

# Editorials

## Looking to the Future

NOW THAT 1963 is dawning it is a good time to plan for the year ahead—in fact, for the years ahead.

This special OUTLOOK issue of Montana Farmer-Stockman is designed to point out some of the trends and new developments that may effect your operations. As some business management expert once said, "Facts do not just threaten, they operate."

It is important that farm and ranch families of Montana and northern Wyoming fully recognize some of the fundamental "facts" that are operating today and that will have an important influence on farm and ranch profits in this region.

Writers of some of the articles in this issue have "stuck their necks out" in forecasting what lies ahead. Neither they nor we of Montana Farmer-Stockman expect you to take these prophecies as the last word on the subjects discussed. Some of the indicated trends may prove to be off the beam. But we believe many will be found in later years to have hit the target pretty closely.

Perhaps you will wish to thoughtfully consider what these specialists predict, weigh their statements in the light of your own knowledge and experience, and then strive to gear your individual operations as closely as possible to the changing conditions as you see them.

On the basis of research that is being done by the experiment stations, by farm equipment manufacturers, by chemical companies, by electronic concerns, by plant breeders, and by many other institutions, it is virtually certain that there will be even greater improvement in efficiency of farm and ranch operations in the '60s than occurred in the '50s. As for the '70s and '80s, some of the wildest dreams of today may fall far short of the realizations of those years.

The producers who are most alert to these changes and most expert in taking advantage of them, will be the most successful operators in the years to come.

If you find this first Outlook issue interesting and helpful, Montana Farmer-Stockman will plan to make it a special annual issue from now on.

Whether your opinion of the issue is favorable or unfavorable, we'll be glad to hear from you. And if you want to criticize or comment upon any particular article or statement, or make some forecasts of your own, we'll be delighted to have you write us about that too.

And now, to all of our readers, the Montana Farmer-Stockman staff extends heartiest best wishes for a Happy, Prosperous and Forward-Looking New Year.

## United in Protest

"WE PROTEST." That's the united chorus of no fewer than 13 Montana farm organizations, grain elevator and milling companies plus three transcontinental railroads serving Montana, the Montana Railroad Commission and the Montana Citizens Freight Rate Association.

All these groups have filed "exceptions" to a recommendation made last fall by an Interstate Commerce Commission examiner that a series of reductions in grain freight rates which began in October, 1960, be canceled. The reduced rates are in effect from western and south-central points in Montana to the West Coast. The ICC had announced that Dec. 23 would be the final date for filing exceptions to the recommendation. Now the date has been extended to Jan. 28.

There will be no lack of exceptions. All the groups mentioned are asking that a hearing be held and that they be granted authority to intervene. Several grain companies on the West Coast have also petitioned to enter the case.

In these times of the price-cost squeeze any announcement that a cost might be increased by an amount equaling 5 to 10 per

cent of the gross return would bring consternation if not bankruptcy to most any business. That might well be the entire margin of profit.

It is estimated that cancellation of the rate reductions as recommended would increase freight charges from Great Falls to the West Coast by at least 10 cents a bushel. At this writing the price of No. 1 dark hard winter wheat in Great Falls is \$1.71 a bushel. With top protein value a bushel would be worth \$2. An extra freight charge of 10 cents would be 5 per cent right out of the Montana wheat producer's pocket.

But the increase would be 23 cents a bushel on wheat shipped from Bozeman.

And the immediate, out-of-pocket cost is not the only concern. Even more ominous, perhaps, is the possible loss of competitive positions with other wheat producing areas that would result from a change in rates.

The seriousness of the threat to Montana grain growers and to the state's milling industry and railroads cannot be overestimated. It is vital that all segments of the industry unite as they have in vigorously protesting the recommended cancellation of rate reductions.

## ECM Important to Montana-Wyoming

OF TREMENDOUS IMPORTANCE to the future export market for some basic Montana-Wyoming agricultural products is the European Common Market, the economic confederation of mid-European countries.

The agreements they develop during the next few years will result in the removal of trade barriers between the member nations and may result in new tariff walls around the whole group. The area encompassed by the six nations is relatively small, highly industrialized and has about the same

population as the United States.

Basic policy of ECM in relation to agricultural products is to control production and marketing through a marketing authority, establish prices common throughout the six countries and, most important to us, control imports through levies, fees, prices and quantitative restrictions.

This is a seven-year progressive program, having been put into effect this past year, and is to be in full operation by 1969. Presently, the U.S. exports about 22 per cent of its agricultural commodities to ECM

countries. Wheat and feed grains are the most important agricultural exports that will be immediately affected.

In time, prices offered for import wheat, as an example, may be based on world prices less small fixed charges. At the same time, higher than world prices may be maintained for producers in ECM countries. Licenses to sell to ECM countries may be instituted and embargoes may be placed on the importation of certain products on only three days' notice. Herein lies some danger for our export trade in these agricultural products.

But provisions of ECM regulations should not be a threat to trade with the U.S. if constructive procedures are followed. Some restrictive devices have already disappeared. And the continued economic recovery and progressive increase in population and industry in the area may eventually increase export possibilities of Montana-Wyoming agricultural commodities in the future.

However, agricultural producers are going to be highly dependent on our government's negotiating policies and ability. International competition in the sale of food and fiber will undoubtedly increase in the future. Hard-headed bargaining will be required and, if farm and ranch interests are to be safeguarded, agricultural products must not be used as disposable pawns in the international dickering game for the benefit of greater U.S. industrial sales.

## Straws in the Wind

That 3 cent a bushel increase in barley supports for the 1963 program means \$90 per hundred acres for the grower whose average is 30 bushels to the acre. USDA had two main purposes in increasing price supports on feed grains over those previously announced: (1) To make the feed grain program more acceptable to producers and (2) to discourage excessive livestock production, with resulting lower livestock prices, that might result from too cheap feed.

\* \* \*

While there is still time for bringing additional acreage into compliance, the relatively small winter wheat sign-up now points to increased acreage in 1963 over 1962. USDA hoped for a 5 to 6 million acre sign-up but has achieved less than 2 million, according to latest figures.

\* \* \*

Beet growers are becoming concerned over the cost-price squeeze affecting their operations. Costs have increased from 30 to 40 per cent in the past 10 years while the gross price per ton of beets has gone up much less than that. Growers' organizations are asking the Sugar Administration to give careful consideration to this problem so that producers may enjoy a "fair and reasonable return."

### MONTANA FARMER-STOCKMAN

—COVERS MONTANA AND NORTHERN WYOMING—  
OFFICE 414 2nd Ave. North, Great Falls, Montana

LESTER COLE, Publisher; DON R. BOSLEY, Associate Editor; LARRY GILL, Livestock Editor; RAY OZMON, Field Editor; BOB LOHRENTZ, Livestock Field Representative.

Department Editors: AMY MARTIN, Rural Homes Department; DR. W. W. HAWKINS, JR., Veterinary Department; ARTHUR F. SHAW, Soils and Crops; RAY REITMAN, Market Analyst; OSCAR L. MOLDENHAUER, Weather Forecast; MONT H. SAUNDERSON, Ranch, Farm Management.

LARRY GILL, Advertising Director; EARL STEFFANI, Local Advertising Representative.

Advertising Representatives, Western Farm Paper Unit—CHICAGO 4, Fred Toof, National Adv. Manager, 28 F. Jackson; NEW YORK 18, Walter J. Schaff, Manager, 500 Fifth Ave.; SAN FRANCISCO 5, Frank Schoenbein, Manager, 321 Sharon Building.

Member of Western Farm Paper Unit, Audit Bureau of Circulation and Agricultural Publishers Association

SUBSCRIPTION PRICE: \$2 for one year; Canada, one year, \$3.

RENEWAL AND CHANGES—If the date on your label is not changed within three weeks after sending in your remittance, please write us. If you wish a change of address, give both new and old postoffice.

ADVERTISING — Full information regarding advertising rates, etc., sent on application. Subscribers are requested to mention promptly to us any advertiser who fails to live up to his advertising agreement.