familiar with practical problems of shipping hogs and selling hogs at the terminal markets. He ought to be familiar with the various hog products, as handled by the packers, and the nature of the demand for each of them. Through the Farm Bureau organization or through the Bureau of Crop Estimates at Washington he should have a very thorough knowledge of the potential supply of marketable hogs in the different sections of the corn belt week by week. In short, his job should be to keep in the most intimate touch possible with the supply and demand conditions to the end that the power of the Farm Bureau federation may be used to adjust the supply to a point which will insure cost of production, no more, no less. In other words, an effort should be made to regulate the supply to the demand in such a way that hogs will sell one year with another for about 11.5 bushels of corn, this to be modified seasonally.

The guiding star in the collective sale of any live stock product should be cost of production. The Chicago Milk Producers took the Pearson formula to represent cost of production, departing from this at times because of unusual supply and demand conditions, but nevertheless, approximating it quite accurately. In the case of live stock, we must also use cost of production as a guiding star, and it is here suggested that the ratio method of judging cost of production is probably as satisfactory as any.

Of course, it must always be recognized that the cost of production price and the supply and demand price are two altogether different prices under marketing conditions as they exist today. One of the big objects of collective sale of live stock, however, is to make these two prices more nearly identical, to the end that supply and demand conditions may be made more nearly uniform from one day to the next and from one year to the next. One of the greatest criticisms of the present price system as run by the big packers and the Board of Trade is that so little has been done to place prices at a point which will insure a more uniform supply and demand. Aside from perfecting more economical methods of sending stock to market powerful farmers’ organizations can justify their use of the collective sale of live stock only insofar as they do a better job than the present price agencies in the matter of setting price at a point which will maintain a more uniform supply and demand. Just at present I see no indications that any farmers’ organization is prepared to approach the problem from this larger angle, but I am nevertheless hopeful as to the future.

REMARKS ON MR. WALLACE’S PAPER

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Mr. Wallace’s excellent paper on the collective sale of livestock, reminds me of the German professor who gave a very thorough account of a certain wonderful animal, but ended the description by saying that there was no such animal.
The only difference is that Mr. Wallace began by saying there is no such thing as real collective sale of live stock; and then gave us a comprehensive account of how far the American farmers have actually gone in selling livestock collectively, which after all is merely to effect a saving through co-operation of some of the commissions that are ordinarily paid to livestock commission firms.

It seems to me the great difficulty with the livestock market today is that the seller puts himself at the mercy of the buyer, by shipping his goods out before they are brought.

I know the cattle situation best in Canada, where conditions are very similar to Chicago. We are producing in Saskatchewan mostly grass fed cattle of the highest grass-fed type, but when a farmer ships his cattle down he takes his life in his hands, and does not know how he will come out. The livestock commission men of Winnipeg are mostly Jews, who, as Rothschild said, "buy sheep and sell deer." The Winnipeg packers pay no more than they think the traffic will bear, and if the farmer sells to the Jewish cattle buyer that goes through the country he has to take enough less for his cattle to pay not only a fair profit of the buyer, but also he has to pay for the eventual losses this buyer may sustain owing to the uncertainty of the market when the cattle get to Winnipeg, so the present livestock buyer cannot afford to pay what the stock is really worth.

It seems to me an experiment might well be tried that would amount to real collective marketing of cattle. Supposing the farmers of one or two or three or four counties got together, and agreed first to start feeding at about the same time, so as to have the cattle finished by about the same time; and agreed also not to sell for a certain limited time, except through their own chosen representative;—they could give this representative (which might be an association or the agent of an association) the sale right to handle those cattle for a limited time, without binding themselves to any definite price. They would merely put him in position to say that he had so many hundred or thousand head of stock to sell, of a certain quality; he could then invite the packers’ agent out to see the cattle, and make his offer for them; if the offer was accepted by the owner of the cattle well and good: if not accepted, the owner of the cattle could not sell to anyone else until the time limit expired.

After all this is the way cattle is sold on the large ranches of the West. The large ranchers do not gamble on what the market will be when he ships the cattle. He meets the buyer’s representative, shows him the cattle on the ranch, and contracts to sell them, and if a bunch of farmers would get together and do the same thing the result should work out the same way: if they did not get a satisfactory price they would not ship the cattle down and put themselves where they would have to sell whether they got a satisfactory price or not.

When you travel in the ranching country you hear talk like this: "Who got Jones cattle?" "How many has he got?" "700 head."
“Who has been out to see them?" "What are they offering him for them?" "What is he asking for them?" etc.

If the farmers should get together on a plan such as indicated it would seem as if packers from different centers would come to see them and bid for them on the farm instead of bidding for them in the yards. I remember one time last year when Iowa hog prices in the Eastern part of the State were up above the Chicago market because Ottumwa was paying more than Chicago.

By handling the proposition as proposed you could get buyers from different centers to come out and bid, instead of the farmers having his stock at high expense in the yards, where he is practically under compulsion to sell in a few days at whatever the buyers feel like paying.

In the option the farmers would have to give their agent under the plan proposed, it might not be feasible to fix a price, as stock might vary too much in quality to do this, and the market would fluctuate, but it seems to me if a joint agent had the sole sale of the stock for a certain number of months, this agent would be in position to make a much better collective bargain for several thousand heads, than is possible now when the farmer either has to deal with the local buyer,—who must have a large margin of profit,—or else has to ship and take the gamble himself on what he will get at Chicago or Winnipeg.

I would like very much to see this plan discussed, and tried out, and if handled right I do not see why it would not work.

"THE FIELD OF THE AMERICAN ASSOCIATION FOR AGRICULTURAL LEGISLATION"

By L. H. Baily, President

The above address was published as volume five of this series, January, 1920.

STATUS OF AGRICULTURAL LEGISLATION IN THE STATES

By J. Clyde Marquis, Associate Editor,


We appear to be entering a period of extended federal control in the form of legislation concerning matters which have previously been handled only by states or smaller political divisions. One has only to examine the increasingly imposing lists of federal regulatory enactments to be impressed with the fact that we are amassing an enormous amount of federal law which in practice reaches further than mere inter-state trade, and involves co-operation, and in many cases, supervision of state agencies by federal authorities.

In the Department of Agriculture, this growth of federal supervision is especially apparent, so that the Secretary of Agriculture