



# MICHIGAN FARM NEWS

PUBLISHED MONTHLY BY MICHIGAN FARM BUREAU  
VOL. 45, NO. 10 OCTOBER 1, 1967

Attend Your...

**County Farm Bureau Annual Meeting!**



**"STRENGTH—THRU GROUP ACTION"**

**OCTOBER IS CO-OP MONTH!**

## Editorial

# Questions...

Please join me in thinking over last year's annual meeting of your county Farm Bureau. Remember? — Did it start and end on time? Did the meeting progress smoothly without wasting the time of those attending? No long-winded speakers talking on irrelevant topics?

Did the officers appear to know what they were doing? Were committee reports well written and well presented? Could everyone hear? Were facilities comfortable and favorable toward conducting an important meeting?

Were sound business methods used? Was parliamentary procedure followed? Was there any appearance that the business or elections were hurried through—"railroaded" in any way?

Had a nomination committee been at work to make sure there were good candidates for each office and had these candidates been briefed concerning the importance of the job?

Were there a number of well thought-out proposed policy resolutions — and did they stir the people to think and talk, even argue, about them?

Were newsmen invited and were reports of the meeting, the election and the policy statements heard in broadcasts, and found in newspaper reports?

If the answers to these questions were mainly "yes" then it would appear almost certain that Farm Bureau in your county is a vital, effective force dealing in issues of importance to you and your neighbors.

Is it?

Would it surprise you that many counties which could pass such tests with little difficulty, remain remarkably ineffective because they have failed to become involved in important local affairs?

Farsighted Farm Bureau leaders have been urging county Farm Bureau officials to become involved, deeply involved, in local issues, even (or especially) of a controversial nature. They suggest that if facts are missing, Farm Bureau become involved in research, that the organization become known as factual, forceful and effective.

A simple method to check the "involvement index" of your County Farm Bureau is to count the number of policy issues in recent years which dealt with county affairs and compare them with those calling for state and nationwide action.

How many truly COUNTY Farm Bureau resolutions requiring local action, were left behind to form an effective COUNTY program of work when the slate of proposed state and national policy issues were sent on to the Michigan Farm Bureau annual meeting for consideration there?

What was done about them?

Have they taken the concrete form of improved zoning, economy in local government, lives saved, fairer taxation, and improved rural-urban understanding?

Or is there very little evidence that your county Farm Bureau exists? If home is where the heart is — why does it often appear easier to ignore home problems in favor of those far away, in Washington, or across the seas?

Why do Farm Bureau members appear to spend so much time condemning the idea of a strong central government in Washington and then do so very little in many cases to prevent it, by becoming a prime factor in strengthening local government?

Not that national and international problems should be ignored — far from it, for they need the very best thinking and action we can give them. But so do local problems, the kind we encounter face-to-face in our daily lives and which are ours alone to solve.

It has been said that throughout America there is a dramatic rise in personal "non-involvement" causing a breakdown in law and order. A wry "joke" concerns the drowning swimmer who refused to cry for help because he didn't want to become involved.

Has non-involvement hit your County Farm Bureau?

What are YOU doing about it?

M.W.



"I'M DROWNING OUT GOPHERS  
— WHY?"

## OFFICIAL NOTICE

The 48th Annual Meeting of the Michigan Farm Bureau will be held on the dates of November 7-8-9 — at Michigan State University, East Lansing.

Bylaws of the Michigan Farm Bureau provide that each County Farm Bureau shall be entitled to seat two voting delegates, plus an additional delegate for each one hundred members, or major portion thereof in excess of the first two hundred members of record as of August 31, 1967 — not including associate members.

The meeting of Voting Delegates will convene at 10:00 a.m. Tuesday, November 7, and continue through November 9 at the University Auditorium.

The Annual Banquet will be held in the Civic Center, Lansing, at 6:00 p.m. November 7.

Purposes of the meeting include:

(1) Election of members of the Board of Directors. Odd-numbered Districts will elect Directors for two-year terms. Also to be elected for two-year terms will be one Director-At-Large, and one Director representing Michigan Farm Bureau Women. To be elected for a one-year term will be a Director representing Farm Bureau Young People.

(2) Reports of Officers.

(3) Consideration and adoption of a slate of resolutions determining action-policies of Michigan Farm Bureau for the coming year.

(4) Consideration of proposed amendments to the Bylaws.

The Policy Development Committee will be in special session the first day of the convention — November 7 — following the Commodity Conferences. Any Michigan Farm Bureau member is welcome to appear before the Committee on any issue.

It is important that all delegates plan to attend the entire three days, and that the SAME delegates represent their county continuously during this period.

Dan E. Reed, Secretary-Manager

## MICHIGAN FARM NEWS

THE ACTION PUBLICATION OF THE MICHIGAN FARM BUREAU

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OFFICERS: Michigan Farm Bureau: President, Elton R. Smith, Caledonia, R-1; Vice President, Dean Fridgeon, Montgomery, R-1. Secretary-Manager, Dan E. Reed, Lansing.

DIRECTORS: District 1, Francis Finch, Mattawan, R-1; District 2, Nicholas Smith, Addison, R-1; District 3, Frank Smith, Jr., Carleton, 1015 Indian Trails Rd.; District 4, Elton R. Smith, Caledonia, R-1; District 5, David Morris, Grand Ledge, R-3; District 6, Jack Laurie, Cass City, R-3; District 7, Kenneth Bull, Bailey, R-1; District 8, Harvey Leuenberger, Saginaw, R-6; District 9, Eugene Roberts, Lake City, R-1; District 10, Richard Wieland, Ellsworth, R-1; District 11, Clayton Ford, Cornell.

DIRECTORS AT LARGE: Walter Frahm, Frankenmuth; Dean Fridgeon, Montgomery, R-1; Robert Zeeb, Bath, R-1.

WOMEN OF FARM BUREAU: Mrs. William Scramlin, Holly; FARM BUREAU YOUNG PEOPLE: Ray Launstein, Williamston.

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## President's Column

# FIRST HALF-CENTURY

Several of our county Farm Bureaus have reached, or are nearing, 50 years of service as a farmers' organization here in Michigan. At least one county is planning a "Golden Anniversary" celebration at this year's annual meeting.

And it's only a couple of years until the Michigan Farm Bureau and the American Farm Bureau Federation hit that half-century mark.

This is something that we are very proud of — and we have a right to be proud — but this achievement also brings with it the responsibility to consider another matter very carefully.

Too often we have been so busy using Farm Bureau to try to solve the problems of Michigan, those of the United States, or even those of the world, that we have forgotten to consider Farm Bureau as our best way for solving some of the real down-to-earth problems we have right at home.

And of course, this was really the purpose for which Farm Bureau was formed in the first place — to help take care of problems right at home. History shows us that local "farmers clubs" joined together back in the early 1900's into county "Farm Bureaus" and then, in 1919, the Michigan Farm Bureau was born when 43 of these county groups decided to band together "to provide ways and means for concerted action on agricultural problems."

Then a few days later, the youthful state Farm Bureau joined with eleven others to form the American Farm Bureau Federation.

But along with building a new kind of farm machine to help us solve our problems beyond the local level, at state and at national levels — it seems that too many of us have forgotten that it really does work (and probably at its best) right back at the community level where we first figured out that it would work at all.

This was part of the thinking behind a recent action of your American Farm Bureau Federation board of directors when we asked that state and county Farm Bureaus place more emphasis on local issues — on such things as financing, maintaining and supervising county roads; on financing, administering and using our local schools; on assessments and taxes; on fire, road, home, farm, and public safety; on the problems many of us are having with township dumps; water pollution, or any one of a hundred or more other problems that should be taken care of right at home.

This was also on the minds of your state board of directors when we made plans for putting more emphasis on our community groups here in Michigan. You can read more about this and other board action programs in a special article nearby in this issue.

Michigan really has much to be proud of in our Community Farm Bureau Groups because we have such a powerful way to attack our problems locally. But if we spend all of our time talking about such things as settling the Viet Nam situation, and spending little or no time at all on how well the county supervisors handle the county welfare program or the condition of the bridge over Jones' creek, then maybe we have missed the target completely.

And if our Community Group is just a social affair where we spend all of our time talking to ourselves and are not getting the word to our county Farm Bureau and on down to the county courthouse, we have neglected our duty not only to ourselves and our neighbors, but also to our elected officials who need our guidance.

Since almost all of our county Farm Bureaus will be holding annual meetings this month, I hope every one of you will give serious thought to some of the real problems (let's call them action-opportunities!) in your community and how you and your county Farm Bureau can be effective in solving them.

Fifty years is a long time, but a good farm organization, much like vinegar, gets stronger with age. We have built a powerful farm tool, and it is ready for our use.

Now, let's not forget to turn it on and aim it in the right direction.

Elton Smith

**"SECURITY"-IN A HOUSE OF CARDS...**



NEWS ITEM:  
 FREEMAN, REFERRING TO  
 \$3.5 BILLION GOV'T FARM PAYMENTS...  
 "LBJ WOULD JUST HAVE TO WHISPER  
 AND CONGRESS WOULD VOTE THEM OUT"

**Broadcasters hit on Daylight time issue**

**THEATER OWNERS CHARGE 12 STATIONS FOUGHT UNFAIRLY FOR DAYLIGHT TIME**

From: Broadcasting Magazine  
 September 4, 1967

A controversy within the state of Michigan over daylight saving time boiled over into Washington last week, in a protest filed with the FCC against the license-renewal applications of 12 radio and television stations in Detroit and Grand Rapids.

The National Association of Theater Owners of Michigan, which claims to represent some 400 theaters, said the stations used their facilities unfairly to fight for daylight savings time in the state, and refused to grant "equal broadcasting rights" to opponents in the controversy.

The theater owners asked the commission to hold hearings on the renewal of applications of WWJ-AM-FM-TV, WXYZ-AM-FM-TV, WJBK-AM-FM-TV, all Detroit, and WOOD-AM-FM-TV Grand Rapids. The theater owners, who claimed that the stations had acted in concert, also sent a copy of their petition to the Department of Justice.

The controversy erupted following enactment last year of the federal law providing for nationwide observance of daylight time. The Michigan legislature, taking advantage of an escape clause in the law, adopted a statute exempting the state from the requirement of observing daylight time. Later, however, the exemption law was petitioned to a referendum and nullified.

**Theater Owners Position**—The theater owners had opposed daylight time on the theory that the public would be more inclined to spend daylight hours after dinner in the garden or on the golf course than in a movie, drive-in or hardtop. The feeling is particularly strong in Michigan, on the western fringes of the eastern time zone, where daylight lasts until 10 p.m.—daylight time—in midsummer.

The nation's broadcasters, as well as transportation interests, had worked for years for passage of a bill that would eliminate the hodgepodge of time standards that had existed throughout the country in summer. Networks were eager for passage of a bill that would eliminate the problems they faced in feeding programs to stations operating on different hours within the same time zones.

But the stations that are subject of their complaint, the theater owners said, waged a one-sided fight against the exemption bill and, later, in support of the referendum campaign. The theater owners said the stations not only broadcast editorials and features in support of their cause but slanted newscasts as well.

In claiming that the stations violated the fairness doctrine, the theater owners said that although they were faced with "irreparable damage", the stations either ignored their request for time to submit their side of the controversy or else afforded so little time as "to make replies meaningless."

**Mich. Farm Bureau**

**"Strength — thru Group Action"**

**is 48<sup>TH</sup> Annual Meeting Theme...**

Tuesday, Wednesday and Thursday — November 7-8-9, are dates of the 48th annual meeting of the Michigan Farm Bureau, to be held on the campus of Michigan State University, East Lansing.

A major change in this year's program involves scheduling the annual banquet for the first night, November 7, at 6:00 p.m. According to Mrs. Wm. Scramlin, Chairman of the Annual Meeting Committee of the board, this has been done to take advantage of facilities at the Lansing Civic Center.

Others serving with Mrs. Scramlin on the committee include Raymond Launstein, Clayton Ford and Richard Wieland, all members of the Michigan Farm Bureau board of directors. Staff Chairman is Melvin Woell, Manager of the Information Division.

Announced as banquet speaker is Dr. Kenneth McFarland, nationally-known church leader, farmer and author, who will talk on a favorite topic, "Selling America to Americans".

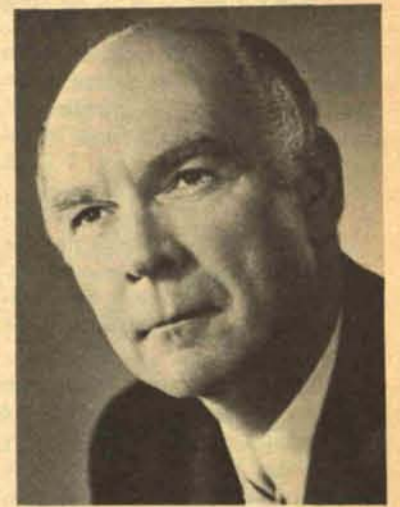
Earlier in the first day, delegates and guests will share in the formal opening of the Convention at 10:00 a.m. and hear the President's Address by Elton Smith. Farm Bureau Women will gather at noon in Kellogg Center for their meeting and election of officers, while other special-interest groups will meet in the Union building.

Second-day highlights (November 8) include an appearance by Roger Fleming, dynamic Secretary-Treasurer of the American Farm Bureau Federation and director of the Washington office. Also expected is an appearance by Governor George Romney in response to a long-standing policy of the Michigan Farm Bureau to invite the state's Chief Executive to appear at each annual meeting. With few exceptions these invitations have been honored, giving the Farm Bureau "House of Delegates" a first-hand report of state affairs just prior to their discussion and debate of proposed policy resolutions.

Again, County Farm Bureau presidents are asked to attend the exclusive "President's Banquet" upon the personal invitation of Michigan Farm Bureau president, Elton Smith. Guest for the evening dinner will be Merrill Anderson, Iowa farmer and president of the Iowa Farm Bureau. Anderson is expected to compare Farm Bureau "across state lines" and to help spell out some of the important functions of a county Farm Bureau.

The President's Banquet will be held in Kellogg Center's Red Cedar Rooms, Wednesday night, beginning at 6:00 p.m. At the same hour, a Young Farmer's dinner will be held in the nearby "Big Ten" room of Kellogg Center, where a program arranged by the state Young Farmer's Committee will include a nationally-known guest, Arthur Holst, National Football League official, and well-known inspirational speaker.

Business purposes of the three-day convention include management and financial reports, election of officers, consideration of policy statements and adoption of a program of work for the coming year. Subject to election are members of the Michigan Farm Bureau board of directors from "odd-numbered" districts plus one "Director-at-large". Also to be nominated to positions on the board at special-interest sessions will be a state Women's Chairman, and a Young Farmer representative.



DR. KENNETH MCFARLAND



ROGER FLEMING



MERRILL ANDERSON



THE CALVARYMEN — famed singing and recording group, will be heard on the evening banquet program (Tuesday, Nov. 7) at the Michigan Farm Bureau annual meeting. They have released seven long-play recordings of their rollicking spiritual gospel music; have been singing together for 11 years. The group is headquartered at Flint, Michigan.

# Board Stresses COMMUNITY GROUP Importance

## Backs Action Programs —New Treasurer Named

"Action packed" — that would be the best way to describe the most recent two-day meeting of the Michigan Farm Bureau board of directors, September 7-8 at Farm Bureau Center, Lansing.

Reflecting the busy harvest-time of year, the meeting agenda included a number of priority actions which will result in long-time benefits to Michigan Farm Bureau members.

Discussed at length were such important action areas as Cherry Marketing (for details see "Cherry Marketing" — page 12) and Farm Bureau's Wheat Program. The directors noted with concern the low prices for this year's harvest-time wheat and wrote a public statement advising farmers to ease up on fall wheat planting plans.

They re-emphasized the importance of Farm Bureau Community Groups to the total Farm Bureau movement, and stated that such groups are the foundation of Farm Bureau and that every effort should be made toward building and improving "this important part of our organization."

To underscore this belief, the directors adopted a series of recommendations presented by the Community Group advisory committee — recommendations which included budget approval for employment of a new staff person to spend full time on Community Group "promotion, conservation and development."

The board members pondered at some length the problems of operating effective county Farm Bureau offices, and directed a board committee to investigate the feasibility of some form of county-offices auditing services.

Along similar lines, they heard a report from the Market-Development Division concerning Michigan Farm Bureau's expanding farm-record service, including an analysis of such systems made by a university specialist who has been involved in a study of farm record and management services now offered mid-west farmers.

The specialist stated that the farm record service now offered Michigan farmers by the Michigan Farm Bureau in cooperation with the Iowa Farm Bureau, is one of the best in the country for the price, and has the most potential for further service of any of the systems available.

Just as Fall is an "accounting" time of year for most farmers, the September meeting of the Michigan Farm Bureau is one at which programs and progress are reviewed, along with budgets for the new fiscal year.

Accordingly, a number of the board actions were of a fiscal nature and budget-oriented, including the appointment of William R. Beattie, of Naperville, Ill., as Treasurer for the Michigan Farm Bureau and affiliated Farm Bureau Services, Inc., and Farmers Petroleum Cooperative.

Beattie (36) has an impressive background of top financial management within such corporations as Mead Johnson (pharmaceuticals) and earlier, U.S. Steel.

He will be directly responsible for all areas of financial management and control.

Besides earmarking budget



WM. R. BEATTIE

money for an expanded Community Group program, the board approved continuation of Farm Bureau's efforts in public service television production, and endorsed plans for a series of 12 half-hour color programs to be offered all stations of the state in the coming year.

The forthcoming 48th annual meeting of the Michigan Farm Bureau was reviewed by the annual meeting committee of the board, under the chairmanship of Mrs. Wm. Scramlin.

Included in their work was the selection of a meeting theme, "Strength Through Group Action", which the committee interpreted as placing further emphasis on the importance of the Community Group program within the Michigan Farm Bureau.

In urging use of the theme at the annual meeting, and elsewhere, the committee said it was appropriately symbolic of many areas of Farm Bureau, with the group action of members through marketing programs bringing more income into agriculture; legislative group action of Farm Bureau members, allowing farmers to be heard effectively in Lansing and Washington; and the membership roll call group action of volunteer workers signing their neighbors into Farm Bureau, the most basic of all group actions, and the one ultimately providing the strength for all of the others.

The annual meeting committee reviewed plans for the Young Farmer dinner (see program details, page 9), the Women's program (pages 10 and 11), and urged county Farm Bureaus to participate in nominating candidates for the "Distinguished Service to Agriculture" awards to be made at the annual banquet program, November 7. They pointed out that unsuccessful nominations from previous years may be re-submitted by the county of origin.

Need for continuous Community Group promotion was stressed by the board's adoption of a 10-point list of program recommendations which stated that current objectives of Groups should include acting as "a closer linkage between members and county, state and American Farm Bureaus;" serving as a medium for discovering and training leaders, and making possible a better informed Farm Bureau membership.

Other objectives were: improvement of problem solving methods for members; creation of



ANNUAL MEETING THEME — serves to spotlight the importance of Farm Bureau Community Groups, stressed by the Michigan Farm Bureau board of directors as the "foundation of Farm Bureau". The board has endorsed a continuing effort to build and improve the Groups, pointing out that membership, involved in group action, provides the strength for Farm Bureau.

personal opportunities for farmers to help in policy development; and opportunities for fellowship and recreation.

It was recommended that every Farm Bureau member should be invited to join or to start a Community Farm Bureau Group this year, with this to be the responsibility of the county Community Group Committees, and the county board of directors.

Discussion topics should emphasize farm economics as well as philosophic issues, it was suggested, with any group able to call for additional discussion topics at any time.

Need for closer working relationships between groups and the county Farm Bureau was underlined in another recommendation, while another suggested that in order to simplify Community Group structure, the officer lists should include a Chairman who is also the Program Chairman, a Vice-Chairman, who is also the Discussion Leader, and a Minuteman who is also Assistant to the Discussion Leader, plus an Information Chairman, who also serves as Package Reporter.

## Board Wheat Statement

Glutted wheat markets and jammed storage facilities have caused the board of directors of the Michigan Farm Bureau to caution Michigan wheat farmers to go slow in planting their fall crop. Less wheat, they believe, will result in higher prices and more net income.

In a public statement to all news-media, the Farm Bureau leaders noted the direct relationship between a probable record crop of one billion, 236 million bushels of wheat, and prices paid — currently the lowest in years. The board members suggested a "voluntary reduction in wheat plantings of a minimum 20 per cent" under last year's acreage.

Last year, farmers responded to a strong harvest-time price, plus the encouragement of government officials and others to increase plantings to meet rising world food needs. Response was such, the Farm Bureau officials observed, that a bumper crop and glutted markets have caused wheat prices to tumble to their lowest point in 25 years, and to become a prime contributing factor in the drop of the farm parity ratio to 74 per cent, lowest since depression days.

It is thought that a 20 per cent acreage cut in the mid-west soft wheat crop would mean a price improvement of up to 25¢ per bushel.

## LETTERS TO THE EDITOR

### Mutt and Jeff

(In a Farm News editorial entitled "Factual Funnies," reference was made to cartoonist Al Smith's nationally-syndicated comic strip "Mutt and Jeff" as one of the few consistently comical comics left. Mutt's fall into a well occasioned editorial comparison to the economic plight of modern farmers.

This prompted artist Smith to write as follows)

Dear Mr. Woell: I was surprised and delighted when I read what you wrote about me and Mutt and Jeff.

Your parallel in agriculture was most interesting and true, and I am pleased that you could use the "deep well" idea to get your point across. Thanks and best wishes.

Al Smith  
Demarest, New Jersey

Dear Editor:

I was very pleased to receive the copies of your September Michigan Farm News which contains an article about me. My family and I were pleased with the arrangement of the article and photographs. I was surprised to see my picture on the front page.

The article on page 2 sums up my feelings well. I sincerely think that the freedom to think and act in accordance with one's intellect and motivations is necessary if man is to make the most of the resources God has given to him. The traditional Farm Bureau policy of agricultural freedom from outside pressure and manipulation has my support.

Sincerely,  
Earl E. Klager  
Saline  
Washtenaw County

### Fire Loss

Dear Sirs:

Several weeks ago I lost my barn and contents in a fire. I want you to know that I am very thankful that I am part of a family, a Farm Bureau family, that helps you in time of need.

The Farm Bureau Insurance agent, Dale Johnson, was very helpful in outlining the necessary steps for a proper claim settlement. The Claims Department representative was also very efficient and settlement of claim was promptly made.

My sincere thanks to all members of the Insurance Group who makes this possible.

Sincerely,  
Gerald Waldeck  
Caledonia  
Kent County

# THE TRUTH ABOUT CO-OP TAXES

## — October is Co-op Month!

With all the commotion nationally about "tax exempt cooperatives," the question occurs, "What tax advantages do cooperatives enjoy?"

For some answers to this and other related questions we visited the attorneys for Michigan Farm Bureau, Edwin Steffen and William Wilkinson.

The answer in the case of many Michigan cooperatives is "Virtually, none."

They explained that all businesses are subject in some degree to about five general categories of taxes: property taxes, sales and use taxes, unemployment taxes, social security levies, and income taxes. The only area of significant difference is in the last category, they say.

Most cooperatives pay the same property, sales and social security taxes as any other business. About the only exceptions

to this rule are church affiliated organizations or organizations owning no property and doing no business.

"So," we asked, "how about this talk of tax exempt cooperatives? How did it start?"

"The answer" said Ed Steffen, who has spent much of his life studying the laws of taxation and their relation to cooperatives, "probably lies in the fact that there are some which are exempt from income taxation."

"These usually are local organizations which market farm products and distribute farm production supplies. Most of the cooperative associations which limit their activities to marketing farm products of patrons are exempt from federal income taxation."

He went on to explain that very stringent regulations must be met if an organization is to operate as an "exempt" cooperative. These

regulations are based on the Internal Revenue Code of the United States and are administered very stringently by the U.S. Treasury Department.

Section 521 of the Internal Revenue Code lays out the following requirements for any company which qualifies as a cooperative, exempt from federal income taxes:

— Annual dividends cannot exceed 8% on the outstanding stock of the company. (Michigan law reduces this to 7%.)

— The majority of the company's business must be with its member-owners.

— Purchases of equipment and supplies for non-member-non-producers cannot exceed 15% of the purchases for members.

— All patrons, whether members or non-members, must be treated alike in the distribution of earnings of the cooperative.

The net result of this, according to Steffen, is that most Michigan cooperatives that engage in both marketing and supply business do not try to qualify for the income tax exemption. Instead of keeping patronage records for distribution of patronage to every patron, they pay the income taxes amounts used to pay dividends on outstanding stock, and distribute the balance of their net earnings on member business to members only.

"What's the advantage of being an 'exempt cooperative'?" we asked.

To this Bill Wilkinson replied that under the 1962 revisions of the Revenue Code, qualifying companies would not pay taxes on profits paid out as dividends on outstanding stock or on patronage dividends based on business done with the cooperatives provided: The refund to patrons is in cash; or at least 20% of all refunds are paid in cash to qualify the refunds to inclusion in the gross income of the patrons receiving them; or the refunds are in the form of certificates having a due date for payment.

If patronage distributions do

not meet those requirements, the corporation pays the regular income tax on refunds failing to thus qualify.

In answer to our question of how this affects the affiliates of the Michigan Farm Bureau, Steffen said that the companies have decided that they could not comply with the exemption regulations and still do the job.

As an example, he pointed out that Farmer's Petroleum Cooperative paid roughly \$50,000 in Federal income taxes in 1966 on amounts used to pay dividends on outstanding stock and earnings on non-member business. This represents normal corporate income tax at the same rate as is applied to any other corporation. So the tax advantage to cooperatives in Michigan boils down to these major points:

— In the case of a cooperative exempt from Federal income taxes, there is no income tax levied against the cooperative on net earnings used to pay dividends on outstanding stock.

— In the case of both a non-exempt and an exempt cooperative, patronage dividends distributed to patrons as "qualified" patronage dividends as defined in the Revenue Act of 1962 are not taxed in the hands of the cooperative. They are subject to inclusion in the gross income of the respective patrons when they prepare their income tax returns.

Cooperatives must keep extensive records in order to comply with the requirements as to handling patronage accounts applying to refunding patronage dividends in qualified form.

Failing to comply with such regulations as issued by the Internal Revenue Service subjects the cooperative to taxation as an ordinary corporation.

## LEADER HONORED

L A Cheney, secretary-manager of the Michigan Association of Farmer Cooperatives, was elected to a three-year term on the board of trustees of the American Institute of Cooperation. The action took place at the AIC annual meeting held at Purdue University in August.

The AIC is a national organization to promote educational programs for farmer cooperatives on the national level. The Institute was organized as a college and incorporated under the laws of the District of Columbia providing for educational institutions. Often described as a "University without a campus," AIC each year holds its annual meetings at one of the Land Grant colleges.

Cheney was also recently recognized by the National 4-H Conference when he received a citation for outstanding contributions to Michigan 4-H Youth programs. He was one of four persons receiving such an award.

Cited for his work with member cooperatives to develop an educational program to help youth understand the cooperative marketing process and procedures, Cheney was also honored for making it possible for outstanding 4-H youth to participate in the AIC. The Institute provides a learning opportunity for youth to live and experience the cooperative movement.

The citation listed Cheney's work with 4-H Club meeting demonstrations, public speaking contests, and the development of leader training materials.

## COUNTY ANNUAL MEETINGS...

it's YOUR meeting! attend, speak out!

ALCONA — Oct. 2, 8:00 p.m., Alcona High School, Lincoln, lunch following meeting.

ALLEGAN — Oct. 12, 7:00 p.m. potluck dinner, Griswold Auditorium, Allegan.

ALPENA — Oct. 10, 8:00 p.m., Wilson School.

ANTRIM — Oct. 3, 8:00 p.m., Methodist Church hall, Kewadin, refreshments.

ARENAC — Oct. 10, 8:00 p.m., Standish Courthouse.

BARAGA — Oct. 5, 8:00 p.m., Covington Town Hall.

BARRY — Oct. 10, 7:30 p.m. potluck supper, Community Bldg., Hastings Fairgrounds.

BAY — Oct. 5, 8:00 p.m., Monitor Township Hall, Bay City.

BENZIE — Oct. 18, 8:00 p.m. VFW Hall, Beulah.

BERRIEN — Oct. 12, 6:30 p.m. supper, Youth Memorial Bldg., Berrien Springs.

BRANCH — Oct. 16, 8:00 p.m., 4-H Cabin, Coldwater Fairgrounds.

CALHOUN — Oct. 11, 8:00 p.m., B. E. Henry Community Bldg., Marshall, refreshments.

CASS — Oct. 14, 8:00 p.m., Eastgate Conference Room, Cassopolis, luncheon following meeting.

CHARLEVOIX — Oct. 4, 8:00 p.m., Boyne City Grade School, luncheon.

CHEBOYGAN — Oct. 17, 8:00 p.m., Black River School, Cheboygan.

CHIPPEWA — Oct. 3, 8:00 p.m., 4-H Center, Kinross, luncheon following meeting.

CLARE — Oct. 16, 8:00 p.m., Hamilton Township Hall.

CLINTON — Oct. 10, 7:30 dinner, Smith Hall, St. Johns City Park.

DELTA — Sept. 30, 8:00 p.m., Rapid River School, luncheon.

EATON — Oct. 12, 7:00 dinner, 4-H Bldg., Charlotte.

EMMET — Oct. 5, 7:30 p.m. Elementary School, Harbor Springs, refreshments.

GENESEE — Sept. 26, 7:00 p.m., potluck dinner, Mundy Twp. Hall, Rankin.

GLADWIN — Oct. 3, 8:00 p.m., Grout Town Hall, luncheon.

GRATIOT — Oct. 18, 6:30 potluck supper, Fulton Twp. Schools, Middleton

HILLSDALE — Oct. 9, 7:30 potluck supper, 4-H Club Bldg., Hillsdale.

HOUGHTON — Oct. 4, 8:00 p.m., Eldred Lange residence, Superior location.

HURON — Oct. 11, 7:00 p.m. banquet, Farm Bureau Center, Bad Axe.

INGHAM — Oct. 11, 7:30 potluck supper, Stockbridge Legion Hall.

IONIA — Oct. 9, 7:30 potluck supper, A. A. Rather Elementary School, Ionia.

IOSCO — Oct. 4, 8:30 p.m., Reno Twp. Hall, luncheon.

IRON — Oct. 9, potluck supper, Crystal Falls Twp. Hall.

ISABELLA — Oct. 9, 7:30 p.m. dinner, 4-H Camp, Coldwater Lake, Weidman.

JACKSON — Oct. 3, 7:30 p.m., Beebe School, Napoleon.

KALAMAZOO — Oct. 10, 7:00 dinner, County Center Bldg., Kalamazoo.

KALKASKA — Oct. 7, 8:00 p.m., Kalkaska High School, refreshments.

KENT — Oct. 2, through cafeteria line before 7:30 p.m., Schensul's Suburban Buffet, Grand Rapids.

LAPEER — Oct. 12, 7:30 dinner, Lapeer Co. Center Bldg., Lapeer.

LENAWEE — Oct. 5, 7:00 p.m. potluck, New county office bldg., Adrian.

LIVINGSTON — Oct. 5, 7:30 p.m. dinner, Fowlerville High School.

MACKINAC-LUCE — Oct. 2, 7:15 p.m. potluck supper, Engadine Town Hall.

MACOMB — Oct. 5, 7:00 p.m. banquet, Waldenburg-Immanuel Lutheran School.

MANISTEE — Oct. 12, 8:00 p.m., Farr Center, Onekama.

MARQUETTE-ALGER — Oct. 10, 7:00 potluck supper, Chatham Town Hall.

MASON — Oct. 10, 8:00 p.m., Amber Town Hall, luncheon.

MECOSTA — Oct. 14, 11:00 a.m. dinner, Morley-Stanwood School.

MENOMINEE — Oct. 12, 8:00 p.m., community room, Bank of Stephenson.

MIDLAND — Oct. 16, 8:00 p.m., Homer Twp. Hall, luncheon.

MISSAUKEE — Oct. 9, 8:30 p.m., McBain Public School.

MONROE — Oct. 10, 6:30 dinner meeting, American Legion Hall, Temperance.

MONTCALM — Oct. 11, 8:00 p.m., Central Montcalm School Commons, Stanton.

MONTMORENCY — Oct. 3, 7:00 potluck supper, Atlanta School.

MUSKEGON — Oct. 3, 8:00 p.m., 4-H Center, Wolf Lake.

NEWAYGO — Oct. 17, 8:00 p.m., Fremont Foundation Bldg.

NORTHWEST-MICHIGAN — Oct. 11, 7:00 supper, Twin Lakes 4-H Camp, Traverse City.

OAKLAND — Oct. 9, 7:30 p.m. dinner, Congregational Church, Pontiac.

OCEANA — Oct. 18, 7:00 potluck supper, Congregational Church, Hart.

OGEAW — Oct. 9, 8:30 p.m., Ogemaw Twp. Hall, West Branch, refreshments.

OSCEOLA — Oct. 12, 8:15 p.m., Lincoln Town Hall, Reed City, potluck lunch.

OTSEGO — Oct. 16, 8:00 p.m., Gaylord Livingston Twp. Hall.

OTTAWA — Oct. 17, 8:00 p.m., Allendale Town Hall.

PRESQUE ISLE — Oct. 11, 7:30 p.m., Belknap Twp. Hall, Rogers City.

SAGINAW — Oct. 11, 6:00 supper plate, 4-H Bldg., Saginaw Fairgrounds.

SANILAC — Oct. 9, 6:00 p.m. Pancake supper, Farm Bureau Bldg., Sandusky.

SHIAWASSEE — Oct. 9, 7:00 p.m. potluck supper, Casino, McCurdy Park, Corunna.

ST. CLAIR — Oct. 10, 7:00 p.m. dinner, Goodells Community Center.

ST. JOSEPH — Oct. 9, 7:00 potluck supper, Centreville Community Bldg.

TUSCOLA — Sept. 26, 7:00 banquet, Caro High School Cafeteria.

VAN BUREN — Oct. 21, 6:30 p.m. dinner, Farm Bureau Bldg., Paw Paw.

WASHTENAW — Oct. 11, 7:30 dinner, Farm Council Building, Ann Arbor.

WAYNE — Oct. 6, 8:00 p.m., 4-H dining hall, Belleville fairgrounds, refreshments.

WEXFORD — Oct. 5, 8:00 p.m., Cadillac Senior High School.

# "Quality Products...Priced Competitively"

## F. B. SERVICES MANAGER GIVES VIEWS

Last September, William N. Guthrie was named Executive Vice President and General Manager of Farm Bureau Services, Inc., and Farmers Petroleum, two of Michigan's most important farm cooperatives.

Now, a bit more than a year later, and in commemoration of October as Co-op Month in Michigan, newsmen have asked Guthrie's opinions concerning cooperatives and the role they play in a modern farming community. The results of this interview follow:

**QUESTION:** How would you say Farm Bureau Services, Inc., fits into the Michigan cooperative movement?

**GUTHRIE:** In my opinion, the job that Farm Bureau Services has to do, and which we state as our objective, is the profitable operation of the off-the-farm extension of the farmer's business. To me, it is simply stated in these terms, and in this way we can improve the net return from farming for our members.

**QUESTION:** You stress the point — "profitable"?

**GUTHRIE:** I don't think that "profit" is a bad word. I look on profit as the result of successful operations, and from this profit — or net margin — to, one, insure the continuity and growth of the organization; two, plow money back into new facilities (this is particularly true in agriculture which is changing and expanding); three, return money to stockholders in the form of dividends.

In a cooperative form of business organization — we have to be profitable to assure growth, to continue to expand and improve our facilities, and to pay (in our case) a patronage refund to our members.

**QUESTION:** You refer to this as an "off-the-farm extension of the farmer's business" — is this a sort of "vertical integration" only in reverse?

**GUTHRIE:** I very definitely think so. To me, the best way to improve the net return from farming is to first of all, lower the cost of farm inputs. We've shown conclusively in the past spring and fall that we can reduce fertilizer prices.

Fertilizer is a significant farm input, and we're doing the job in this area. On the other end, in marketing, I believe that rather than taking farm products to the farmyard gate and thinking that this is marketing, the farmer must control his products farther into the channels of distribution. Orderly cooperative marketing as in the case of the Farm Bureau Wheat Marketing Program is a practical exchange.

**QUESTION:** We keep returning to the word "profit" — I can see that in your thinking it is mentally underscored, with perhaps the feeling that some of the cooperative operations in Michigan's past haven't been so profitable . . .

**GUTHRIE:** True, we've been remiss, I believe, in not always operating our businesses in a profitable manner. We have continued, in some instances, to subsidize unprofitable parts of our business — unprofitable product lines, for example — and this is to the detriment of our total operation.

**QUESTION:** Is there any real reason why a cooperative venture

should not be as profitable as a normal corporate operation?

**GUTHRIE:** No reason at all that I can think of, and you could make a good case to say that the return on the investment should be greater. We have a three-point program as our objective in Farm Bureau Services, which includes selling quality products that meet the farmer's need, pricing these products competitively at the time we sell them, and offering better service than the farmer can receive anyplace else.

Further, we must operate the farmer's business within this framework in a profitable manner. With professional management and proper guidance from the board of directors, I believe we can be just as profitable as private business.

uct shortages. The opportunity for more growth is there.

**QUESTION:** "Profit" appears to be a key word — where have there been profit weaknesses within the cooperative movement? Has it been without what I'll term "professional management?"

**GUTHRIE:** I wouldn't point the finger at any one area. I would say that most successful cooperatives become profitable through a program of sound management. But this starts with proper policies developed by the board of directors who select the management which they charge with the responsibility for operating the business. If there is any blame that should be cast upon cooperatives for failing to do their job, I think it would have to be born equally.

**QUESTION:** Hasn't there been an unspoken assumption that a farm cooperative can't fail because of the very nature of the thing? That it is capable of just sort of running itself, and automatically grows — that it's got to be good because it's a cooperative?



WILLIAM N. GUTHRIE

**GUTHRIE:** No, I don't believe so at all. We had experiences where cooperatives have not adequately served the needs of their members and have ceased to do business.

**QUESTION:** I've heard it said that there's never been a successful co-op that wasn't organized to serve a need not being filled at what farmers considered to be a reasonably economic price . . .

**GUTHRIE:** I've said (and I hope I haven't offended any of my new friends in Michigan) that I won't ask for a dollar's worth of business on the basis of patronage loyalty tied to membership in a farm organization. I'm not denying the importance of such membership loyalty, but I believe our job in Farm Bureau Services is to price products competitively at the time of sale, operating our business profitably so that we may return a patronage refund to our members, thus further lowering the cost of the member's farm inputs.

**QUESTION:** This brings up the question sometimes heard, "Why is it that I can buy a shovel at the hardware store across the road for \$4.00 and it is \$4.25 at the co-op store?"

**GUTHRIE:** The easy answer to that is that we should compare like things. We have maintained a tradition of product quality in Farm Bureau Services, usually unmatched, and which perhaps is higher than we should supply. Remember, I said we should build our business based on quality products which fill a need. It is expensive to sell products which have more quality built in than is needed.

That's the easy answer to the question. Perhaps a better answer is that we haven't completely changed our way of thinking toward pricing competitively. Too often we use the other method of determining price — that is, determine the cost of the product, add a margin, and arrive at a sales price without regard to competition.

If I could somehow wave a magic wand and change our weaknesses to strengths and remove our inadequacies, pricing is the first area that I would work on. We should price competitively. We must give quantity discounts so that we'd be more in tune with competitive pricing practices.

## Romney Proclaims

Farmer cooperatives make significant contributions to the economic prosperity of our state and communities. They are a strong asset in assisting farmers to meet the challenge of changing times, in that they support and encourage self-reliance and the individual initiative so important to our American private enterprise system.

In turn, farmer cooperatives deserve recognition and support for these efforts. For nearly a hundred years, cooperatives have represented a fair and wholesome competition within our nation's business community. In Michigan there are 260 cooperative associations with over 750 service points representing a very significant segment of Michigan's business enterprise. They have greatly contributed to the rise in standard of living of our rural population.

THEREFORE, I, George Romney, Governor of the State of Michigan, do hereby proclaim the month of October, 1967,

### COOPERATIVE MONTH

in Michigan, and urge recognition of the importance of the farmer cooperative movement in this State.

**QUESTION:** You've mentioned fertilizer as a significant farm input — what are some of the other inputs important to most farmers?

**GUTHRIE:** Farm Bureau Services and Farmers Petroleum Cooperative have stressed basic improvements in the three major farm inputs — fertilizer, feed and petroleum. We also stress concentration and improvement in our grain and bean marketing activities. This doesn't mean that we are going to diminish in any way the effort that we now place on our seed program, farm chemicals, egg marketing, flour milling or cob processing. But at the point of time we're in today, in Farm Bureau Services and Farmers Petroleum, we do want to concentrate on fertilizer, feed and petroleum, and then the grain and bean marketing.

**QUESTION:** Do you anticipate that Services' farm chemical business will grow rapidly?

**GUTHRIE:** Yes, it is growing at a good rate. We have had about a 15 per cent increase in the past year, even with some severe prod-



NEWSMEN VISIT — with Farm Bureau Services Manager, Wm. (Bill) Guthrie, concerning present and future operations of this major cooperative — which he refers to as the "off-the-farm extension of the farmer's business."

**QUESTION:** This brings up the the question of how Farm Bureau Services can adjust itself to deal with both large and small farmers on an equitable basis . . .

**GUTHRIE:** The key word is "equitable"—and I don't believe that a one price-policy, which does not recognize the buying power of the large farmer, will in the long run, serve the needs of the small farmer. I've said that we can do a better job of serving the needs of the small farmer, if we are also serving well the large farmer. Unless we have the business of the 20 per cent of the producers who turn out about 80 per cent of our farm products, we cannot continue to serve the needs of the smaller farmer.

**QUESTION:** Here is the problem of volume again, isn't it? Volume sufficient to bring economy?

**GUTHRIE:** Yes, in fertilizer we found that with our past distribution and pricing policies, we were losing our share of the increased fertilizer consumption in Michigan. Further, as our volume declined, our costs increased and we were less and less competitive.

This spring, we began an aggressive price program in southwestern Michigan (in a nine-county area) which had as its base a low price for fertilizer picked up in bulk by the farmer, and paid for in cash. This program was tremendously successful. Up to 40 per cent increases in the amount of fertilizer business done were not uncommon. We sold more fertilizer, substantially reduced the cost per ton, and maintained a proper profit margin.

**QUESTION:** Do farmers generally realize how an added volume such as this can substantially lower prices?

**GUTHRIE:** This was our sales approach to our patrons, and I believe that we did get this message across. We have now extended this fertilizer program state-wide to include both of our plants.

**QUESTION:** You said that a farmer must control his products farther into the channels of distribution. Does this mean that through Farm Bureau Services, it may be possible for farmers to reach farther back—possibly into the manufacture of items they need?

**GUTHRIE:** Yes. It's been disappointing to me that we have failed to get this story across better to the farmer-member, so that he can understand how, through Farm Bureau Services, he does participate in the ownership of such important things as one of the largest fertilizer manufacturing plants in the United States. Through Central Farmers Fertilizer, jointly owned by Farm Bureau Services and other regional supply cooperatives, we are low-cost producers of fertilizer ingredients. In addition, United Cooperatives, in which we have an ownership interest, is a basic manufacturer of farm supplies as well as a purchasing organization. Also, Farm Bureau Services itself is a basic manufacturer of livestock feeds, right here in Michigan.

**QUESTION:** May we go back to the man who came to his cooperative to buy the shovel and found it higher priced than one across the street. In some cases, are farm cooperatives engaged in handling some lines which they should not be handling?

**GUTHRIE:** Yes, I'm sure this is

true. We have not done a good job of pruning our product line to make sure that we are stocking the items most sought by our farmer-members. Inventory turnover is a part of management to which we are devoting more and more attention. Specifically, we are now developing an inventory control system using our computer to determine which are the slow-moving items, and to assist us in removing these from our shelves. Inventory control, much as "accounts receivable," is a problem area to all retailers and something that must be constantly worked upon.

**QUESTION:** Don't you find that some farmers like to do business with a place that has a wide selection—in a store that has a "one of everything" approach?

**GUTHRIE:** There's nothing wrong with that if it's managed properly and with the items priced accordingly. This is exactly the program we feel we should institute, pricing products to cover all of the service charges inherent in that particular product. But certainly a farmer buying 100 tons of fertilizer shouldn't be charged part of the cost of operating a coal yard. We should price so that the part of the service which the farmer doesn't want isn't charged to him.

**QUESTION:** Do you feel that farmers tend to misuse cooperative credit—somewhat on the theory that they are part owner of the business and have freedom to do this?

**GUTHRIE:** But isn't this a problem in communications?—where we haven't convinced the patron that he would be better served by demanding efficient and profitable operation of his supply cooperatives?

Credit is both a problem and an opportunity. Over seventy per cent of our sales are credit sales. When bills are paid on time, this is a real service to our customers and a benefit to Farm Bureau Services. When credit is misused (and both management and the customer share this responsibility), then it works against us, and to the detriment of the customer who pays his bills on time.

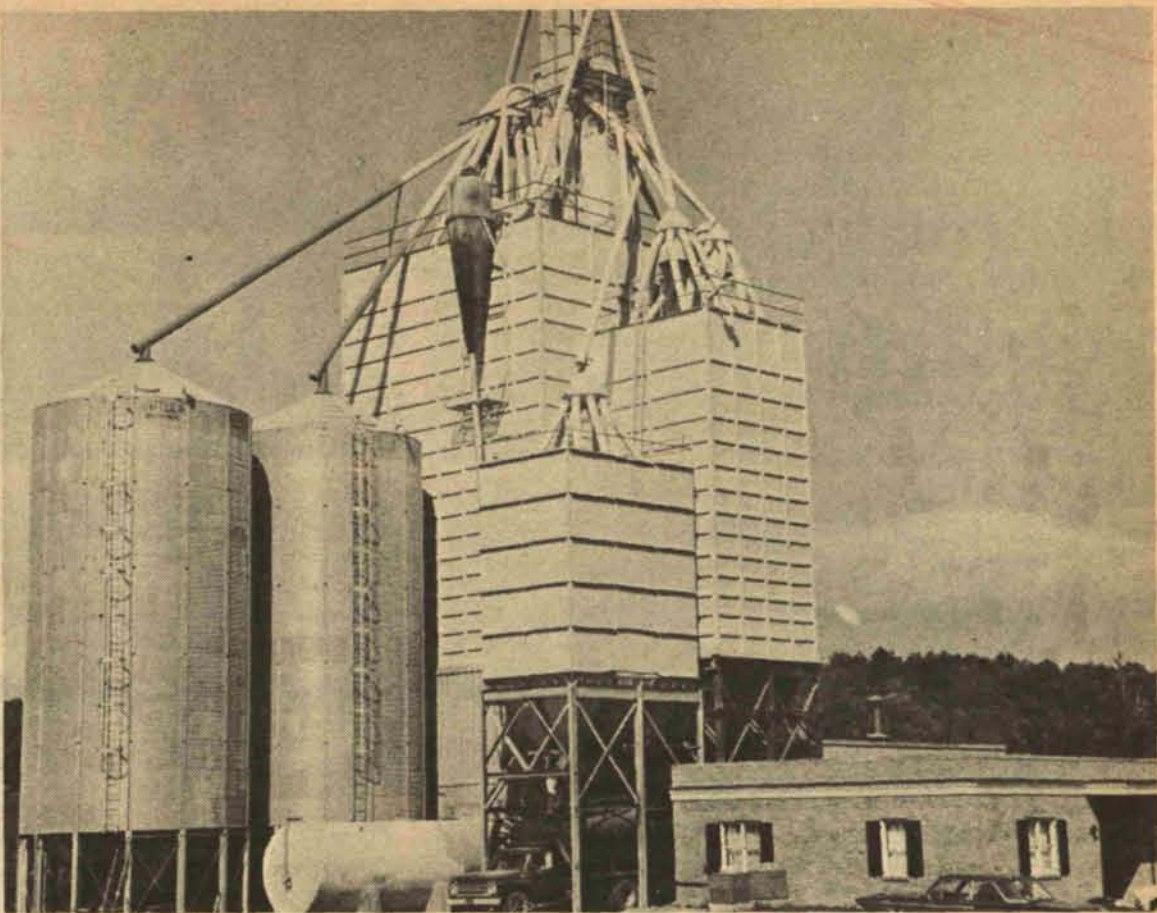
**QUESTION:** What part does management play in all of this?

**GUTHRIE:** We tend to often think only of facilities when we talk about Farm Bureau Services, or of our ability to serve the farmer. To me, business is people. We've several instances where a good local manager has forced us to change our thinking about the life of a local cooperative, where in spite of inadequate facilities and a history of a loss-operation, a good, aggressive manager can turn the operation around, provide a real service to farmers and assure the continuation of that facility. Our job is to continue to recruit and train and motivate competent people.

**QUESTION:** Does Farm Bureau Services have plans for expanding facilities at the present time?

**GUTHRIE:** We anticipate the construction of a new supply facility or the modernization of some existing facility, at the rate of one such each year. Our project for this year is a new bean handling, processing and storage facility at Pinconning. This will be a major expansion of our facilities in that area.

In addition, and the most significant development during the current year, is the beginning of construction on a new feed mill in southwestern Michigan. This



**MODERN FEED MILL**—similar to the one in this photo, is a current project of Farm Bureau Services, Inc. When completed in southwest Michigan, in the summer of 1969, the million dollar mill is expected to be of significant help in reducing costs of manufactured feeds to Michigan farmers. Presently, much of the feed used in Michigan is manufactured out-state.

is a million-dollar project which should help us significantly reduce the cost of manufactured feeds.

Presently, much of our feed is manufactured by the Farm Bureau Milling Company at Hammond, Indiana, which we jointly own with Farm Bureau cooperatives in Indiana and Illinois. This is a large, central mill, inflexible to operate, and more costly to operate as volume has declined. Through the new mill in southwestern Michigan, we will be able to reduce the cost of transportation of ingredients into the mill and costs of hauling finished feed from the mill to our customers.

**QUESTION:** Will Michigan farmers have a chance to help in building this new facility? How can farmers participate in building a new branch to their co-op?

**GUTHRIE:** There are several ways a farmer can do this. First of all we want to make sure that he is a feed customer, and on our feed program at the present time. Also, he can participate directly through purchase of Farm Bureau Services debentures, which are 15-year maturity, and paying six per cent interest.

**QUESTION:** In this new mill, will you be able to whip some of the inflexibilities of the older Hammond set-up, in that you will be able to more-or-less blend specialized mixtures on direct order?

**GUTHRIE:** Yes, and I can't say it any better than that. We anticipate that the mill will be in production in the summer of 1969, and farmers can receive bulk feeds, mixed to specification, direct from the mill.

**QUESTION:** What do you think the future holds for Farm Bureau Services?

**GUTHRIE:** We now see the need for expansion of our grain and bean terminal facilities. The acceptance of the Michigan Elevator Exchange terminal at Saginaw has exceeded all of our expectations. We need additional storage capacity there. In addition, we see the need for terminal facilities in southwestern Michigan where we have the capability of originating a great

deal of grain. We need terminals as marketing facilities for farmer-grain.

We are presently a major overseas exporter of grain and beans from Michigan. Our marketing plans in both of these areas call for continued concentration on export markets as a way of serving the marketing needs of Michigan farmers.

We anticipate continued expansion of our fertilizer manufacturing and distribution facilities and equipment. We want to concentrate on fertilizer. We feel that we have the capability and the responsibility to accept the leadership position in fertilizer in the state of Michigan, and this will require continued expansion.

**QUESTION:** October is Co-op Month—What can Farm Bureau

members do to improve the services they get through cooperatives?

**GUTHRIE:** I'm discouraged when I find members are not patronizing their local co-ops, and instead buy their products or market their commodities elsewhere, without first telling us of the area of their concern. Let me give an example of the opposite. Recently, I had an opportunity to address a special Young Farmers committee of Ingham County which took as their project their relations with Farm Bureau Services.

We had a fine meeting, and this interest and concern will result in our being able to provide them with products to meet their needs, competitively priced—and with the service they should have.

## MANAGEMENT CHANGES



JAMES SEDDON



CLYDE SPRINGER

J. J. "Jim" Seddon, who has served for the past three years as Manager of the Egg Division of Farm Bureau Services, has been appointed Bean Department Manager, according to Wm. Guthrie, Services Vice President and General Manager.

The Bean Department is a major operation of the Michigan Elevator Exchange Division of Farm Bureau Services. Prior to joining the staff of Farm Bureau Services 8 years ago, Seddon was manager of the Marlette Farmer's Cooperative Elevator.

In making the announcement, Guthrie said that Seddon's background and experience "qualifies him uniquely for this important position. We look forward to expanding and improving the bean marketing program under his direction".

Clyde Springer, former assistant to Seddon, has been named to replace him as Manager of the Egg Division, which includes packaging plants at Jenison and Brighton, Michigan.



# capitol report

## Farm Leaders Hear Policy Background

By: Robert Smith, Legislative Counsel

Farm Bureau leaders from the entire state, including the county presidents, chairmen of the county Policy Development committees and chairmen of the county Women's committees, came to Lansing August 24 to attend the second annual state-wide policy development conference. They had an opportunity to hear and question experts on marketing, state taxation and national and international affairs.

Dr. James Shaffer, M.S.U. Ag-Econ Department, discussed marketing, with special emphasis on whether the advertising of farm products pays. Producer-paid advertising will be an important issue in 1968, both in the state and nationally. Cotton farmers now have an advertising check-off of \$1 a bale and there are proposals to Congress to extend such nationwide programs to other farm products, such as wheat and livestock.

Farmers have helped to successfully advertise some farm products for years. Dairy products through A.D.A. (American Dairy Association) are one example. However, the board of directors of the A.D.A. of Michigan is considering a new method of financing, due to increasing problems such as mounting competition from substitute and imitation dairy products.

Dr. Shaffer called advertising a "cheap method of getting product information to the mass of the people." It is an "art" and very "difficult to evaluate whether or not it pays." As an example of real faith in advertising, "The Alberto Culver Company (VO-5 hairdressing, etc.) last year had sales of \$15 million, but spent \$10 million for advertising!" A study at Northwestern University indicated that advertising some farm commodities is a "good way to put money down a rat hole," however, there are also "examples of good success."

He said that in voluntary promotion programs, nonparticipation by growers is often a problem and the nonparticipant receives any benefits that might be gained, even though he was unwilling to help pay for them.

Farmer groups usually lack control of the product, both quality and quantity. If, without controls, advertising successfully increases the demand, and thereby the price, production will increase and perhaps result in a lower price which may even be lower than the original price of the product. He said that in many cases, such successful advertising may require limiting production in order to maintain any increase in price.

Dr. Shaffer said that farmers should also think of total marketing programs which in turn indicate the need for controlling the availability of the product. He said farmers can do this through cooperatives, and that there are tools for assisting in the job, such as federal and state marketing orders.

With such tools, he suggested, the nonparticipant problem is solved. As examples, he mentioned the highly successful marketing and advertising of producers such as the cranberry producers who market under a brand name of Ocean Spray. Another example might be the marketing of grapes by producers through the Welch Grape Processing Cooperative. In both examples, a brand is promoted rather than the commodity.

### STATE TAX ISSUES

Clarence Lock, Commissioner of the Michigan Department of Revenue, was the luncheon speaker and gave a general explanation of Michigan's fiscal situation together with the new tax package. He explained the need for additional revenues resulted from many things, including the fact that the 1966 Legislature overspent revenues by more than \$150 million. The major increases in expenditures are primarily in three areas:

1. **Education**—the state's share of these costs has now reached \$662 million.
2. **Social Services**—costs are rising rapidly, primarily due to the Medicaid program.
3. **Mental Health**—also a rapidly expanding program.

He pointed out that the personal income tax takes effect on October 1 and all other parts of the program become effective on January 1, 1968. Farmers or other businessmen will be given the option during this first year of determining their income for only the three months of October 1 through December or the farmer may take one quarter of his total year's income, whichever may be to his best advantage.

Mr. Lock said that the cost of administering the income tax during the first year would be about \$3 million, or not more than 1½%. However, it will be possible, after experience, to cut this percentage cost to not more than 1%.

It is expected that about three million Michigan citizens will be subject to the state income tax.

### NATIONAL AFFAIRS

Roger Fleming, Secretary-Treasurer of AFBF and manager of Farm Bureau's Washington office, was the afternoon speaker and discussed the need for positive Farm Bureau policies on many issues, including the proposed 10% surtax, increasing the federal income tax. He said that since 1960, non-defense spending has increased more rapidly than defense spending. Federal government wheat and feed grains reserves was another issue listed by Fleming. He raised the question of whether the CCC should be permitted to stockpile grains in view of the fact that government-held surpluses have been decreased.

In reviewing the national farm program, Fleming said that this will be a major issue in 1968 and possibly into 1969, and that Farm Bureau members should carefully consider the direction that government policy should take.

Michigan Farm Bureau President, Elton Smith, closed the meeting by urging all county leaders to make every effort to develop policy recommendations which reflect the thinking of all Farm Bureau members.



MARKETING—and effects upon it by advertising—was the topic discussed by Dr. James Shaffer, MSU Agricultural Economist, at the recent Policy Development Conference in Lansing. Seated at the table is Michigan Farm Bureau president, Elton Smith.

## TAXES—old and new, and YOU! be alert to changes...

Sunday, October 1—the 2.6 per cent income tax on individuals goes into effect. There are some important interpretations of real interest to farmers.

In the first year, farmers and other individual business people will have an important option in that they may determine their net income for just the three-month period of October 1—through December, or take one-quarter of their full year's income as a taxable base.

This can be very important and farmers need to know that it is up to them to use whichever method is most advantageous.

Farmers should also remember that the repeal of the business activities tax does not become effective until January 1—1968. The Attorney General has ruled that the actual amount of income on which the business activities tax is paid may be deducted from the net income.

In other words, no income tax would be due on that amount. About 2,000 Michigan farmers currently pay the business activities tax.

In computing their net income, the law permits farmers to deduct their property taxes as an expense, and they may also apply the property tax relief sliding-scale to the same property tax figure as a credit against the income tax. This, in effect, is a type of "double deduction". This latter feature will not be effective until the 1968 tax year however, as the sliding scale tax credit-relief-on-property portion of the lag takes effect January 1, 1968.

The passage of legislation last year eliminating the farm personal property tax was by no

means the end of Farm Bureau's effort. Farm Bureau has worked throughout this year to clarify the legislation.

For instance, the law was clarified this year by passage of Senate bill 140, which eliminates the provision requiring farmers and assessors to continue to list farm personal property and submit the inventory forms.

Farm Bureau was successful in working with the Tax Commission to eliminate some regulations that appeared to be unreasonable, however, it took an Attorney General's opinion to void the regulation regarding incorporated farms. Many family farms in Michigan are incorporated for purposes of inheritance and, therefore, would have been unfairly treated.

Another important bill passed this year was S. 420, which permits the correction of an error or mistake of fact relative to the correct assessment figures. The error, or mistakes, must be verified by the assessing officer and approved by the Board of Review, which can meet for that purpose in December.

This Act takes effect November 2 and can be important in correcting the assessment books to remove farm personal property that has been illegally assessed because of the confusion and misunderstanding about the elimination of the farm personal tax.

Any such assessment can also be taken from the books by the local supervisor if he writes for

and obtains permission to do so, from the State Tax Commission.

Farm Bureau has been alerted to some of these cases and has assisted the farmers involved.

Over a year ago, many state Farm Bureaus wrote Michigan, asking for information on how the elimination of the farm personal property tax was achieved, and also the exemption of assessments on growing crops, vines, bushes, etc. (becomes effective in 1968). These states included Ohio, Wisconsin, Minnesota, Kansas and others. Some results are now in.

The Ohio Farm Bureau has been successful this year in obtaining legislation that will result in total elimination of the tax in six years (1974).

The Minnesota Farm Bureau has been successful as part of a general tax package in eliminating taxes on machinery and livestock. Minnesota has adopted a sales tax. They have had an income tax for many years. Feeds, seeds and fertilizers will be exempted from the sales tax, but farm machinery and other supplies will be taxable.

This is an important victory for the Minnesota Farm Bureau; however, Michigan farmers should note and remember that the sales tax exemption in Michigan is for all farm production supplies, including machinery.

It is the most lenient exemption anywhere in the country. It also comes under fire nearly every year. This year was no exception—S. 792, which is still alive, would, if passed, eliminate most of that exemption.

Other state Farm Bureaus have made important tax gains this last year, but the details are not yet available.



# Football League Official on Young-Farmer Program

## Banquet is Meeting Highlight

Arthur Holst, a member of the officiating staff of the National Football League and widely-known for his enthusiastic after-dinner appearances, has confirmed his attendance as guest speaker for the Young Farmer's dinner, set for Kellogg Center on the MSU campus, East Lansing, November 8.

Held as part of the Michigan Farm Bureau annual meeting, the 6:30 p.m. dinner session is expected to attract young farmers from all parts of the state. With county Young Farmer committee members will be youthful neighborhood guests, invited to attend this special event.

A popular speaker, Holst wears Number 33 on the back of his striped shirt while relating a collection of humorous and instructive episodes, underscoring the popular appeal of professional football, and woven into the fabric of our American free enterprise system.

Elton Smith, President of the Michigan Farm Bureau, and Ray Launstein, chairman of the state Young Farmer committee, will also speak at the dinner, where Farm Bureau's new Young Farmer program will be stressed.

Inaugurated in March of the past year, the program has been a popular one and widely accepted in that it allows youthful farmers to play a major role in the total Farm Bureau.

To provide every opportunity for this, it has been suggested that members of the Young Farmer group plan now to attend the full three day annual meeting of the Michigan Farm Bureau, November 7-8-9.

"This year we have deliberately arranged our young farmer activities to avoid conflict with such things as the general sessions of the convention or any of the special interest conferences," reports Jack Deppong, Community Programs Director for the Michigan Farm Bureau.

Deppong considers the Young Farmer dinner and program to be a highlight of this year's annual meeting activities and urges heavy participation. Tickets, he points out, are on sale at county Farm Bureau offices and from all of the 64 county Young Farmer committees.



ARTHUR HOLST

## Young Farmer Contests

County winners from all parts of Michigan will compete for championships in three exciting contests during the Michigan Farm Bureau annual meeting, November 7-8-9.

A new "Farm Bureau Queen" will be crowned during the big annual banquet, scheduled for the Lansing Civic Center, Nov. 7 at 6:00 p.m. Miss Mary Jane Miltgen, popular Women's Editor for radio station WKAR, will present each girl to the audience

and interview the six finalists before announcing the new state winner.

Earlier during the day while the queen-contestants are being judged, two other Young Farmer contests will also be taking place, one to select this year's top talent, the other to determine a winner in an annual "Discussion Meet" contest.

State winners in all three events will receive expense-paid trips to the annual meeting of the American Farm Bureau Federation, to be held in Chicago in early December.

All contests are sponsored by the Michigan Farm Bureau Young Farmer committee — and county committees are taking the lead to assure representation from their area in the state contests.

Judging for the state event will be done in rooms of Kellogg Center, Michigan State University, November 7. In urging young farm people to enter these contests, Farm Bureau officials suggest they contact their county President or Secretary, or any member of the county Young Farmer committee for entry blanks or more details.



4-H ACHIEVEMENT AWARDS — are presented by Agent Worthington to top 4-H members of Cass county. Receiving the awards are (from left) Marion Dohm, Carol Johnson, Diana Wyant, Eldon Brabemeyer, 4-H Agent Worthington, and Dean Hass. These youngsters represented more than 150 High School Seniors graduating from the program.



SOIL AND WATER — conservation awards, are made annually to top F.F.A. Chapters by Farm Bureau and affiliates, the Michigan Association of Future Farmers and Soil Conservation Society of America. Here, Lynn Robertson of the Society gives gold awards to Reed City, Holton, Saranac, Sparta, Leslie and Goodrich F.F.A. Chapters.



SILVER AWARDS — in the conservation event, go to representatives of the Ovid-Elsie, Marlette, Bay City Central, Bellevue and Hamilton F.F.A. Chapters. To the right is Edwin St. John, State F.F.A. Advisor, representing the Michigan Association of Future Farmers, one of the contest co-sponsors.



"HONORABLE MENTION" — in the conservation contest, went to Ionia, Sandusky and Unionville F.F.A. Chapters. With representatives of the winning Chapters is Michigan Farm Bureau Secretary, Dan Reed. Earlier, the group toured Leonard Refineries, as guests of Farmers Petroleum Cooperative.

## Citizenship Seminar

Plans have already been made for the 1968 version of the Young People's Citizenship Seminar, now tentatively scheduled for Camp Kett (near Tustin, Mich.)—July 15-19.

A program combining student participation with lectures by well-known personalities is planned, with Dr. John Furbay who recently completed his 30th trip around the world expected to be among those staffing the seminars. Plans also call for a return visit by Dr. Clifton Ganus, president of Harding College, Searcy, Arkansas — whose lectures on Americanism have been widely acclaimed.

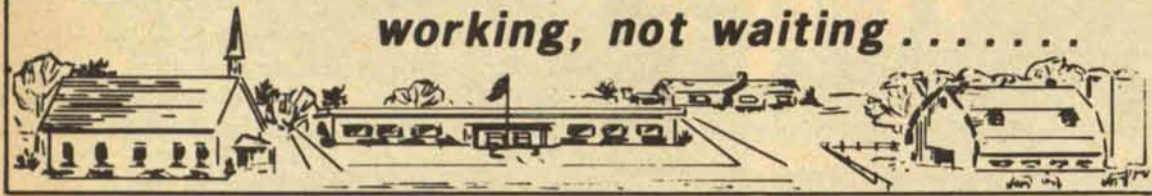
It is also expected that economic topics will make an important part of the seminar as will student participation in political parties — always a highlight. Political campaigns, primary elections, county conventions and party rallies were popular activities during past sessions.

Last year county Farm Bureaus of the Upper Peninsula conducted a similar seminar at Escanaba in July. Tentatively, another U.P. seminar will be planned for June, 1968.



# FARM BUREAU WOMEN

working, not waiting.....



**FIVE-CENT MILK AND FREE DONUTS** — made the Tuscola County Farm Bureau's booth one of the most popular at the fair. Tuscola uses this project for promotion and good-will, contributing prizes for 4-H winners, as well as passing out free donuts — compliments of the county Farm Bureau.



**IN APPRECIATION** — for her years of service as state Women's chairman, Mrs. Wm. Scramlin was presented an engraved silver tea set from her committee members recently.

## Exercise in Cooperation

Whether Farm Bureaus use their county fairs as an opportunity to put their organization in the spotlight with effective — and costly — public relations programs, or to raise funds for a worthy cause — one end result is the same. It's an exercise in cooperation and most Farm Bureau leaders feel this benefit outweighs all others. The Women's Committee, young people, service company agents, and the county Farm Bureau work together to make their project a success.

An example of each type of project is Tuscola, which feels publicity and good will is well worth the cost of hundreds of donuts, radio promotion and 4-H trophy contribution — and Charlevoix, whose members work hard for a profit so that others less fortunate may benefit.

### TUSCOLA

One of the most popular booths at the Tuscola County Fair was that of the county Farm Bureau, where crowds lined up for 5¢ glasses of milk and free donuts. *Over a half ton of milk, 115 dozen donuts, 15 dozen cookies, 2 dozen pecan rolls and 7 dozen cupcakes were consumed by enthusiastic customers during the six-day event.*

Their promotion program began prior to the fair when they helped sponsor radio coverage of the local Black and White Show, with Farm Bureau leaders participating in on-the-spot coverage of the four hour event. The County Farm Bureau also sponsored a trophy for the best 4-H heifer calf in the Black and White Show.

*During the fair, the Tuscola Farm Bureau awarded beef halters to the two best showmen in the 4-H beef marketing class and trophies to winners of the 4-H sheep showmanship contest.*

To cap the campaign, county president John Graham, repre-

senting Farm Bureau members, purchased a hog at the 4-H and FFA livestock sale.

### CHARLEVOIX

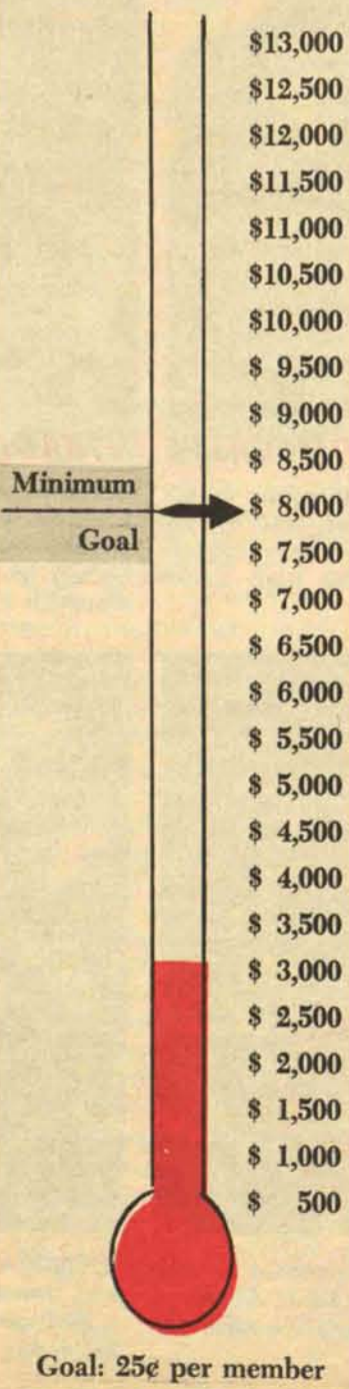
The Venetian celebration in Charlevoix was the scene of another successful Farm Bureau booth. The annual affair features a street parade, athletic events, entertainment and crowning of a Venetian queen. The celebration ends with a parade of some 30 boats gaily lighted and decorated, and a grand finale of unusual fireworks.

Several local organizations take advantage of the crowds who come from all parts of the state to attend the celebration by setting up food and novelty stands along the main street. *For many years, the Charlevoix County Farm Bureau has sponsored a booth to sell fresh farm produce donated by members, coffee, hot dogs and soft drinks.*

The booth, under the auspices of the Women's Committee, is manned by Farm Bureau members from the various community groups.

*This year gross sales of \$527 resulted in a net profit of \$243. For the past two years, profits from this project have been used to purchase furniture for the All Faith's Chapel in the county medical care center for the aged.*

## MARGE KARKER FARM BUREAU SCHOLARSHIP THERMOMETER



## CANDIDATES NOMINATED TO WOMEN'S COMMITTEE



MRS. LOU DeMATIO

Mrs. Eugene (Louise) DeMatio, West Branch, is a candidate for the office of chairman of the Michigan Farm Bureau Women. The DeMatios, who have two children and two grandchildren, live on a 240-acre general farm in Ogemaw County.

"Lou" currently serves as the third member of the Farm Bureau Women's executive committee, and state chairman of the safety committee. She currently carries the title of "Mrs. Safety," a Michigan Safety Conference honor.

She has served as chairman of the Volunteers of Cancer Society for several years, and is the county Republican Women's chairman. She serves on the board of Catholic Charities and committee on Family Services.

Her nominating county, Ogemaw: "Lou is a woman with ideas and knows how to get a job done. She is loyal and dedicated with a strong sense of responsibility."



MRS. MAXINE TOPLIFF

Mrs. Jerold (Maxine) Topliff, Eaton Rapids, is a candidate for the office of chairman of the Michigan Farm Bureau Women. The Topliffs, who have three children, live on a 420-acre farm in Ingham County.

Maxine is a past state vice-chairman of the Farm Bureau Women and represented the women on the state Resolutions Committee for two years. She was editor of the Women's "Country Kitchen Cookbook" and currently serves on the state Scholarship Committee.

She has been a 4-H leader for 14 years, and is an active member of the Methodist Church where she served as superintendent of the Primary Department for five years.

Her nominating county, Ingham: "Maxine has been active in many phases of Farm Bureau for several years, is conscientious and meets the public well."



MRS. MARY EDITH ANDERSON

Mrs. Mary Edith Anderson, Fowlerville, is a candidate for the office of vice-chairman. She lives on a 221-acre dairy farm in Livingston county, and has two married children, and five grandchildren.

Mary Edith currently serves as chairman of District 3 Farm Bureau Women. She has represented Farm Bureau on the Christian Rural Overseas Program (CROP) for several years and also serves on the Farm Bureau Women's state scholarship committee.

A 4-H leader for the past 13 years, she also devotes time to her Methodist Church, where she served as W.S.C.S. president.

She has served as chairman of her county women's committee and vice-chairman of the district.

Her nominating county, Livingston: "Mary Edith has the ability to direct as well as follow in getting projects completed. She is a loyal, long-standing Farm Bureau member."



MRS. FLORENCE CARPENTER

Mrs. Clare (Florence) Carpenter, Cass City, is a candidate for re-election to the office of vice-chairman. The Carpenters, who have three children, live on a 460-acre dairy farm in Tuscola County.

Florence has been state vice-chairman for the past two years. She has served on the state Resolutions Committee, as chairman of her county Women's committee and vice-chairman of District 6 Women. She has also served as Roll Call Manager for her county, and is active in information work.

She is an active 4-H leader, and member of her political party, and of the Methodist Church. She represents the Tuscola County Farm Bureau on the Christian Rural Hospitality Council of which she is secretary.

Her nominating county, Tuscola: "Florence is an enthusiastic, informed Farm Bureau member. She is a conscientious worker; no job is too big or too small."

# Women's Program Completed

## Election, One Highlight

Kellogg Center's Big Ten Room, Michigan State University, East Lansing, will be the scene of the Farm Bureau Women's 23rd annual meeting, November 7, beginning with a noon luncheon, and followed with an action-filled program.

Election of state chairman and vice-chairman will be a highlight of the afternoon activities. County chairmen are reminded that they must register their delegates in the basement of the Auditorium Building prior to the general session's call to order at 10:00 Tuesday morning.

Number of voting delegates for Farm Bureau Women is based on membership with each county allowed one delegate, plus one additional delegate per 250 members or major portion thereof in excess of the first 250 members.

Each candidate will be personally presented and will make a brief statement. Nominees for state chairman are Mrs. Eugene DeMatio, Ogemaw County, and Mrs. Jerold Topliff, Ingham County. Vice-chairman nominees are Mrs. Clayton Anderson, Livingston County, and Mrs. Clare Carpenter, Tuscola County. (See page 10.)

Richard DeVos, dynamic president of the Amway Corporation, will be the main speaker. His topic, "Selling America," is sure to be of vital interest to Farm Bureau Women.

Michigan Farm Bureau President, Elton R. Smith, will deliver a short message, as will the 1967 Michigan Mother of the Year, Mrs. Lewis Stier, Richmond.

Mrs. Maurine Scramlin, whose term expires, will give her annual report to the women, highlighting the past year's activities. County awards will be presented, based on activities and participation of committees in the Women's program.

Cost of luncheon tickets will be \$2.50 and should be ordered through the county Farm Bureau secretary.



GENERAL CHAIRMAN — of the 1967 Apple Smorgasbord, Mrs. Robert Reister (left), checks with her "Features" chairman, Mrs. Wilbur Reister. "Apple Bonanza" was the theme.

## "Apple Bonanza"

"Apple Bonanza" was the theme of the Peach Ridge Fruit Growers Association 17th annual apple smorgasbord, September 12. Site of the commodity promotion event was the farm of Edward Dunneback, Sparta.

Guests were greeted by fruit growers and wives dressed in cowboy hats and red kerchiefs, a haywagon loaded with processed apple products, a wagon wheel table with spokes filled with unusual "feature" items, and an apple queen who passed out delicious apple candy.

From a horse-shoe table which offered everything from roast beef with apple dressing and applesauce, to countless salads, breads and desserts, guests filled their plates and made their way to red and white checkered-topped tables with apple crates for chairs. Centerpieces were shiny red apples. The setting was the pleasantly shaded rolling lawn of the Dunneback farm home.

Plans for this successful event began early in spring when committees met to select the smorgasbord site and theme. The previous year's co-chairmen become the following year's chairmen, giving experience that results in a smoothly-run project. All of the smorgasbord food is furnished by association members.

This year's general chairmen were Mr. and Mrs. Robert Reister of Conklin; their co-chairmen were Mr. and Mrs. Alvin Hill, Grand Rapids. The food chairman was Mrs. Robert Schoenborn; feature chairmen, Mrs. Wilbur Reister and Mrs. Gordon Goodfellow; Recipe chairmen, Mrs. John Ebers and Mrs. John Coffee. All committee chairmen are Farm Bureau members, as are the Dunnebacks, host family.

Guest speaker was W. H. DeHart, former Sparta High School Superintendent, who urged that Americans "protect and secure now — or pay later." He pointed to the cycle of great civilizations — in order of occurrence — bondage, courage, liberty, abundance, selfishness, complacency, apathy, dependence, and a return to bondage. He warned that decay of individual responsibility can endanger our freedom.

Special guests at the smorgasbord included Senator Robert Vander Laan, and Michigan Farm Bureau president and Mrs. Elton Smith.



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**FOURTH IN A SERIES:**

**KLINE ON FREEDOM**

BY: ALLAN B. KLINE

Allan Kline retired from the Presidency of the American Farm Bureau Federation in 1954 after many years of service to the organization. His interest in the principles for which Farm Bureau stands remains undimmed, as disclosed in this article, the fourth in a series, drawn from lectures on freedom given by Kline in recent years.

The French had a revolution, too. Oh, yes, Louis the XIV was a stinker, but his successors didn't prove to be so hot, either.

The French cried "liberty, equality and fraternity." Their Constitution was supposed to guarantee and define the rights of man forever. They gave the central Assembly — the "people's body" — sovereign powers.

What did they get? They got the Terror, they got Robespierre and they ended up with Napoleon — an Emperor. After the Terror, they concluded that a tyranny of one was better than a tyranny by everybody. The mood had worked the guillotine to a white heat and the blood ran in the streets. At the last, it wasn't the blood of the nobility or the aristocrats.

By contrast, the Americans looked at history, and, in setting up their government worked to avoid any form of highly powerful central authority which took precedent over meaningful decisions of the people. They diffused the authority among several branches of government.

DeToqueville was a young French nobleman who chanced to get a commission to come to America to study the prison system. He was fascinated with what the Americans had done in the way of government. He wished to get the French to learn the American secret. He traveled all over America observing.

He says that America succeeded because she is orderly, she is committed to a deep sense of right, to a participation in government by the people and to responsibility of the individual.

He said that the town halls were the important seats of government. They helped to prevent the centralization of power that had heretofore ruined republics.

DeToqueville noted that while America did not have as strong a police force as France, there was less crime than in France. He said that the reason was that the people thought of the government and the community as their property. They either own property or hope to get some, so they're interested in stopping crime.

He noted that in the French Revolution the emphasis was on equality. This insistence on equality led to a tyranny of the majority. The tyranny of the jacobins was the most vicious you could imagine. Where 51% take over power there is no protection for the other 49% — no basic rights which are accepted as a responsibility of government to protect. Then, freedom doesn't amount to much.

The American Constitutional Conventionists were not in favor of permitting men with the power of concensus to ride over the opposition and destroy their rights. DeToqueville said that there are dangers in equality! You cannot control the power and spread it through the majority so it ends up in a dictatorship.

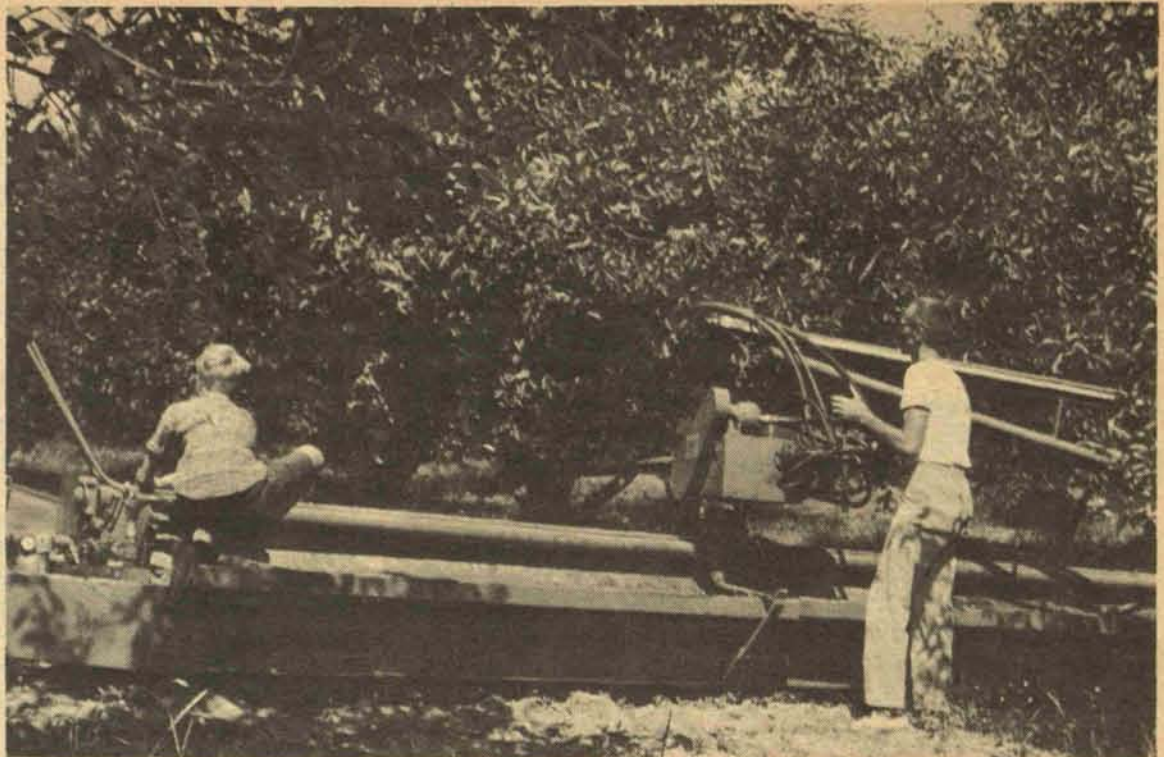
The dictatorship may at first be kind and mild. It leads the people gently. It encourages dependency. It does everything for the people. What is left but to save the people all the trouble of thinking and all the trouble of living? DeToqueville said this in 1834. What he meant is getting easy to recognize!

In America, he said, the government is not dangerous to the liberties of the people because it is divided and diffused, because a lot of it is not central government anyway, but particularly because the national government does not have state and local jurisdiction. He said that where any republican form of government is replaced with a central administration the most insufferable concentration of absolute power would develop. Where it reaches down to deal with individual interests, freedom will soon vanish from the country.

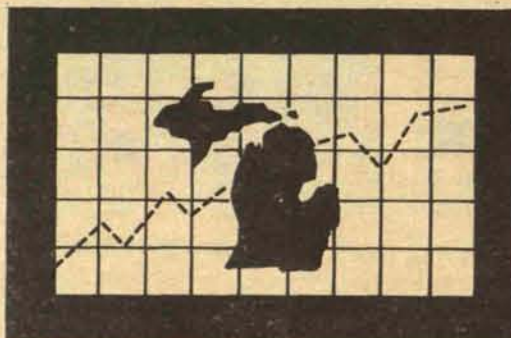
We are getting a lot of local administration by Washington in the past few years.

Away back in 1834, DeToqueville said, "The American relies on personal interest to accomplish his ends, and gives free scope to the unguided strength and the common sense of the people. The Russian centers all the authority of society in a single arm.

"The principal instrument of the former is freedom; of the latter, servitude. Their starting point is marked out by the will of Heaven to sway the destinies of half the globe."



**CHERRY HARVESTER** — at work on the Royal Call farm, near Beulah, Michigan, where the entire Call family is involved at harvest-time. Son, Sieven, operates catch-sheet and conveyor control, while Dad — who also serves as acting secretary for Farm Bureau's new Cherry Marketing Division of MACMA, operates the shaking mechanism.



**Cherry Marketing Plans Are Set  
RED TART CHERRY DIVISION  
TO BE PART OF MACMA**

Although this year's short fruit crop has temporarily eased marketing pressures usually felt by Michigan's Red Tart cherry growers, the picture could drastically change in another year and with a not-unusual bumper crop.

Most growers agree that the gap in the marketing-bargaining structure created by the dissolution of the Great Lakes Cherry Growers' Association some months ago must be filled and that much work must be done to bring growers together in a solid front well in advance of another crop year.

Both the board of directors of the Michigan Farm Bureau and growers who serve as members of the Cherry Marketing Committee of MACMA (the Michigan Agricultural Cooperative Marketing Association — an affiliate of the Michigan Farm Bureau) have taken recent action to bring this about.

Meeting in sessions at Farm Bureau Center, Lansing, the Farm Bureau Board approved the formation of a Red Tart Cherry Division within the MACMA program to serve cherry-producing Farm Bureau members.

Appointed acting secretary of the new division is Royal Call, long-time Benzie County cherry producer and former regional representative for the Michigan Farm Bureau. Presently, Call serves on the staff of the Market Development Division of the Michigan Farm Bureau and for some months has been "on loan" to MACMA, assisting primarily in work of the Processing Apple Division.

A grower committee has been helping guide the formation of the new cherry marketing effort.

Chairing the committee is Kenneth Bull of Bull Brothers Orchards, Bailey, and member of the Michigan Farm Bureau board from District 7 — one of the important cherry growing areas of the state.

Also on the committee is Eugene Roberts, Missaukee County farmer and member of the state Farm Bureau board from District 9 — northwest Michigan.

Others and their counties are: John Minnema, Grand Traverse; P. Morrison, Jr., Grand Traverse; Burton Hawley, Oceana; Keith Moore, Newaygo; Ray Alpers, Leelanau; Loy Putney, Benzie; Leon Hadaway, Manistee; Rodney Bull, Muskegon; Paul Scott, Leelanau; and William Gifford, Berrien.

Also included in the advisory group are: Harry Overhiser, Allegan; George Wesner, Berrien; Gerald Slocum, Oceana; H. James Fitch, Mason; Walter Umlor, Otawa; J. C. Young, Antrim; Stephen Shafer, Van Buren; and William Nyblad, Kent.

In a mid-September meeting of this group, proposals for a member marketing agreement were studied and a number of recommendations made. A sample agreement was reviewed. It would involve a market analysis, market information, and price leadership program. The latter would call for the announcement of recommended prices based upon studies of available supplies, carry-over, and similar market trends.

Foreseeably, these services would expand as membership and

crop volume grow, to an eventual point where the division would be a full-scale marketing-bargaining arm for Michigan cherry growers.

Although about 65 per cent of the nation's red tart cherries are grown in Michigan, a number of other states also produce substantial tonnage, and their potential as cooperators within the same, or similar, program extended across state lines, is another among many complex problems which Michigan growers must consider.

Members of the staff were directed to develop a grower agreement which would also authorize processor deduction of a marketing fee set at a maximum of one per cent.

A subcommittee composed of Kenneth Bull, John Minnema and William Gifford, was designated to work with staff members in developing the agreement.

A 15-day membership drive, beginning November 1, was agreed upon by the committee, which recommended to MACMA that priority effort be given to this work in organizing, coordinating and promoting "an effective Cherry Division membership effort."

In other discussion, the Advisory Group recommended support of a federal marketing order calling for quantity control and with an optional "set-aside" provision.

County Farm Bureau cherry committees were also urged to discuss the proposed details of the program with county presidents and boards of directors. It was suggested that all parts of the proposed cherry marketing program be discussed at county Farm Bureau annual meetings in cherry-producing counties.

**MICH. LIVESTOCK EXCHANGE**

**EFFICIENT LIVESTOCK MARKETING  
DEPENDS ON COOPERATIVE EFFORT!**

Since the Michigan Livestock Exchange was first organized as a cooperative with Farm Bureau help in 1922 (following a survey by the American Farm Bureau showing a marketing need)—it has been a major factor in improving Michigan farm income.

Its role, now and in the future, is explored in this interview by Michigan Farm Bureau board member and livestock producer, David Morris, with R. D. ("Ike") Walton, Exchange General Manager.

**MORRIS:** What is the Michigan Livestock Exchange, and how is it of value to cattle producers?

**WALTON:** The Exchange is a cooperative association of livestock producers engaged in the marketing of livestock produced on Michigan farms.

Our membership consists of patrons . . . a patron of the Exchange is a "member," and participates in the election of directors, is involved in patronage refunds and all other benefits of the association.

We carry on marketing programs on the Detroit terminal market, and also operate four auction-markets, one at Cassopolis, Battle Creek, St. Louis and Cass City, Michigan.

We have daily hog markets at Battle Creek, Cassopolis, Homer and Portland, Michigan.

We operate feeder cattle distribution out of special yards at Adrian, Michigan, sell feeder cattle from our facilities at Cassopolis, Battle Creek, St. Louis, and Portland. We operate a special service lamb pool program for lamb producers in far-northern Michigan at West Branch, Lincoln and Kinross in the Upper Peninsula. These are points where we assemble lambs on a graded basis. They have previously been sold at auction in Detroit and priced; in fact, the lambs are sold at auction in Detroit on Wednesday to be received at one of these points up north on a Saturday.

If we get into some of the "far-out" things that are going on in livestock marketing, this is probably as far out as anything going on in the United States—where we are selling a graded product at a price three days before it leaves the farm where it has been produced.

Besides these services, we provide feeder service, both lambs and cattle, and are involved in the financing of livestock feeding; in feed-lot service and advice, with employees advising farm people as to when livestock is ready or not, for market.

**MORRIS:** Do you anticipate any expansion of your feeder business?

**WALTON:** I'm of the opinion that in many cases we are able to help a feeder more in the procurement of his feeder cattle than we do in the marketing of his fat livestock.

Last year our feeder purchases on cattle involved 17 states. Obviously, to keep informed 24 hours per day of what's going on in 17 states is a real effort and a real service.

The most significant change in feeder movement at the moment, as I see it, is the shipment of feeders direct from the source to the feed-lot.

Over half of the feeders that we're now handling are going through this process, eliminating

the inventorying of a large number of cattle at a feeder supply yard, with people coming there to look them over and buy them.

**MORRIS:** You buy these for feeders on an order basis?

**WALTON:** The people who get the most good from the service are those with enough confidence to give our personnel orders to fill on a direct shipment basis. We still find it necessary to inventory some cattle for sale to people who like to look them over and sort them out for themselves. But the service which we believe is in the best interest of the cattle feeder is our order-service.

**MORRIS:** Ike, we've seen a tremendous change in the marketing of livestock over the years. We've gone from the old method of local outlets assembling cattle, hogs and calves and shipping them to a terminal market—and are moving instead to auction-markets where farmers see their livestock actually change hands to the packer. Now, where do we go from here? What's the next step?

**WALTON:** My answer to that is that there will be a great deal of change, with better methods found to do the job of assembling, grading and pricing of livestock.

One problem we face (besides pricing) is discovering who would be the best buyer for any given lot of livestock. Right now, on our daily hog markets, we sell hogs over the telephone, talking to a good many packers and coming up with the best possible price and receiving hogs from farmers on the basis of that price.

For example, hogs coming into our Cassopolis market today will have been sold by telephone early this morning. We'll assemble them, sorting to fit the various packer specifications and move them out in loads to packing plants. This is one substantial change which has taken place.

**MORRIS:** Ten years ago we were most concerned with having better marketing outlets. Not more, but better, stronger outlets.

Today we hear more about bargaining. What's your definition of the difference between marketing and bargaining?—And how is Michigan Livestock working into this program?

**WALTON:** Dave, I get a little bit hung up on this term "bargaining," knowing some of the interpretations made of it by others.

I take "bargaining" to mean dealing with others on matters of price, product specifications, delivery times, dates and such other terms of trade.

It could very well (and in my opinion, will, at some time) involve bargaining for a future price. It is probable that sometime within the next year the Michigan Livestock Exchange

will be in a position to contract for hogs or cattle for future delivery at a price under specified grades and standards.

Right now we are in the process of setting up—through our National Livestock Producer's office—a "hedging" program through which we will be in a position to either assist the grower in making his own hedge, or probably be in a position to offer a contract at a price for later delivery, in which case the Association would make the hedge.

**MORRIS:** We've said a bit about livestock futures—when we talk about future delivery we're trying to speculate the demand for that product at a future time—right?

**WALTON:** Yes. Today we know conditions—we know the approximate volume available. Through observing the actions of packers and the way they bid, we can get some picture of their needs. But in the area of dealing with futures, there are new economic facts that we'll have to look at.

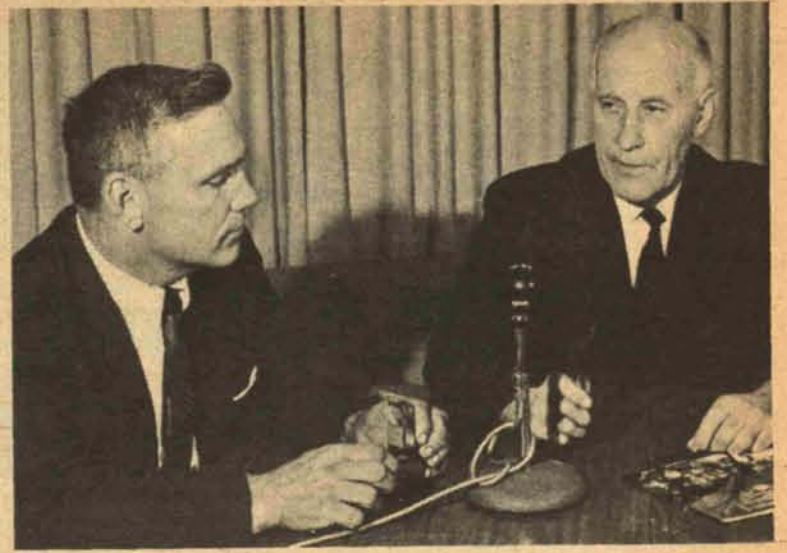
**MORRIS:** While we're looking ahead—do you see a place for the auction-market to continue in the future?

**WALTON:** I believe that there will be less auctions. We're seeing this trend now in Michigan.

I believe we're moving toward a time of larger auction markets serving a region rather than a community. In Michigan, the auction was originally known as a "community sale", and I believe this concept is changing.

Our auction at Battle Creek, in my opinion, is a good example of the change. Last Wednesday they had over 900 cattle, more than 1,000 hogs. \$267,000 worth of livestock was sold there Wednesday afternoon. By far the largest auction in the state of Michigan, this market originated back in 1948, with Farm Bureau assistance, on the premise that the undesirable things then occurring in auctions would be eliminated.

But I think that the total volume moving through auctions in this area and the corn-belt in general may have reached its peak, being replaced to some extent by movement direct from feed-lots to packing plants.



DAVID MORRIS (left)—member of the Michigan Farm Bureau board of directors, visits with "Ike" Walton, who has served as general manager of the Michigan Livestock Exchange since 1948. Morris feeds out about 1,000 head of cattle.

**MORRIS:** If this trend continues—where is the future place for the Livestock Exchange?

**WALTON:** A cooperative can adjust and develop programs to fit any marketing procedure that is desirable, and I believe that the Michigan Livestock Exchange is that flexible, both in its operations and outlook.

**MORRIS:** So that you can arrange your operation to serve patrons at whatever level they may need?

**WALTON:** Yes. I've often said that you can't help a man much in his marketing if you aren't where he is doing it.

**MORRIS:** Do you care to visit with us about the Exchange's next move in the area of sales techniques and so forth—and how do you expect to meet the changes coming in marketing?

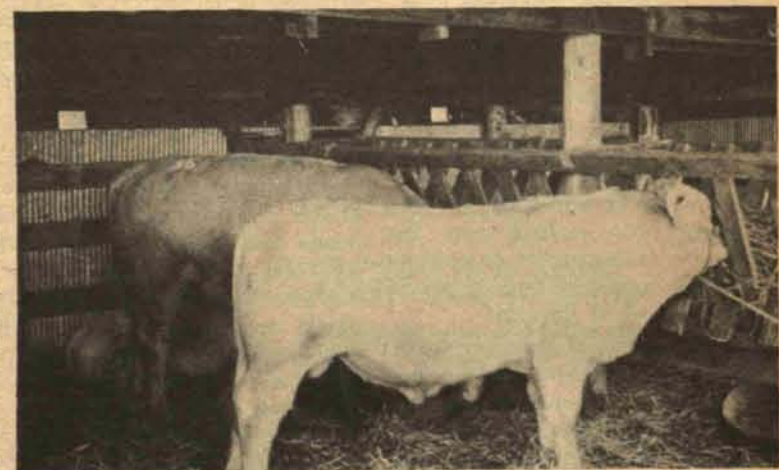
**WALTON:** I suspect that we will be moving—probably cautiously

—in the area of sales from the feed-lot, either in the carcass or on a live basis.

I think there will be one principle that we will have to maintain, and that is in any program of this kind which we set up, we must be sure that for our commission dollar we are actually representing the producer's side of the transaction, reflecting back to the producer the most dollars.

**MORRIS:** Are you saying that there is going to be a continuing need for farm cooperatives in this whole fast-changing area of livestock marketing?

**WALTON:** I'm sure that I have some built-in bias as a cooperative employee, but I am convinced that whether it is the Michigan Livestock Exchange or some other organization (and whether it's livestock or peanuts)—that farm people and farm producers who are seriously in the business can no more afford to be without a strong marketing division than can the Ford Motor Company.



CHAROLAIS CATTLE—a 200 year-old French breed has become one of the newest beef herd ideas in Michigan recently where supporters say they will become a significant factor in feeder sales by 1969.



AUCTION MARKET—of the Michigan Livestock Exchange at Battle Creek. Picture is almost 20 years old, taken at the time when Farm Bureau assisted in financing and organizing the market. Chief difference now—fewer spectators, much larger volume both in livestock numbers and in dollar value. One recent Wednesday's sale value: \$267,000 worth of livestock.

# Department of Agriculture

## Important, Complex Agency

Because the countless important functions it performs effects the daily lives of more people than any agency in state government, the Michigan Department of Agriculture today is a complex organization of many skilled persons who perform many unrelated functions.

The testing of seeds for germination and purity has nothing in common with the inspection of bee colonies for American foulbrood. Yet they are important, each in its way, to Michigan's vast agriculture which last year brought \$875 million to farmers for the crops they sold.

Such department duties as the checking of elevators to see that the stored products of farmers are accounted for, inspection of fruit trees and plants to assure farmers the nursery stock they buy is free of plant diseases and pests, and the testing of fertilizers to make sure the product measures up to the formula declared on the bag—these and other dissimilar services protect farmers and others. In fact about 65 per cent of the services the department performs are consumer protection.

Farmers are consumers. They buy everything that everyone else does, plus a lot of things that others do not buy. Because expenditures of the farm family have such a huge impact on the economy of the state, consumer protection is vital.

These responsibilities confront department executives and personnel daily. The administrative burden is a heavy one. It also complicates work of the policy-makers—the Commission of Agriculture. This five-member bipartisan group meets at least once a month, sometimes in agenda-packed two-day sessions.

Their capacity is much like that of a board of directors in a corporation—but with some significant exceptions. Neither the commission, nor the department that serves under it, makes the laws. The legislature does that. The legislature also appropriates the money the department can spend. In these two regards—the outline of duties by law and having little control over the amount of income it receives—the commission differs from the usual board of directors.

The director of the department, B. Dale Ball, serves at the pleasure of the commission and his role as chief administrative officer is that of a general manager. With his two deputies and administrative officer he carries out policies established by the commission in accordance with laws passed by the legislature and with funds appropriated by the legislature to do the work.

Reorganization of state government in 1966 compressed some 140 state agencies into 19 chief departments. One of these is the Agricultural Department, greatly broadened by the addition of the Michigan Racing Commission, State Soil Conservation Committee, Michigan State Fair Authority, Upper Peninsula State Fair Board, Michigan Weather Service, Michigan State Apple Commission, Michigan Bean Commission, Michigan Cherry Commission and Michigan Potato Industry Council.

The greatly enlarged department now has 600 regular employees and about 200 seasonal workers. Before reorganization the department consisted mainly of such divisions as Animal Health, Dairy, Food Inspection, Laboratory and Plant Industry. Some of their functions traced back to even before formation of the department in 1921. The many

duties of most of these originals are well known to most farm people.

To those farmers having livestock, the services of the Animal Health Division have long been recognized. Brucellosis and bovine tuberculosis have been brought to the lowest point in the state's history; only a fraction of 1 per cent incidence for these diseases that have cost herd owners millions of dollars over the years. Sharing credit for this achievement with the Animal Health Division and its federal counterpart are the dairy and livestock industries, MSU extension service, and others.

Other accomplishments include the state's hog cholera-free and sheep scabies-free status. The division's diagnostic service to practicing veterinarians on animal and poultry diseases is appreciated by hundreds of Michigan farmers.

Michigan was the first state to have a plant pest control law, and this dates back far into the last century, 35 years before the federal pest control act. Work of the department's Plant Industry Division has always struck a responsive chord with farm people, perhaps for its traditional emphasis on programs to prevent the spread of plant diseases and pests that rob growers of the fruits of their labors.

Programs that have been in the limelight are those to eradicate gypsy moth, Japanese beetle, Dutch elm disease, cereal leaf beetle and others. The division has been a national leader in development of virus-free strawberry plants and fruit trees. Equally well known is the program of inspection and certification of nursery stock, which has won for the Michigan nurseryman an enviable reputation over a wide area.

Of growing concern to the Plant Industry Division is the hazard of pests and diseases of plants being spread by newer or faster transportation. With the Great Lakes now open to the ships of all nations through the St. Lawrence Seaway, the chance of exotic diseases and insects getting a foothold in Michigan is greatly enhanced. So it is with modern jet travel. Aircraft from all over the world arrive non-stop from foreign lands. The possibility of their bringing in pests on the baggage and other parts of the plane is great. Both federal and state authorities, have stepped up their surveillance at airports, on docks and in harbors as far as their budgets will permit.

One of the department's best known units is the Food Inspection Division which performs many services one would not normally associate with the division name. Some of the services benefit the farmer especially, but the greater number aid all citizens, urban as well as rural. An instance of this is the weights and measures section.

Almost anything one can think of is sold by weight, measure or numerical count. This is true of a yard of gravel, a pound of cheese, five gallons of gasoline, a ton of fertilizer, three yards of dress goods, or a dozen eggs.

Buying by weight or measure goes back to the earliest age of mankind. This was fairly well developed by the time man could record his thoughts on clay, stone, velum or papyrus. There are numerous biblical references to weights and measures, the importance of which was recognized in Proverbs 11:1, "A false balance is abomination to the Lord, but a just weight is his delight."

It is toward just weight that the Food Inspection Division's weights and measures men direct their efforts. Hay scales, fuel oil delivery tanks, grocery scales and even gasoline pumps come within their area of responsibility as does any other device that weighs or measures. Business depends on the accuracy of these devices in fairness to both buyer and seller.

In the movement of Michigan's fruits and vegetables as well as poultry meat and eggs, there is growing demand for the inspection and certification of these products by the state-federal inspection people. Written certification of fruits and vegetables protects the seller or shipper in cases where a buyer might question if what he received was what he ordered. Michigan's \$50 million a year dry edible bean crop for years has been under inspection of the state's department of agriculture, which is accepted for interstate movement or foreign shipment.

The division also serves the people of Michigan in other areas such as sanitation of food handling establishments of all kinds, accuracy in the labeling of products to prevent deception, and farm produce warehouse to name just a few.

One of the most modern laboratories of its type anywhere is the Michigan Department of Agriculture's big unit to be found on South Harrison Road in East Lansing. Here tests of many kinds



INSPECTING THEIR CHERRIES—are Seth and Rebecca Tompkins. Mrs. Tompkins is only the second woman to serve on the Michigan Commission of Agriculture in its long history. She was elected Commission Secretary in April. They live on Old Mission Peninsula, near Traverse City.

are conducted on a wide variety of objects for other divisions in the department. The laboratory is actually a service organization for other divisions besides having its own inspection staff for fertilizers, feeds and seeds.

Official samples of many items find their way into the laboratory for analysis, sent there by alert inspectors. One may be hamburger some inspector suspected of containing excess fat. Another may be a canned food thought to be adulterated with an illegal ingredient. The next may be creamed cottage cheese thought to be deficient in the required amount of cream.

One section checks fruits and vegetables for pesticide residues which is constantly under surveillance at the federal level. Because of the cooperation of fruit and vegetable growers in using agricultural chemicals at the manufacturer's recommended levels, the extent of pesticide residue tolerance violation is practically negligible in hundreds of samples analyzed.

At certain times of the year the plant pathology section is busy culturing elm twigs all over the state for Dutch elm disease. This is the major destroyer of elms, which is the most common

shade tree lining the streets of Michigan towns and cities.

The department's seed laboratory is a fascinating place. Hundreds of samples of seeds are tested each year for germination and purity. Seeds of low germination make poor crops stands. The farmer is out both his time and labor when this occurs. Of equal importance is a seed sample's freedom from the seeds of noxious weeds. In planting crops a farmer wants crops and not weeds. Seeds of low germination or those containing weed seed rob farmers of effort and production. The seed laboratory's function is eliminate both before they get into the hands of persons dependent on good seed to produce profitable yields.

In its work the department relies extensively on the advice of farmers and agribusiness. Advisory committees made up of farmers and others give of their time to provide counsel to the many programs for agriculture operated by the department's divisions.

The aim of the department is to enforce the laws assigned to it by the legislature and to provide the best possible service to the people of Michigan with the funds appropriated to it.



COMMISSION MEMBERS—(from left, seated) Mrs. Rebecca Tompkins, Traverse City, Commission Secretary; Charles Donaldson, Daggett, Chairman; Walter Lange, Sebawaing, Vice Chairman. Standing, Blaque Knirk, Quincy; H. Thomas Dewhirst, Benton Harbor; B. Dale Ball, Director of the Mich. Department of Agriculture.



CHARLES DONALDSON, Jr.  
Chairman

WALTER C. LANGE  
Vice-Chairman

H. THOMAS DEWHIRST  
Commissioner

BLAQUE KNIRK  
Commissioner

B. DALE BALL  
Dept. Director

## Meet Michigan's Agricultural Commissioners...

From State Fair to food inspection, activities of the Michigan Department of Agriculture reach into the lives of every Michigan citizen in some manner.

Now, meet the people who guide these activities — public spirited persons with long records of service to agriculture in their communities, in the state — and nationally.

### MRS. TOMPKINS

A good example is Mrs. Rebecca Tompkins, Commission secretary, who has brought to the organization national recognition as an authority on problems involving migrant farm workers.

The Tompkins farm, near Traverse City, is a highly productive cherry and apple operation. They have long used migrant labor and understand the problems involved in this highly complex social and economic labor area.

Mrs. Tompkins retired as chairman of the Governor's Migrant Labor Commission upon being named to the Agriculture Commission, but continues to serve as a member of the Michigan Department of Labor farm-labor advisory council.

Nationally, she is active on the Public Health Service Review committee for the Migrant Health Act.

Seth and Rebecca Tompkins are members of the Northwest Michigan Farm Bureau and have long been active in Farm Bureau affairs.

In her "spare" time, Mrs. Tompkins teaches and works on such important local activities as those of the Grand Traverse Fruit Grower's Council.

### MR. DONALDSON

Charles Donaldson, Jr. lives near Daggett, Michigan, and this Menominee county dairyman is chairman of the five-member Michigan Commission of Agriculture which established the policies of the state ag department.

He has a 360-acre dairy farm stocked with 120 Holsteins, and with 65 milking. President of the Michigan Milk Producers Association, Donaldson is also active in Farm Bureau and has served several times as a member of the policy development committee of the Michigan Farm Bureau.

He takes an active part in Upper Peninsula farm affairs and has been president of the UP Extension agricultural-advisory council. A firm believer in the future of farming in his area, Donaldson says "I think there is a real farming future here in the U.P. — or I wouldn't stay in it . . ."

### MR. LANGE

The state's "Thumb" section is represented on the Commission by vice-chairman, Walter Lange, Huron county bean and grain farmer who operates 160 acres at Sebewaing where the family has occupied the same farm since 1894.

The farm was the first in that area to be tile-drained, using tile made right on the farm. It also had the first registered Holstein herd and was the first in Huron county to administer tuberculin tests to the herd.

A Farm Bureau member, Lange has been a member of the Michigan Crop Improvement Association for 15 years, and is a member and has been vice-president of the Huron county Bean Grower's Association.

### MR. DEWHIRST

Experience in fruit and vegetable processing, storage, marketing and promotion is represented on the Commission by its newest member, H. Thomas Dewhirst, secretary of the House of David, a religious colony remembered by thousands for its traveling baseball teams.

For 30 years Dewhirst has been manager of the House of David cold storage plant at Benton Harbor, the pioneer of the large fruit storages in Western Michigan. For an equal period of time he has been manager of the colony's 360-acre farm, an extensive operation.

During World War II he was instrumental in pioneering the use of prisoners of war in harvesting, processing and storage of farm products — a practice which soon spread across the nation.

He is a member, and has been president and secretary-treasurer of the Michigan Frozen Food Packers Association.

Since 1951 he has been a director of Blossomtime, Inc., the oldest and largest of Michigan's agricultural festivals, serving five years as president.

### MR. KNIRK

A second-term veteran of the Commission is Blaque Knirk, of Quincy, Michigan, a former member of the Constitutional Convention and vice president of the Michigan Farm Bureau.

Knirk served 12 years on the Michigan Farm Bureau board of directors, was organizing chairman of the Farm Bureau Insurance companies and president of the Farm Bureau Mutual company for 10 years.

Together with his wife, Arlouine, and two sons, Knirk farms 1,400

acres in Branch county, a highly mechanized grain and beef-cattle operation. He is a booster for Michigan's red meat industry and is a director of the Michigan Livestock Improvement Association and board member of the Michigan Livestock Exchange.

On the Commission of Agriculture, Knirk has served as secretary, vice chairman and two terms as chairman.

### MR. BALL

The Director of the Department of Agriculture is B. Dale Ball, a man who worked his way through college by milking cows in the MSU dairy barn.

In 1939 he graduated from

Michigan State University with a degree in agriculture, majoring in soils. After graduation he taught Vocational Agriculture for five years, two at Yale, Michigan, and three at Lapeer, including both day school and adult evening classes.

In 1945, Ball was employed by the United States Department of Agriculture, Soil Conservation Services, as a Conservation Farm Planner.

He began working for the Michigan Department of Agriculture in 1951 as Coordinator of Institutional Farms and Herds in Michigan, and for 2½ years had supervision of 15 institutional farms, and 11 herds of registered Holstein cattle.

In December, 1953, Ball was appointed Deputy Director of the Michigan Department of Agriculture, a position he held for 12 years. As Deputy Director, Ball worked with farm organizations and commodity groups, and gained a wide acquaintance in agriculture and related fields.

He was the leader of the 1962 "People-to-People" European Agricultural Tour, the first such group of Michigan agricultural leaders to visit behind the Iron Curtain.

He was appointed Director of the Department of Agriculture by the Commission of Agriculture in October of 1965.

Ball owns a dairy farm near Williamston with 100 head of registered Holstein cattle.

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Cooperative

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Inc.

The Farm Bureau Insurance Group

OCTOBER IS CO-OP MONTH IN MICHIGAN

# AGRICULTURE IN ACTION

## — — PICTORIAL REPORT

PRESS CONFERENCE



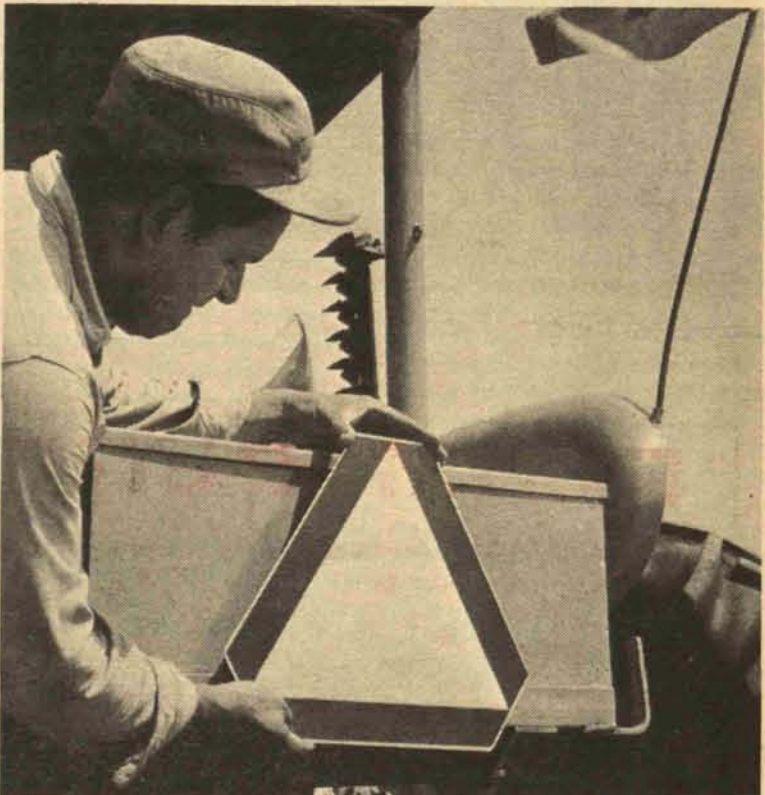
**ROGER FLEMING**— Secretary of the American Farm Bureau Federation, Washington, is interviewed by Richard Arnold of WKAR radio, during a Lansing press conference. Fleming appeared on the program at the statewide Farm Bureau Policy Development conference.

SHIAWASSEE VISIT



**POLICY DEVELOPMENT** — is discussed by Shiawassee County Farm Bureau officers at their recent county picnic. They are (left to right): Clifford Bristol, president; Mrs. Cyril Spike, women's chairman; Rex Byington, chairman of the Policy Development Committee, and Stanley Canze, vice-president.

SMV EMBLEM USE SPREADS



**SLOW-MOVING VEHICLE EMBLEMS** — are now required by law in six states. Besides Michigan, they are Nebraska, Indiana, Minnesota, Oregon and Ohio. Two states, Iowa and Vermont, have passed "permissive" legislation, and California has okayed the emblem for farm vehicles. In all cases, it should be mounted point up, 2 to 6 feet above the ground.

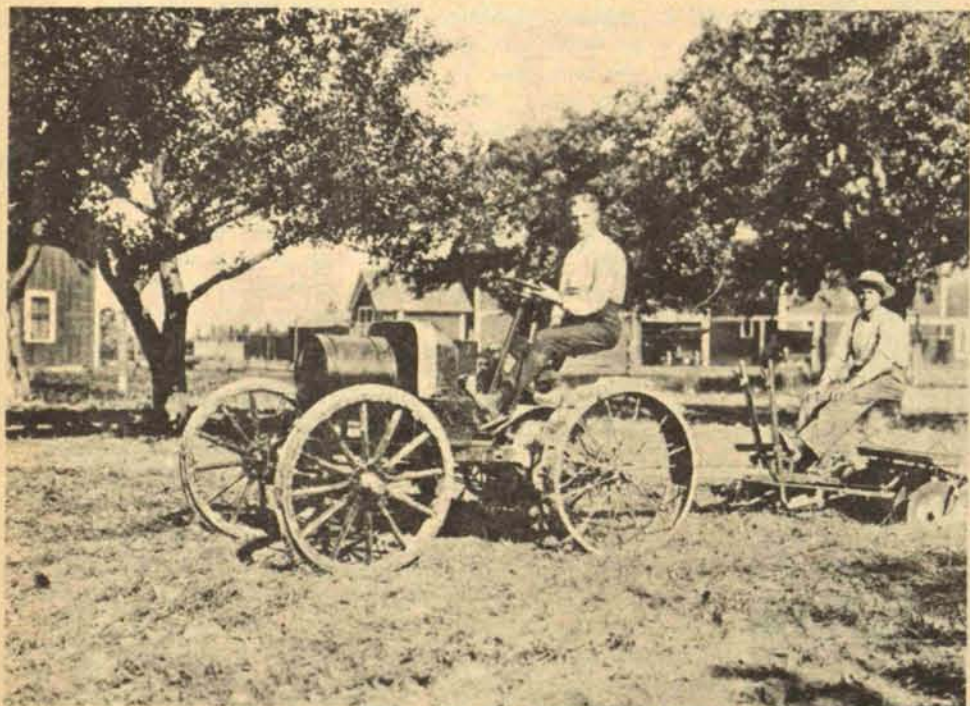
FRUIT GROWERS SPONSOR "APPLE BONANZA"



**DEEP FRIED** — apple fritters were in great demand at this year's Peach Ridge Fruit Growers' annual Apple Smorgasbord. Mrs. Wm. Rasch and Mrs. John Spangenburg mix up a batch.

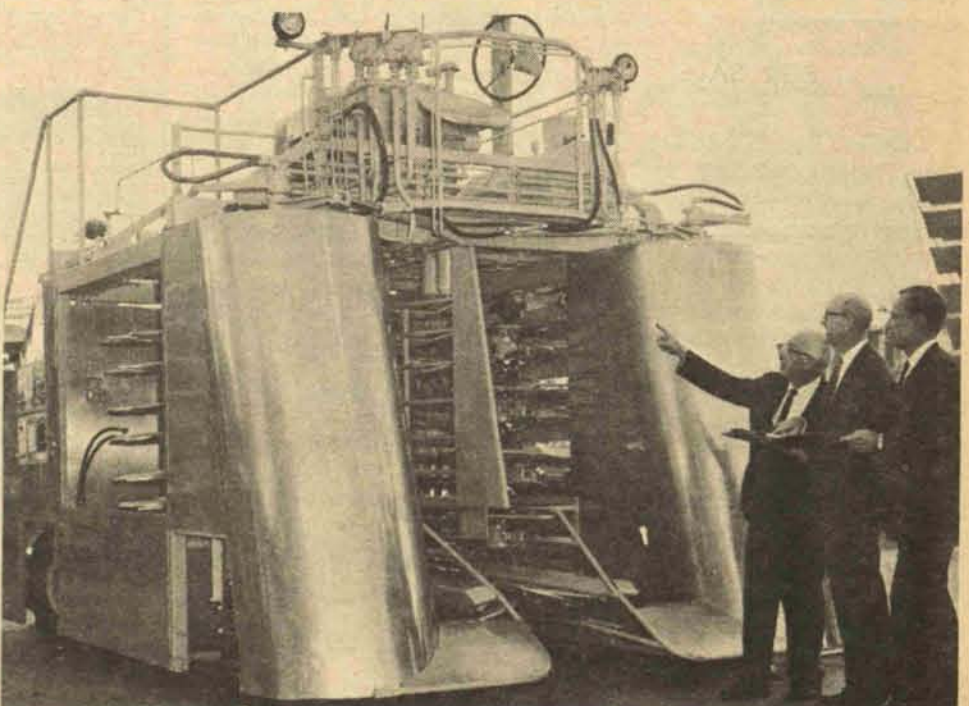
**FEATURES TABLE** — made from a wagon wheel displayed unusual recipes at the Apple Bonanza, held at the Edward Dunneback farm near Sparta, September 12. (See page 11.)

SIXTY YEARS AGO . . .



**HENRY FORD** — (on tractor) built many experimental models before actually placing a tractor into mass production. This experimental "automobile plow" was built in 1907. Gasoline powered, it was one of his first attempts to produce a machine farmers could afford. Ford Motor Company observes the 50th anniversary of the world's first mass-produced tractor, October 8.

BLUEBERRY PICKER WINS



**TOP AGRICULTURAL DEVELOPMENT** — of the year in Michigan, is this 10,000 pound, 12-foot high, mechanical blueberry picker, manufactured by Harvey Machine, Inc., of Grand Haven. Judges looking at the monster are (left to right): Marshall Wells, WJR radio; Melvin Woell, Michigan Farm News, and Dayton Matlick, Michigan Farmer magazine.



# Dividend Refund, Proof That Membership Pays...

While the cost of auto insurance continues to rise almost daily, some 55,000 Farm Bureau Mutual policyholders will be receiving relief in the form of a dividend refund, according to N. L. Vermillion, Executive Vice President.

Company employees have prepared individual payment checks for distribution to Farm Bureau County Offices. The checks will be mailed, along with member-

ship notices, to those families now insuring their cars and trucks with Farm Bureau Mutual.

The dividend payments, expected to total \$315,000, are as high as 15 percent of a semi-annual premium for each vehicle insured. Refunds of up to \$400 will be made to some large commercial farm operations.

Policyholder dividends were declared by the firm as a result of

decreasing accident rates among insureds in recent months. A major driver reclassification program, just completed, was also cited as a factor which made the refund possible.

Farm Bureau Mutual, Farm Bureau Life and Community Service comprise the Farm Bureau Insurance Group, a multiple-line organization which now serves 150,000 policyholders throughout Michigan.



**DIVIDEND CHECKS READIED** — Susan Park, policyholder service Specialist for Farm Bureau Insurance Group holds part of a batch of 55,000 auto insurance refunds for Mutual policyholders. More than \$315,000 in dividends will be paid to member families in coming weeks.

## Successful Year For Petroleum Cooperative

Stockholders and debenture holders for Farmers Petroleum Cooperative, the petroleum supply affiliate of the Michigan Farm Bureau, received checks totaling over \$164,000 during the month of September, according to William Guthrie, executive vice-president and general manager.

Guthrie reported that Farmers Petroleum Cooperative ended a successful year on August 31, and that in addition to the stockholders dividend and debenture interest payments, patronage refunds should be announced soon.

Sales records indicate two product lines handled by the co-op appear to be headed for extra good year-end reports. Tire sales were up by 33 per cent at the end of eleven months and custom diesel fuel sales were up by 27 per cent.

New farm tire lines added in 1967 as well as on-farm tire service now offered in some parts of the state were directly responsible for the big increase in tire sales, the reports indicate.

## NORTHERN MICHIGAN FEEDER CATTLE SALES—1967

11,000 HEAD

All Sales . . . 12:00 Noon

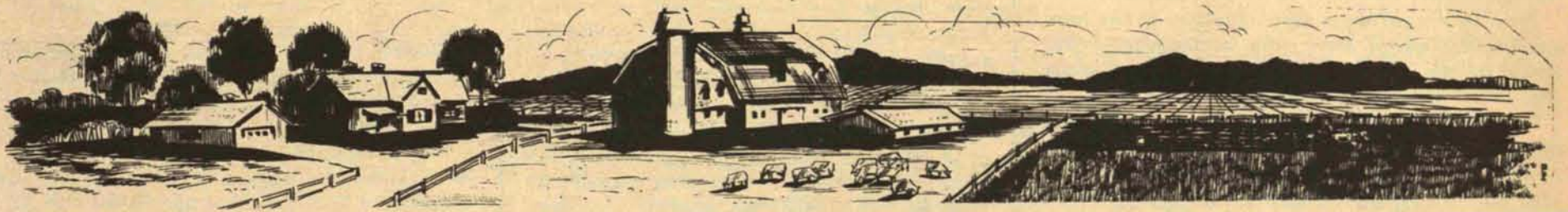
Oct. 5—GAYLORD	Yearlings only	1,000
Oct. 9—BRUCE CROSSING	Yearlings and calves	1,200
Oct. 10—RAPID RIVER	Yearlings and calves	1,000
Oct. 12—GAYLORD	Calves only	2,600
Oct. 13—BALDWIN	Yearlings and calves	1,500
Oct. 18—ALPENA	Yearlings and calves	1,200
Oct. 19—WEST BRANCH	Mostly calves	2,600

For Brochure with description of cattle in each sale write:

**Michigan Feeder Cattle Producers Council**  
Gaylord, Mich. 49735

# FARM BUREAU MARKET PLACE

**SPECIAL RATE TO FARM BUREAU MEMBERS:** 25 words for \$2.00 each edition. Additional words, 10 cents each. Figures such as 12 or \$12.50 count as one word. **NON-MEMBER advertisers:** 15 cents per word one edition, two or more editions, 10 cents per word. Copy deadline: 20th of the month.



### 8 FARM EQUIPMENT

**IMPROVED POWERED FEED CART** — Self propelled, self unloading. Literature free. Write: Ottawa-Hitch FN321, Holland, Michigan 49423. (9-3t-16b) 8

### 14 FOR SALE

**FOR SALE:** 7 Angus heifers, registered, calfhood vaccinated, 18 months. Registered bulls, 6-8 months. Bardolier strain. Martin Gerich, 2753 Grasslake, Route #4, Gladwin, Michigan 48626. Phone 426-8322. (Gladwin County) (10-1t-25p) 14

### 20 LIVESTOCK

**IMPROVED SAFETY BUNK FEEDERS** — Augerless models. Protected auger models. Chain Flight Feeder models. Write: Ottawa-Hitch, FN321, Holland, Michigan 49423. (9-2t-19b) 20

**S.P.F. BOARS—GILTS OPEN AND BRED.** Hamp, Duroc and York boars. Purebred and crossbred gilts; free of Rhinitis and Virus Pneumonia, feed conversion and certification records. Priced to sell. J. R. Rinehart, Flora, Indiana. Phone: Office, Flora—967-3911. Res., Burlington—566-3318. (3-ft-41b) 20

**HEREFORD BULLS**—pure bred herd sires. Ready for service. Also, registered heifers and calves. Egypt Valley Hereford Farm, 8611 Knapp St., Ada, Michigan. Phone OR 6-1090. (Kent County) (11-tf-25b) 20

**LEAN PORK PRODUCING SYSTEM** — Featuring controlled environment, automatic feeding, special pens. Write: Ottawa-Hitch, FN321, Holland, Michigan 49423. (9-3t-17b) 20

**FOR SALE:** 25 LARGE HOLSTEIN HEIFERS, due base months; vaccinated, from good herd. Will trade for open heifers. Telephone MO 9-9226. Ed Tanis, R#1, Jenison, Michigan 49428. (Ottawa County) (5-2t-25b) 20

### 22 NURSERY STOCK

**STARK BRO'S ALL NEW 1968 CATALOG FREE!** Spectacular full-color display of Giant-size Apples, Peaches, Nectarines (Fuzzless Peaches), Pears, Cherries, Apricots, Plums and DWARF, Semi-Dwarf, Standard Size Trees. Ornamentals, Roses, etc. GUARANTEED. Stark, Department 30508, Louisiana, Missouri 63353. (7-3t-39b) 22

### 26 POULTRY

**IMPROVED CAGE LAYING SYSTEM** — Automatic Feeding, Hart Cups, Cross Auger-pit cleaner. Write: Ottawa-Hitch, FN321, Holland, Michigan 49423. (9-3t-18b) 26

### 26 POULTRY

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**KLAGER'S DEKALB PROFIT PULLETS** — Order your started pullets that have been raised on a proven growing program. The growing birds are inspected weekly by trained staff, vaccinated, debeaked and delivered by us in clean crates. If you keep records, you will keep KLAGER DEKALBS. KLAGER HATCHERIES, Bridgewater, Michigan. Telephone: 313 429-7087 and 313 428-3034. (Washtenaw County) (9-tf-50b) 26

**FAMOUS SHAVER STARCROSS STARTED PULLETS.** Top rated layer by U.S.D.A. — 1964 through 1966. Delivered to your farm in clean equipment. We have pullets available every month. May be seen by appointment. MacPherson Hatchery, Route #3, Ionia, Michigan 48846. Phone 527-0860. (6-1t-36b) 26

### 34 WANTED

**WANTED:** Allis Chalmers Round Baler. Price & Description. Alfred Roeder, Seneca, Kansas 66538. (7-4t-11p) 34

**FULL OR PART-TIME.** Couples or individuals for local sales work. After short training have people working for you. Write: Suburban Sales, 28957 Smith, Inkster, Michigan 48141. (10-4t-26p) 35

### 36 MISCELLANEOUS

**"ZIPCODE DIRECTORY"** — (All 35,000 Postoffices): \$1.00 MAILMART, Carrollton 72, Kentucky 41008. (3-tf-11b) 14

**THE OLD McGUFFEY READERS** are now available. For prices and information write to Rev. E. Bedford Spear, Dept. MF, 227 West Circle Avenue, Washington Court House, Ohio 43160. (9-2t-25p) 36

**FREE CORNING WARE, KODAK CAMERA, OTHERS** with your order. Free color catalog (137). 200 gifts. Rural Place, Callicoon, New York 12723. (9-2t-20p) 36

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(Act of October 23, 1962; Section 4369, Title 39, United States Code) of the

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October 1, 1967

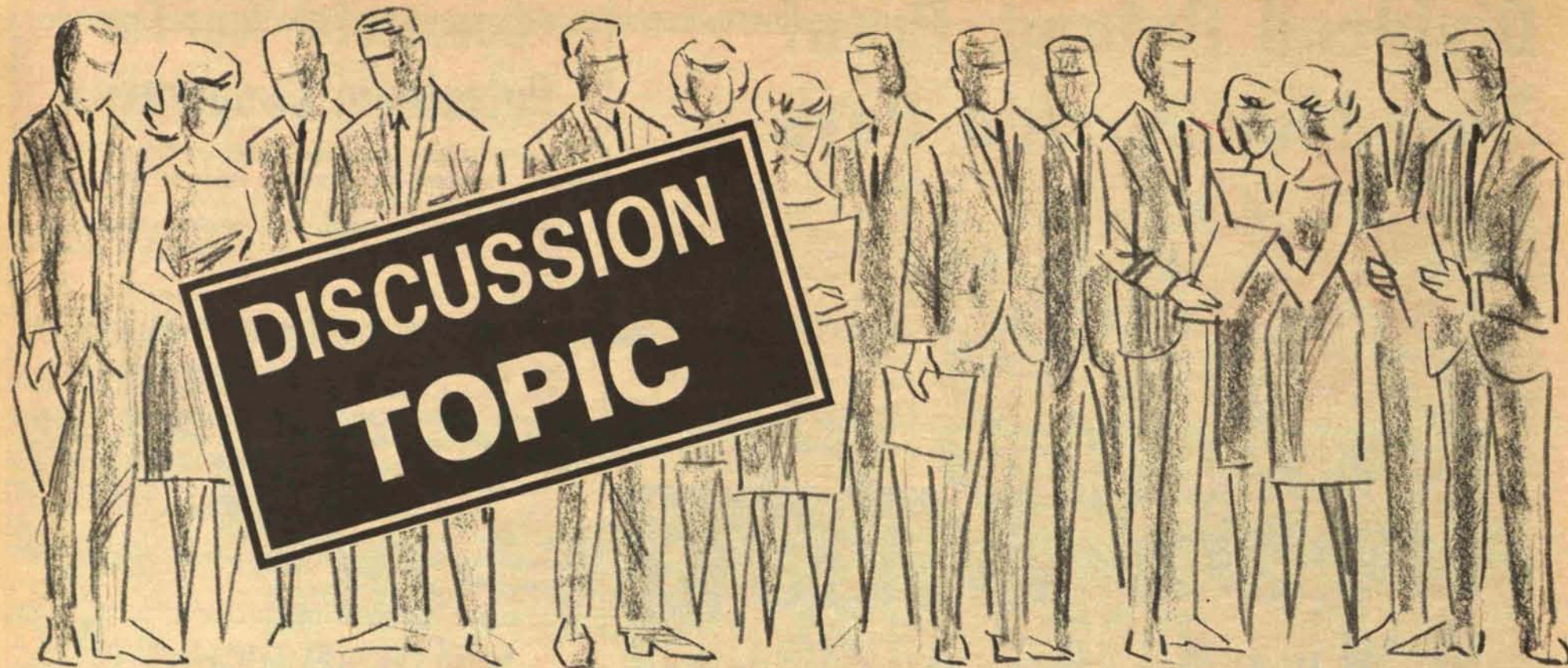
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I certify that the statements made by me above are correct (Signed) Melvin L. Woell, Editor

**STEWART'S HAMPSHIRE SALE**  
**THURSDAY—OCT. 19, 1967—7:00 P.M., C.D.S.T., AT FARM**  
**40 BOARS—50 REG. OPEN GILTS—**  
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Featuring March and April farrowed boars, sired by LONG TIME, FORTY NINER, NU LINE. We had Grand Champion Carcass at 1966 International and 1967 Indiana State Fair. All sale boars sonorayed and probed. Several tested litters. Lunch available. Catalog on request.  
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## THE ROLE OF FARMER-COOPERATIVES!

### What IF —

— Tomorrow morning, it were announced that all farmer cooperatives in Michigan would go out of business?

— Tomorrow morning, it were announced that co-ops were somehow outlawed, and farmers could no longer band together to start new cooperative ventures to help solve problems of agriculture?

What would be your reaction?

What would be the reaction of your neighbors on the farm? Your neighbors in the city?

What would be the reaction of those businesses now in competition with farmer cooperatives? What would happen to the prices farmers pay for goods and services they now can buy through farmer cooperatives? What would happen to the prices farmers get for their products which they now can sell through farmer cooperatives if they choose?

Now, let's apply these same questions to the local cooperatives which serve your community — what would be the effect of closing just those cooperatives which now serve you?

October is "Co-op Month" in Michigan. Also, October is "County Farm Bureau Annual Meeting Month" with most county Farm Bureaus holding their annual meeting during this month. This makes it a logical time to take a long, hard look at these powerful farm tools we call cooperatives.

Just how important are farmer cooperatives in Michigan? Farmers are decreasing in number, but we are now bigger (and better) farmers — and our use of farmer cooperatives is increasing, rather than decreasing.

Net volume of all cooperatives in Michigan hit a new all-time high in 1965 (the last year for which complete records are available) of nearly \$800 million. Some 250 cooperatives with nearly 750 service points serve Michigan farmers.

These co-ops fall in three basic types: marketing cooperatives, helping farmers sell their dairy products, livestock, fruits and vegetables, grain and beans, and eggs; supply cooperatives, selling supplies to farmers such as feed, fertilizer, farm buildings, and hardware items, plus petroleum needs including tires, batteries, gasoline, oil, and other fuels; and service cooperatives, furnishing electric power to rural areas, providing both long and short-term credit for farmers, all types of farm insurance, plus beef and dairy breed artificial insemination.

Marketing cooperatives, such as Michigan Milk Producers Association (the largest) and the Michigan Agricultural Cooperative Marketing Association (one of the youngest), add up the greatest net volume for agriculture with nearly a half billion dollars. The service cooperatives, which include Rural Electric cooperatives, Farm Bureau Insurance Group, Production Credit Associations, etc., are next with a net volume of nearly a quarter billion dollars, with the supply cooperatives such as Farm Bureau Services and Farmers Petroleum Cooperative running a total net volume of approximately \$100 million.

So we're big, and getting bigger — but are cooperatives really serving farmers' needs? Are today's cooperatives shaped to modern needs? Or even more important, is my local co-op really needed today? Maybe we need one that is new, aimed at solving modern problems?

And then there is the question that frequently comes up — "If cooperatives are really out to help farmers, why is it that some items being retailed by co-op stores are priced higher than that same item in the individually owned store across the road?"

### A Vital Part...

"Agricultural cooperatives are a vital part of our private enterprise system. Basically, they supply an economic need, by providing farmers with a means to compete effectively in the marketing of products, purchase of farm production supplies, and by providing needed services.

"Farm Cooperatives must be large enough to compete effectively with other enterprises. Cooperatives must have the full and loyal support of all members, and in turn cooperatives should handle all products and services available to them through cooperative suppliers. Any lessening of use of cooperative channels dissipates mutual strength.

"We urge directors and members of cooperatives to make certain that their associations are soundly and adequately financed, well managed, and forward-looking enough to meet the challenges of changing economic conditions.

"We urge that cooperative members exercise their responsibility by attending membership meetings to keep informed of the business affairs of their association and, further, to select and elect competent and qualified board members."

— Policies of Michigan Farm Bureau, 1967

There are many possible explanations for such situations — maybe this particular item is being used as a "loss leader" to bring in customers — most cooperatives try to make every item pay its own way. Perhaps the co-op doesn't move enough of this item to make it worthwhile for them to carry it, except as a service to those members who are there for other business. The member needs to consider that the "profit" made by his cooperative will be paid back in the form of a patronage refund at a later time and perhaps then, the price will indeed be lower.

But he also needs to be aware of the possibility that his co-op might have some problems — that maybe it really isn't being run as efficiently as it should be. Every co-op member owes it to himself and to his co-op to keep himself well enough informed about the business operation to judge this for himself.

What is the responsibility of the farmer-member, the co-op patron, to his cooperative? It is disturbing to many cooperative leaders to find that many of our young farmers today do not seem to have the same feeling of loyalty to their farmer cooperatives that their fathers had. The young farmer is more apt to look at his cooperative strictly from a dollars and cents viewpoint — "how much is it going to save me?"

Why the difference in attitude? From the young farmer's viewpoint, the cooperative is simply a place to buy, sell, or obtain a service. But his father sees it from another angle — this co-op is a product of his own hard work and money. He drove hundreds of miles and talked many hours with his neighbors explaining how this co-op would be of value in solving a problem they had. He spent many evenings, serving on the board as an officer of his local co-op, without pay, because he believed in what it would and could do for him. It is "his" co-op.

This kind of loyalty cannot be expected from his son. And many co-op leaders today feel that they should depend on an "economic" loyalty rather than this type anyhow.

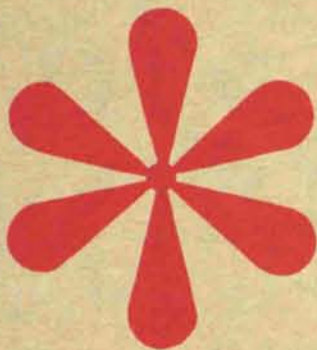
But in considering this economic loyalty, the farmer-member must not overlook the value of his cooperative in the effect it has all the way across a given market — an effect which will be reflected in both the co-op price and the price of the competition. Who sets the market? What would the market be if it were not for the competition of the local cooperative? And, of course, this works both ways. Too, these same principles apply to all types of cooperatives, whether they are marketing, supply or service co-ops.

What about YOUR co-op? Is it the modern, well-managed business enterprise you want it to be? Is it an imaginative, inquisitive, competitive organization that wants to meet and serve the needs of its members? Has it kept abreast of times with young, aggressive leadership as board members and as managers? If it isn't, what have you done or what are you doing about it?



NOW — WHAT DO YOU THINK?

NEXT MONTH: Implications of New Farm Labor Laws



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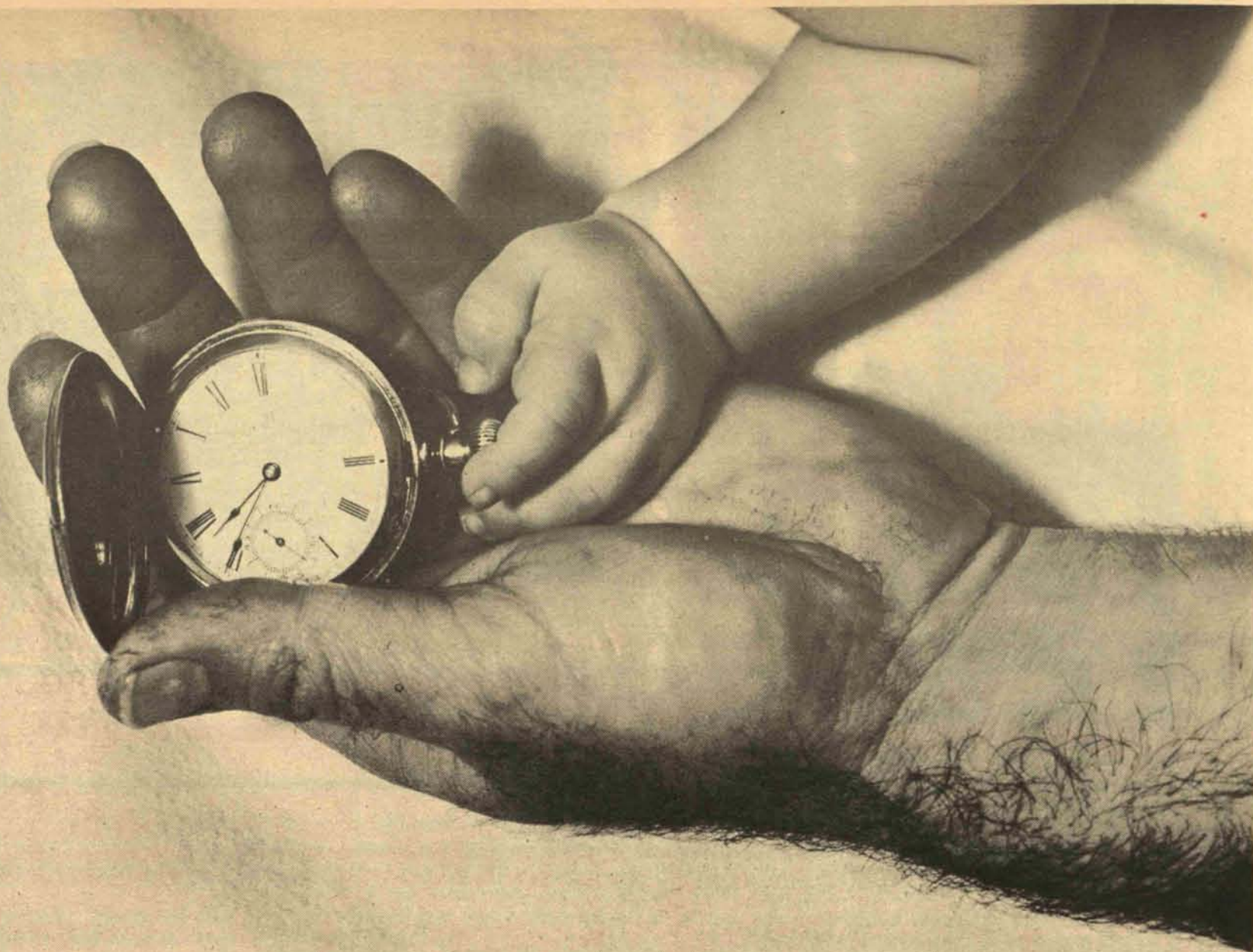


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