

Federal Action Now or Ruin—Which?

First Message From A. C. Townley Since Jail Doors Closed on Him—Revive Grain Corporation at Once, He Says—Guarantee Grain Price for 1922

This editorial by Townley was written by him in the Jackson county jail. It is his first statement since he was locked up. He will write a page in every issue of the Leader from now on. Watch for his messages. You can get them only in the Leader.

THE wheat farmer is bankrupt because of the low price. The business man will be bankrupt shortly if something isn't done. And those in authority do nothing to relieve the distress. Jail doors should not prevent me from advising the farmers that the federal government is entirely able to relieve much of their present misfortune.

The government neglects to provide any relief BECAUSE CERTAIN ECONOMIC DOCTRINES, AND THE PROFITS OF CERTAIN INTERESTS ARE PLACED ABOVE THE PEOPLE'S WELFARE.

The War Finance corporation was revived and retained to meet the emergency of industrial collapse. THE GOVERNMENT GRAIN CORPORATION SHOULD BE REVIVED AT ONCE, under management independent of the grain speculators.

The government grain corporation was used during the war to keep the price of grain down. IT CAN BE USED NOW TO KEEP THE PRICE OF GRAIN UP.

This government corporation should be revived at once. It should pool all wheat and other grain remaining in the hands of producers, co-operative organizations and country elevators. The producers should be guaranteed a minimum of at least \$1.50 a bushel for the best grade, with the rest of the grades priced according to their relative milling values. That should be for the 1921 crop.

A reasonable minimum, covering at least the cost of production should be guaranteed for next year. This would give hope and credit so that the farmers could produce enough wheat to feed the people.

Wheat is not a luxury—it is a necessity. All classes are vitally interested in having our farms able to continue their production.

The war taught European nations how to pool their buying in this country. THEY ARE POOLING THEIR BUYING NOW. Our producers, without the aid of the government, ARE HELPLESS BEFORE THIS POOLED BUYING POWER OF EUROPE. Farmers have no means of keeping the price of wheat up to production costs. They can only raise it at a tremendous loss—or not raise it at all, and go bankrupt in either case. There must be pooled selling through the government grain corporation if there is to be relief.

Freight rates on grain should be further reduced. Idle ships not yet disposed of by the government should be placed at the disposal of the grain corporation for transporting wheat and other grains to our principal foreign markets at cost.

All the usual marketing methods have broken down. The several co-operative grain pools are getting nowhere. The only alternative remedy offered by those who reject my suggestions is to let the farmer go on suffering losses. But there is a limit to the losses the farmer can stand; that limit has been reached; to venture beyond this limit is inviting certain calamity to the whole nation.

A. C. Townley

Why Not Guarantee Our "Daily Bread?"

A Discussion by an Expert of Mr. Townley's Plan to Revive the Wheat Corporation—How It Would Affect Farmers, Bankers and Merchants

BY A. B. GILBERT

Mr. Gilbert, a member of the Leader staff, is the author of several books on agricultural economics and similar subjects.

PRESIDENT A. C. TOWNLEY'S advice that the federal government should immediately revive the government grain corporation, to assure farmers cost of production, deserves the careful attention of every one in the Northwest. No one in official authority, none of the great respectables who have been hounding President Townley to jail doors, has been able to do or suggest anything to lift the farmers and business men out of their tragic condition.

We have tried waiting to see what would turn up for two years. Only increasing misery, failures, heartaches, broken homes, despair has resulted. Something besides waiting must be done; the Northwest can not carry on. Our alleged statesmen have had all the time for trying their theories they can ask. The patience of farmers, small business, and labor is a surprising thing.

President Townley, however, sees a way out, and we believe every citizen can see the value of his plan when once it is presented to his or her attention. When we allow the prophets to be thrust into jail, we must go to jail for prophesy.

The leader of the great militant farmers' organization, now enduring the indignities heaped upon him by the anti-farmer interests, advises a revival of the government grain corporation, just as the War Finance corporation has been lately revived.

This grain corporation could immediately pool all the wheat of the United States remaining in the hands of farmers and country elevators, and also such wheat as other middlemen might wish to turn over to it.

This government pool could then hold this wheat and dispose of it gradually at a price which would net the farmer at least cost of production.

Why wheat? The reader may ask that. Because wheat is the fundamental grain of the Northwest and the whole country. Perhaps you have noticed that other grains follow the trend of the wheat market.

By protecting wheat we can in considerable measure protect the other grains. The writer would not hold that the other grains should not be pooled in the same way in time, but it would be better now to restrict the burden of the revived corporation as much as possible.

CORPORATION WAS FIRST USED TO KEEP DOWN GRAIN PRICE

All other business in the West depends on the farmers' returns and hence by stabilizing wheat we would aid all other business.

The first government grain corporation was formed to keep the price of wheat down, and it made a \$50,000,000 profit, which it should not have made; it will be easy to revive this corporation to give the farmers a fair price.

The following questions and answers will throw

more light on this great possibility of relief: What will have to be done?

Congress will have to pass an act authorizing the president to revive this corporation and to select its management and giving the limits within which the grain corporation is to operate.

Will congress do this?

It is a question of whether congressmen are influenced more by the grain gamblers and the other opponents of government activity for plain people, than by people who will vote in their own interests.

What will become of the grain speculators?

They should cease to exist, because the government pool can sell directly to actual users of grain here and abroad. Now note too that this would knock out the greatest speculative wheat market in the world—that in Liverpool.

Liverpool speculators set the world prices and they could not operate without America's surplus wheat. Twenty-five years ago the Russian government approached ours with a pooling proposition to prevent the fixing of prices in a consumer country, and our government concealed the offer from the public.

Have conditions become worse in the world market since we ignored the Czar's proposition?

Most certainly. During the war European countries began pooling their buying, thereby saving great sums for their people at the expense of our people. This pooled buying is continuing, under cover more or less, and is a leading factor in the low prices our farmers have received for the last two years. Our grain market is now controlled by market men having no interest in resisting the hammering of these buying pools on speculative markets. Pooled selling is the only way to meet pooled buying.

Would not Europe refuse to take our surplus wheat?

No. There is not enough wheat raised in the world to satisfy the world's demand at present. We swept the bins clean in 1920 and yet we re-

TOWNLEY SPEAKS FROM JAIL!

On this page is the first of a series of important messages from A. C. Townley. He will write in jail a page for every issue of the Leader. Townley's messages will appear first in the Leader, but they are not copyrighted and any one is welcome to use them or reprint them. But to get these important messages first and in full, you must have the Leader. Watch for his page in the next issue. He will further develop the idea he brings out in his statement above, and he will explain what farmers must do to get action now—at once—on this matter. Following that he will discuss other important plans. Townley will be out of jail next February. He is working out plans of tremendous importance in regard to farmer organization. He will get actively into the work immediately he is out. We can not announce his plans in advance. But farmers should follow his articles in the Leader. It will prepare them for the great things that are to come. Call the attention of friends, neighbors and townspeople to Townley's statement above. See that everybody in your vicinity sees the Leaders containing the important Townley statements. Don't miss the next issue!