a field house that seats 6,500 people. We have all the facilities necessary to entertain your convention. We have a lot of good people and we have good stores to sell goods to you and we have everything that it takes to make a good convention of the type and kind you people would want to have. We have ample facilities for meeting rooms and ample facilities available for the display of cheese.

I would like to take this opportunity of extending to you an invitation to your officers and directors and executive committee, if you have one, to be the guests of our Chamber of Commerce of Wisconsin Rapids at any time convenient for them so that they might come over and look over the facilities we have and see for themselves what we really have to offer. If after they have done that and they come back and say they are not adequate and not satisfactory, we are perfectly willing to draw out.

We have entertained many large conventions. We had one there this summer—3,500 people, and a number of others and we are able to take care of them. We are located in the center of the state and it is easy to get there, accessible from all angles and all points. You don’t have to drive a long ways to get there, and after you get there I promise you if you accept our invitation you will be well rewarded for the time you spent in Wisconsin Rapids. I thank you, Mr. President.

PRESIDENT WHITING: Our next speaker on our program is Mr. Hubert, president of the Wisconsin Cheese Exchange, Plymouth. Ladies and gentlemen, it is a pleasure to introduce Mr. W. F. Hubert.

To the President and Members of the Wisconsin Cheese Makers’ Association:

The topic assigned to me by your Secretary, “The Wisconsin Cheese Exchange,” I believe warrants my going back to the time of the first Board of Trade organized in Wisconsin, namely the Sheboygan County Board of Trade. I wish to quote from the resolution passed at that time, on December 2, 1872:

“We deem it for the best interest of Sheboygan County to establish regular market days for the sale of dairy products where seller and buyer can meet and transact their business, thus securing a market for our products at home where members may offer them in such quantities and at such prices as they may deem satisfactory to themselves.”

The above procedure was carried on for a number of years. Finally, the salesmen and cheesemakers lost interest in their boards of trade, and in 1918 the Wisconsin Cheese Exchange was incorporated, succeeding the Plymouth Dairy Board. Some cheesemakers of-
ferred their cheese on the Exchange until 1921 when the Farmers’ Call Board was organized and from then on until the present time, both the Farmers’ Call Board and the Wisconsin Cheese Exchange have functioned.

I do not believe that the rules of the Farmers’ Call Board have been changed from the time it was organized to the present date. However, on the Wisconsin Cheese Exchange, there have been numerous changes in the rules and by-laws from time to time.

On February 26th, 1931, the then newly created Department of Markets called a conference of the cheese industry at Fond du Lac, Wisconsin, and recommended a committee market. At that meeting a committee of thirteen was selected—and I was not a member of this committee of thirteen—and at their first meeting, a sub-committee of five was appointed to draft rules and by-laws for a committee market and the committee of thirteen made their final report and recommendations on May 28th, 1931, and embodied in this report:

“A. Composition of the Cheese Market Committee

“The cheese market committee shall consist of seven members representing the various branches of the industry and appointed in the following manner:

One member is to be appointed by and is to represent the packers and their indirect connections.

One member is to be appointed by and is to represent the processors and their indirect connections and the chain stores.

One member is to be appointed by and is to represent the independent dealers.

One member is to be an official of and is to represent the National Cheese Producers’ Federation.

Two members are to be appointed by and are to represent the five recognized farm organizations, and the Farmers’ Call Board, the Tri-County Cheesemakers’ and Dairymen’s Association and the Wisconsin Cheesemakers’ Association.

One member is to be appointed by the State Department of Agriculture and Markets from within its own staff or from the general public. This member is to represent the public.

Each member of the market committee is to have a first and second alternate elected in the same manner as the
members. One of each of these alternates is to serve in case of unavoidable absence of the member whose alternate he is."

And passed the following resolution:

"It is the sentiment of the Committee of 13, that copies of the report on the committee market be furnished to the Plymouth Cheese Exchange and to the Farmers' Call Board with the request that this report be considered by each of these boards; and the Committee of Thirteen requests each of these boards, after its consideration of the report, to cooperate fully with the Fair Price Committee. The Committee of Thirteen further requests that each board adjourn for an indefinite period subject to the call of its president in order to give the committee plan a full and fair trial."

I was appointed as one of the committee of seven, representing the processors and their indirect connections and the chain stores, but never committed myself as being in favor of or opposed to a committee market. However, as the producers of Wisconsin requested a committee market, I favored the adjournment of the Farmers' Call Board and the Wisconsin Cheese Exchange so as to give the Committee Market a trial. The Wisconsin Cheese Exchange passed a resolution going on record that they would adjourn providing the Farmers' Call Board would do likewise. However, the Directors of the Farmers' Call Board refused to adjourn, thus preventing the committee market being given a trial.

I have always felt that an exchange where both buyer and seller could meet to express their views was the right system in selling any product and in order to make this clear, I wish to quote from my testimony given on September 26th, 1931, at the trial of the Farmers' Call Board:

Question by Attorney Haugen: "And your idea is some authority should be established to say 'stop' when they get low enough and 'stop' when they get high enough?"

Answer by W. F. Hubert: "Well, that isn't what I meant. I have a different idea as I told you. My idea of regulating that has been different from practically everybody else. I would like to see competitive bidding. I would like to see plenty of cheese on the boards to have competitive bidding and I would like to see it in such form that it wouldn't be a runaway market or go too low, and if there could be some guidance there, I believe we would keep on an even keel. You can't run a market up one week and down the next and establish confidence in the trade. Every
dealer can tell you that by running these markets too high that you have lost the confidence of the trade and you have got to get down to a much lower level than what you actually should before you have reestablished that confidence.”

There were a number of changes in the rules of the Wisconsin Cheese Exchange until 1936 when the entire rules were revamped. As chairman of the Rules Committee, I tried to carry out my ideas as submitted above and thought that this had been accomplished with the revision of the rules. However, they did not work out in practice the way I had expected.

Again, on April 6, 1938, the newly created Department of Agriculture and Markets called a conference of the assembling branch of the industry for the purpose of requesting their cooperation in another attempt to set up a cheese market committee. Later plans were perfected for the organization of such a committee by the Department; and the assemblers, at the request of the Department, appointed three members to represent them on such a committee and I was not one of the three selected.

Upon my return from the South early in May last year, President H. G. Davis asked me as chairman of the Rules Committee of the Exchange to bring in some changes in the rules and by-laws. This furnished another opportunity to put in practice some of my own ideas and the ideas of other members of the Exchange. It resulted in the re-writing of practically the entire rules and by-laws, and today cheese of every description can be bought or sold on the Wisconsin Cheese Exchange providing they are listed as to what they are.

Prior to the adoption of the by-laws and rules on August 12th, 1938, only Wisconsin State Brand cheese not over thirty days old was offered, and under the then existing rules cheese offered was not placed on the board at a stated price nor were there any bids posted at a stated price. The present rules permit offerings and sales of both American and Brick of all grades, styles and ages, but if over thirty days old must be so stated as to month and year's make and on both offerings and bids made, the present rules require they must be at a stated price.

Carnoasts shall be in straight lots as to style and color and shall weigh not less than 24,000 or over 28,000 pounds gross.

The seller shall add to the invoice an assembling charge of 5¢ per pound which covers getting the cheese ready for shipment such as grading, paraffining, loading, shipping and furnishing bill of lading.

A freight differential based on the Plymouth-to-Chicago rate
is allowed which works as follows: The Plymouth-to-Chicago car load rate being 19c per cwt. is the basic rate and if shipment is made from a point taking a higher rate, an allowance must be made on all above 19c per cwt. For comparison, the Marshfield rate to Chicago is 25c and an allowance of 6c per cwt. must be allowed on the invoice. This allows the seller to ship from any point in Wisconsin and the buyer on the Exchange is not penalized.

On less than carload lots, minimum 3,000 pounds, of one variety and color, the seller shall add 3c per lb. to the invoice for which he must deliver cheese to his nearest freight station, either rail or truck. Buyer must pay all freight or trucking charges but not to exceed 34c per lb. on the gross weight to his nearest warehouse in Wisconsin.

Seller may demand inspection on all carload sales. On less than carload sales, buyer need not make inspection unless the cheese is shipped out of Wisconsin.

Transactions on the Board of October 21st, 1938:

A offers 3 cars of Cheddars at 12c.
B offers 1 car of Longhorns at 12½c.
C offers 3 cars of Twins at 11½c.
D accepts 3 cars of Twins at 11½c.
E offers 1 car of Daisies at 12c and 3 cars of Cheddars on the dry basis at 11½c.
D buys the 3 cars of Cheddars at 12c.
F offers 2 cars of Horns at 12½c and 1 car of Daisies at 12½c.
G offers 1 car of Daisies at 12½c.
D buys the 3 cars of Cheddars on the dry basis at 11½c and offers to buy 2 more cars of Cheddars at 12c.
E sells the 2 cars of Cheddars at 12c.
D offers 12c for 2 more cars of Cheddars.
There were 11 cars sold and the market opinion was:
Twins 12c—Cheddars 12c—Daisies 12½c—Horns 12½c.

Transactions on the Board as of June 9th, 1939:

A and B each offer a car of Cheddars on the dry basis at 12½c. Same were purchased by C.
C offers 13c for a car of white and a car of Colored Twins, 13½c for a car of Daisies, 13½c for a car of Horns and 13c for a car of Cheddars.
C purchases a car of Daisies at 13½c and the car of Cheddars at 13c.
The market opinion was:
Twins 13c—Cheddars 13c—Daisies 13½c—Horns 13½c.
Transactions on the Board as of August 11th, 1939:

A offers 2 cars of Cheddars on the dry basis at 12½c.
B buys the 2 cars of Cheddars at 12½c.
C bids 13½c for a car of Horns and 13¼c for a car of daisies.
A sells the car of Daisies at 13¼c.
B bids 12½c for 2 cars of Cheddars.
A accepts the 2 cars of Cheddars if on the dry basis at 12½c.
B says O. K.
The market opinion was:
Cheddars 12½c—Daisies 13¼c—Horns 13¼c.

Transactions on the Board as of October 20th, 1939:

A offers 2 cars of White Cheddars at 15c.
B buys the 2 cars of White Cheddars at 15c.
C offers a car of Cheddars on the dry basis.
A offers 2 more cars of Cheddars at 15c.
D buys 2 cars of White Cheddars at 15c.
C offers 1 car of Daisies at 15½c.
B buys the car of Daisies and the car of Cheddars on the dry basis at 15c.
C offers another car of Daisies at 15½c.
E buys the car of Daisies.
C offers another car of Daisies at 15½c and E also buys this car.
F bids 14¾c for 50 cases of Brick and B bids 15½c on a car of White Daisies.
The market opinion was:
Cheddars 15c—Daisies 15½c—Brick 14¾c.

Cheese offered must be in an approved warehouse. These can be a public cold storage licensed by the State of Wisconsin or in any other warehouse which meets the usual and customary standards for the commercial handling and protection of cheese. This takes in cheese factories which have adequate cooling space to protect cheese during warm weather and also to protect same from freezing. In other words, cheese during the winter months would not have to have cold storage facilities.

At the opening of the Exchange there shall be a call for offerings and bids. The call shall be closed at the end of thirty minutes providing, however, that at the request of any member or at the discretion of the presiding officer the call may be extended for five minutes from time to time but not to exceed fifteen minutes, making a total of forty-five minutes. The acceptance of any offer or bid at a stated price during this time immediately closes the transaction.
Any offering or bid may be withdrawn prior to the close of the call. Offerings and bids on the Exchange at the close of the call shall be subject to acceptance by any member for a period of five minutes immediately thereafter. During that five-minute period no new offerings or bids can be posted and only offerings and bids on the Exchange can be acted upon.

Wisconsin producers and cheesemakers can, if they wish, have a voice in transactions on the Exchange but have not availed themselves of this opportunity so far except producer members of the two large cooperative cheese organizations and I have been told that their dealings have been satisfactory. Although the membership committee passes upon the responsibility of the applicant, I know of no one whose application for membership has been rejected.

The membership fee is ten dollars which shall be tendered with the application. Corporations, firms and individuals may become members of the Exchange by written application to be passed on by the membership committee and the payment of the annual dues as fixed by the executive committee.

On all sales made on the Exchange the following clearing charge shall be paid by each party to the transaction: Less than carloads—50c per lot but in no case shall the lot represented by a bid be assessed more than 50c in the event sales are made against this bid by more than one seller. Carloads—one dollar per car.

That the new rules have worked, and have performed a useful service for the cheese industry of the State of Wisconsin, is demonstrated by the fact that in the year ended August 12th, 1938—which was prior to the adoption of the new rules—39 cars were offered on the Exchange, while during the year ended August 12, 1939, and after the new rules were in operation, the transactions on the Exchange increased to 561 cars.

This furnishes ample proof that the Wisconsin Cheese Exchange has a place in the cheese industry of the State of Wisconsin, and that it is the greatest single factor in this State in providing the cheesemakers and producers of Wisconsin with a market for their cheese. In fact, the Wisconsin Cheese Exchange is the only commodity exchange in Wisconsin and the only market-place where Wisconsin sellers and buyers from every state in the union of any Wisconsin commodity are afforded the opportunity to meet on common ground and buy or sell that commodity.

The Wisconsin Cheese Exchange is conscious of its position, and of its public responsibility, and because it is a factor in the economic life of Wisconsin, its members want the public, and particularly the cheesemakers of Wisconsin, to have a proper understanding, not only of what we do, but how and why we do it. Our sessions
are open to you at all times. We welcome advice and suggestions from your organization and the next time you are in Plymouth on a Friday, you are invited to come in to the session of the Exchange at one o'clock and see for yourself how the rules of the Exchange operate.

As president of the Exchange, and on behalf of all of its members, I offer your organization our best wishes for its success in the years that are ahead and assure you of our desire to cooperate with you at all times.

C. E. Broughton, speaking before your convention on November 17th, 1931, and referring to my testimony as to my ideas with reference to a cheese market, made this statement:

"No, and Bill Hubert or anybody else would never put this across in the State of Wisconsin—applause."

Seven years later Mr. Broughton stood shoulder to shoulder with me in putting across my ideas.

I also want to state that neither myself, as chairman of the Rules Committee of the Exchange, nor to my knowledge any member of the Rules Committee gave Mr. Broughton any ammunition to be used in his editorials in his battle with the Department of Agriculture and Markets. I also believe that if Mr. Broughton had not carried on this battle, we would not have the Wisconsin Cheese Exchange in Wisconsin today. I believe that the Exchange would have been closed and today your cheese prices would be based on a Chicago Exchange, and I want you to know that Mr. Broughton is entitled to his share of the credit as well as the men on the Rules Committee for keeping the Wisconsin Cheese Exchange functioning in this State.

PRESIDENT WHITING: The next speaker on the program is Mr. Bryce S. Landt. It is with pleasure, ladies and gentlemen, to introduce to you Mr. Bryce Landt from Wisconsin Dells, representing the Wisconsin Dairy Industries Association.

THE WISCONSIN DAIRY INDUSTRIES ASSOCIATION

By Mr. Bryce S. Landt

Mr. Chairman, ladies and gentlemen: When the committee asked me to appear at this meeting, they didn't call on an orator. I am just a farmer from over near Wisconsin Dells, interested in promoting dairy products.

The Wisconsin Dairy Industries organization is an organization of producers and we have asked the manufacturers of these prod-