was withdrawn from the market and withheld for a time. Withholding this butter created an artificial scarcity and did put the price up about 4 cents for some six weeks. But what were the after effects, This price elevation no doubt contributed its share to the subsequent increase in butter production and to the resultant drop in price during the latter part of the year to very low levels. For instance, looking at it from the consumer's point of view, I can say that in my town I have for years been buying the high quality butter put out by the corporation which conducted the stabilization operations. I found this butter was elevated in price 4 cents a pound for some two months in the spring of 1930 while it was being "stabilized." Then I found it dropped 8 cents a pound where it has been for six months. So the question is, did this socalled stabilization of butter succeed or fail in the long run. Is it a success to boost butter prices 4 cents for six weeks and then have these prices drop 8 cents for six months? We all know that a product withheld from the market is not disposed of. When it does come on the market in competition with other supplies it is almost certain to depress the market more than it had previously elevated it.

(Continued next week.)

FORCE OF HABIT.

From Passing Show.

Plumber (pausing on sidewalk—to mate)—Well, we've remembered the tools this time, but 'anged if I ain't forgot where we 'ave to go.

REGULAR BOY.

"How'd you like school?"
I asked small Dan,
"I like it closed,"
Said the little man.

TREAT SEED TO CONTROL SMUT

Wheat Losses in South Dakota Bring Campaigns on Bad Seed

Brookings, S. D. — . — With reports from Minneapolis showing heavy losses to South Dakota wheat growers because of smutty and mixed grains, intensive campaigns are being conducted in a number of counties by committees of farmers who are co-operating with the extension service of State college in an attempt to eliminate smut.

These campaigns are intended to encourage treatment of seed to control smut and the planting of pure seed, says R. E. Johnston, extension agronomist at State college.

The campaign had its beginning in Brown county, where smut was causing especially heavy losses. In 1928, 41.5 per cent of all wheat received at Minneapolis from this county graded smutty, as compared to 15.7 per cent for the wheat from all points in the spring wheat area.

As a result of the efforts by a committee of leading farmers, the extension service and the Northwest Crop Improvement association, the percentage of smutty wheat was reduced to 17 per cent in 1929 and 15.5 per cent in 1930.

Similar committees of farmers are functioning in Marshall, Day, Spink, Faulk, Sully and Potter counties, Mr. Johnston said. Sources of pure seed have been established in all of these counties. This is a necessary part of the crop improvement program as discounts resulting from wheat being mixed have made a large difference in the prices paid to producers.

In connection with these campaigns Mr. Johnston is recommending that all crop growers treat their seed grains for smut. Full information as to proper methods of treatment may be obtained from any county agent or from the extension service at State college.

WATCHING THE CLOCK.

Childhood: She sits by a window raised high,
Watches a clock that is ticking close by;
Harks to the clip-clop of hooves on the bridge—
"Dad's not in that one; it turned up the ridge.
Mother, he's late!" Tick-tock, tick-tock.
Watching the clock! Always watching the clock!

Womanhood next: A wife now herself,
Sits with her eyes toward a clock on a shelf;
Listens and whispers, "Here comes the last car;
He'll be on that one—the door is ajar.
Hark! That's his footstep!" Tick-tock, tick-tock.
Watching the clock! Always watching the clock!

Middle age now: She smoothes her gray hair,
Stares at a clock, eyes darkened with care.
Autos flash by 'neath the star spangled dome;
"What keeps the children? Time they were home!
There! A car's stopping!" Tick-tock, tick-tock.
Watching the clock! Always watching the clock!

Old age at last: She lies on her bed,
Eyes on a clock; "She is sinking," they said.
Feeble voice quavers, "They'll be here at eight;
I'll last till that time—they'd want me to wait."
Door opens softly—tick-tok, tick-tock.
Watching the clock! Always watching the clock!

—Sam Page.

Death Presents a Paradox.

Arthur Styron in Scribner's Magazine.

The fear of death is not, as most persons would like to believe, in inverse proportion to the love of life. Generally it is the other way around. Those who have little reason to love life clings to it tenaciously and fear death proportionately.

Age and illness and vicissitudes seem to strengthen, rather than weaken, the instinct of self-preservation. The artist or genius whose life serves badly almost always has a morbid fear of the cessation of beloved energies and of the great silence, so that in his imagination he literally dies a thousand deaths.

"When I have fears that I shall cease to be," Keats wrote; and the pathetic music of Tchaikovsky and the wistful poetry of Poe record poignantly their despair at watching the golden sands vanishing on a "surf-tormented shore."

Doctor Johnson so dreaded the thought of death that his friends took a malicious delight in tormenting him with it. Once when Boswell persisted in persecuting him with the subject, Doctor Johnson was thrown into such a state of agitation that he thundered out: "Give us no more of this!" and sternly told the trembling and too-curious philosopher: "Don't let us meet tomorrow!"

NEW SPRING WHEAT

A new spring wheat, "Progress," developed by the University of Wisconsin, is becoming popular with state farmers because it is highly resistant to the Fusarium scab and black stem rust.

THEN AND NOW

In Ideonshrdlu cmfwyp..cmfwyp
In olden times when Romeo
Called on his Juliet,
He climbed up to her balcony
To woo his precious pet.

But now he motors to her door
And honks his auto horn.
"Step on it, Juliet," he shouts,
"I can't wait here till morn."

—Knickerbocker Press.

Qualified.

From Klods Hans Copenhagen.

Editor: This book is not badly written, but I only take work from authors who are well known.

Author: Fine! My name's Smith.

THE WHALE IN COMMERCE

From Indianapolis News.

Some years ago a chemist in Germany developed a process for eliminating the fishy taste from whale oil, and thus set in motion forces that no longer are going unnoticed. Lard as a swine product, always has figured prominently in agricultural exports from the United States. A decline in shipments is held by American experts to be traceable to more than the reduced buying power in Europe, our chief outside market. Whale oil has been popularized there as an ingredient in the manufacture of edible commodities, particularly margarine. Its cheapness is said to be primarily responsible. In any event, lard is being demanded less, and by just so much is the outlet for it curtailed.

Whaling thus competes with the live stock growers of the United States. How considerable a factor it has become is indicated by official statistics showing that the producton of the oil has quadrupled since 1926. Not only does it curtail the trans-Atlantic use of lard, but the output has some domestic effect. The sperm is employed extensively in manufacturing soap, which makes unnecessary a reliance on other forms of fat. Four-fifths of last year's whale oil crop was bought by concerns in Europe and one large American maker of soap. Although there have been efforts to substitute blubber for lard in food articles in this country the undertaking never has gone far.

Uncertainty as to a long continued heavy output of whale oil, in contrast with the demonstrated ability to maintain swine production on a satisfactory level, and the wide and steady demand for pork, narrows the permanent effect of expanded whaling; but temporarily the influence on lard exports is admitted by packers who have studied the details carefully.

Q. Is the present day Russia interested in the drama? B. J.

A. It is said that a spontaneous amateur theater movement has sprung up in the soviet union. Performances take place in factory towns. Village club workers write, produce and act their own plays. There are some 35,000 of these club theaters in cities and towns, and about 30,000 in the villages. Troops known as Blue Blossers travel about the country performing before local trade unions and peasant clubs. Their repertoire includes songs, acrobatics, dances and satirical sketches. Thereare about 10,000 of these. In the spring of 1928 there were 8,767 motion picture display places in the soviet union.

Telegraphically, Collect.

From Manchester News.

Busy Father—First, realize my time's short. Secondly, say what you want. Thirdly, be short.

Spendthrift Son—First, I do. Secondly, I will. Thirdly, I am.