

SILENT REVOLUTION SWEEPING THE SOUTH; CO-OPERATIVE MARKETING OF COTTON; RUNNING INTO MILLIONS



With two and a half million bales of cotton signed in binding contracts to co-operative marketing associations, nearly two hundred thousand cotton growers of the South, stretched all the way from North Carolina on the East to Arizona on the West, are ready to enter the business world and play a part unprecedented in the history of the cotton trade. This is nearly a fourth of the cotton crop of the South. Marketing authorities are venturing all sorts of opinions regarding the effect of this new factor.

American cotton is the standard cotton of the world. The price paid for it is used as a basis for determining the price of all other cotton, whether produced in India, Turkestan, Egypt or China. American cotton constitutes the major portion of vegetable fibre which enters international trade, and whatever happens to it influences the price of all other cotton in the world. England has tried to establish new cotton-growing zones in her dependencies which could compete with American production, but to date has been unable to affect the supremacy of the Southern States.

What will happen when 200,000 growers, controlling 2,500,000 bales of cotton, fail to "dump" their crop this fall? It is one of the fundamental principles guiding the new movement that cotton shall be marketed in an orderly manner, over a period almost a year long. In previous history, farmers have glutted the market in November, have brought more cotton to the buyers than the buyers are ready to use and this has invariably depressed the price. Price recovery has usually followed several months after the dumping orgy, after the cotton has gone entirely out of control of the farmers, but this price recovery has been to the benefit of the speculator and not the farmer.

Now comes the farmer, or rather now come 200,000 farmers who have made financial arrangements with the War Finance Corporation, who say that they will not "dump" their 2,500,000 bales, who say that they will sell their cotton as the market is ready to absorb it. The whole world is waiting. Representatives from Africa, from England, from Central Europe have called at the offices of the American Cotton Growers' Exchange in Dallas, Texas, to study the situation. In the meanwhile, the farmers have gone ahead and have made arrangements to borrow millions and millions of dollars to make advances to their membership to tide over the time it takes to market in an orderly manner. They have gone out into the cotton world and have "hired" the best cotton experts in the South to supervise their sales. They are entering the new cotton year with confidence born of the experience of four State associations which marked altogether, nearly a half million bales in 1921 and 1922.

Oklahoma, Texas, Arizona and Mississippi last year demonstrated the practicability of the plan and inspired the States of Arkansas, North Carolina, South Carolina, Georgia, Alabama and the short staple growers of Mississippi to form like associations. Texas farmers marketed \$8,777,789 worth of cotton. Oklahoma handled almost as much. Mississippi staple growers more than twice as much as Oklahoma or Texas in money value. Arizona had a fine quality of Pima cotton and the growers in this far Western State topped the market. But this fall the business will run into hundreds of millions of dollars.

There has been much interest in the history of this silent agrarian revolution which is sweeping the South. It began in Oklahoma in 1919 under the leadership of Carl Williams, now President of the American Cotton Growers' Exchange. Williams was editor of the Oklahoma Farmer-Stockman, but identified himself very closely with the formation of the Cotton Marketing Association in that State. Mississippi, Arizona and Texas followed almost in the order named, the close up of the sign-up campaign coming within a few weeks of each other. These States sold their cotton last year, did it successfully and satisfied their membership that they were following a plan economical in sound.

What are the fundamentals of the plan? To find this out, we turn to Aaron Sapiro, the California lawyer who acted as legal adviser to these States and who wrote the contract which was signed by cotton growers in all of the associations now in the American Cotton Growers' Exchange. Sapiro has laid down these fundamentals before board meetings, before crowds of farmers, before business men's organizations in every State in the South. When farmers in the United States first began to think of co-operative marketing, they turned to the best example of co-operative activity they could find, that is, the Rochdale plan used by English consumers. The Rochdale form of co-operation was for the purpose of buying and not selling crops, and after numerous attempts to apply the English system, producers found that it would not work. Taking up the Rochdale system was an accident due to the fact that it was practiced by people speaking the same language that we speak in the United States. When the English system failed, American growers began to search throughout the world for a system that would be economically sound for the co-operative selling of crops.

As a result, a system of co-operation practiced in Denmark for more than forty years by farmers and adopted to California conditions. Today we have the wonderful example of agricultural prosperity of the Pacific coast.

This same system has now been adapted by the cotton farmers of the South and following is the text of an explanation of the plan sent out by the Texas organization to people making inquiries regarding it:

There are certain fundamental principles in the formation of co-operative associations which have been learned after many expensive failures. Six of these principles have been very definitely established. The first three deal with the fundamental nature of the organization and on the second three depends the success of the organization in carrying its membership. Under nature of organization, we enumerate the three following requirements:

- 1. The organization is built around the commodity.
2. It is composed of growers only.
3. These growers are tied together with a legally binding contract.

Organization built around the commodity is economically sound, because the business world is interested in the thing you have to sell and not in the place where it is grown.

The organization should be a non-profit association without capital stock, composed of growers only, because the interest of the growers will be properly protected by no other form of organization. Farmers have failed in the past because they have allowed men who were not producers to have a voice in determining the action of their co-operative selling projects. These outsiders have invariably possessed or developed selfish interests opposed to the best interests of the growers, and as a consequence have brought ruin to the farmer.

The growers should be tied together with a binding contract because this is the only means discovered whereby it can be definitely established that the co-operative will remain in business. The binding contract is the only form which will enable the co-operative to finance the movement of its crop. No banker will lend money to a co-operative association if that association is unable to show that it has title to the crop upon which it wishes to borrow money.

- 1. The co-operative must control enough of the crop to be a real factor in the market.
2. It must employ experts to do all work requiring the knowledge of an expert.
3. Farmers' products must be pooled according to grade and quality and the farmer paid accordingly.

Unless the co-operative is large enough, that is, unless it controls enough of the crop to command the respect of the business world, unless its decisions regarding its holdings are awaited with interest by private firms engaged in the same business, it cannot hope to achieve any large measure of success. It may even be at the mercy of private business firms that will crush it out of existence.

Experts must be employed to direct every department of the co-operative. Too many farmers' organizations have gone on the rocks through mismanagement. The farmer is regarded as an expert producer, but not as an expert salesman, therefore, co-operatives have found through bitter experience that they must employ expert salesmen to sell their crops. When they have looked for these salesmen, they have found that private business firms pay these salesmen good salaries and co-operatives have been forced to pay good salaries to obtain the services of the sales experts. They have had to meet the competition of private business firms. As Aaron Sapiro says, "Farmers must not expect to get a fair price for crops if they are unwilling to pay a fair price for brains."

On account of the variation in grades and quality of the crops raised by different members of a co-operative, it has been found necessary to grade carefully the products delivered to the association and to provide for internal pools into which all the products of a like grade and quality are placed. This insures each grower receiving the true value of his crop. If it is of a better grade and quality, he gets the extra money which should come to him for having grown a superior product. This internal pooling also makes it possible for the association to enter the business world with its wares arranged in grades desired by the trade and increases the amount of money which the association can ask for what it has to sell.

In addition to these six points already mentioned, associations have found that proper merchandising of the crop means marketing in an orderly manner over a period covering most of the year. This avoids the former practice of dumping, which has always forced the price of farm products down during the time of harvest. The co-operative marketing associations have found that they can make the law of supply and demand apply at the point of consumption instead of the point of production.

Co-operative marketing is simply the well-known factory principle of group production applied to the agricultural industry.

The Latest! New Skin Game has Gold Brick Beaten A Mile

By Roy Gibbons. CHICAGO, Aug. 10.—Take one of these little pills and wish you were somewhere and presently you'll find you're there. This was the sales talk handed out by a bewhiskered chap whose fore-fathers...



most likely sold gold bricks to an enthralled clientele of foreigners here. Mr. Whiskers guaranteed his ware in preparation for the street car strike which made Chicago hoof it. The pills, of course, he said, would only work in case a strike took place. For each package of 10 he charged 50 cents. A good many were sold. He pictured to his prospects the advantage of swallowing a "strike pill" over walking to and from work.



Weekly Crop Notes. (August 1-7) Weather—There is still much rain in the eastern part of the state, with hail storms doing much damage in Caldwell county. The Piedmont area is dry and cool, excepting in southern counties where the weather is favorable. In the mountains it is rainy and cool. Wheat—Wheat is poor to fair. Very little is grown in the eastern counties. Rust was general and destructive. Corn—Corn is poor in eastern areas with improvement reported in Jones, Wilson and in southwestern counties. Rain has retarded growth and development. Mention of much improvement in the Piedmont plains, with prospects of a good yield. Its good in the mountains, but harvest will be late. Cotton—General improvement in cotton is noted in Piedmont. The boll weevil is doing considerable damage in the southern border counties. Heavy fruiting is reported in spotted localities. Cotton in eastern areas is recovering from the rainy seasons to some extent, with prospects for a better yield than was anticipated. Boll weevil is prevalent over southern half of coastal belt—fruiting poorly in some sections. Hay—Generally good all over state for hay and grasses. Continued rains have been favorable to growth of these crops. Tobacco—Tobacco indicates a fair prospect in the northern Piedmont counties. Some good in eastern section but much is very poor there. Curing is well advanced. Too much rain has affected tobacco, as well as other crops. Truck—Truck is reported to be fair in the mountains. Potatoes are somewhat blighted. Markets flooded in sections of Piedmont, where truck crops are grown. Increased attention to truck in some localities of the coastal belt. Harvesting is in full swing. Pastures—As with hay, pastures are generally good, due to favorable and wet seasons. Fruit—Frost in the mountains caused irregular fruit crops. Northern Piedmont fruit only fair while Sandhill section has excellent condition, especially peaches. More fruit in eastern belt than usual. Livestock—Increase in cattle in some mountain sections. Good condition in Piedmont and Coastal sections. Good demand for dairy cattle. Reports on hogs show more activity in east, in fair condition all over the state. Progress—Farming is becoming more diversified. Much progress is being made in dairy lines. Farmers have...

TRADING IN COTTON GOODS HAS BEEN SLOW

NEW YORK, Aug. 12.—Trading in cotton goods has been slow in consequence of the instability in cotton futures and the unsettled state of labor. Crop reports have proved cheering to merchants and they look for broadening activity when industrial disputes are settled and tariff discussions are ended.

Fruit clothes and sheeting weakened in price a trifle while fine combed yarns held fairly steady. Yarn markets have been weak and irregular. The new wash goods season for spring 1923 is developing very slowly, most of the orders being of small size for sampling purposes. Some part of the hesitation is attributed to the uncertainty in styles of fabrics that may prove popular. Bleached goods have been fairly steady. Percales are being bought to about the capacity of current production but forward business is being built up slowly. New gingham prices for spring are being deferred and that is tending to hold business back. The time is near at hand when mills must buy cotton from the new crop and merchants and manufacturers are hoping for more stable price conditions. The attendance of buyers in the New York market has been unusually large due to the holding of a merchandise fair and buying in small lots has been general. Prices current in primary markets are as follows: Print cloths, 28-inch 64x64's, 7; 64x60's, 6 3/4 cents; brown sheetings, Southern standards 13 cents and 13 1/2 cents; 38 1/2-inch; 64x44's, 8 3/4 cents; denims, 22 1/2's, 18 1/2 cents and 19 cents; ticking 8 ounces, 12 1/2 cents; prints 10 1/4-cents; staple ginghams, 14 1/4-cents; dress ginghams 20 and 22 1/2.

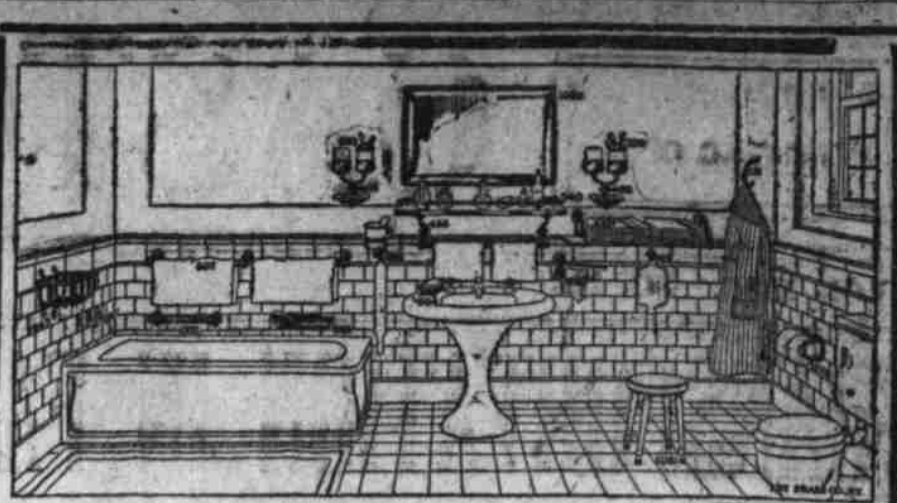
INDEPENDENCE IN ONE RESPECT. (Galveston News.) Personally we do not claim 100 per cent independence, but we do say we have never dressed to please head waiters and hat boys.

There is also this unusual condition in baseball and judicial circles—Judge Landis and Babe Ruth are both off the bench at the same time.—Kansas City Star.

done well in keeping up with their crops, considering the bad weather conditions. Labor is generally plentiful, but not efficient. Urban demands hurt the farmers near towns. FRANK PARKER, Agricultural Statistician.

111 cigarettes They are GOOD! THE PIECES. (Birmingham News.) "God save the King" has its good points, but what the world needs now is something in the nature of "God save the pieces."

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MAJESTIC THEATRE

Billings Booth's Musical Revue OPENS AN INDEFINITE ENGAGEMENT MONDAY, AUGUST 14th. 10 — PEOPLE — 10



BILLINGS BOOTH'S MUSICAL REVUE Comes to Gastonia with a record of four years successful engagements in cities in every part of the United States. The policy of this company is to present tabloid musical comedy versions of the big New York successes featuring Mr. Al Pharr, one of the funniest black-face comedians on the American stage. The offering for Monday and Tuesday is "The Oriental Princess" with some of the following plays to be offered during the engagement—"Her Husbands Double"—"Million Dollar Doll"—"Chinese Request"—"Mary's Ankle"—"It Pays to Advertise"—"Billy"—"Fair And Warmer" and many others. THELMA BOOTH BILLINGS BOOTH