

A departure in this law is a section requiring the manufacturers of hampers, round-stave baskets, and splint baskets to submit specifications for their baskets to the Secretary of Agriculture for his approval.

It is provided that specifications shall be approved if they provide for a basket of one of the standard capacities established in the law and for a basket which is not deceptive in appearance. It is believed that this provision will result in the adoption of more nearly uniform specifications than have been used in the past.

Penalty provisions of the law do not become effective until November 1, 1929, thus giving all parties concerned ample time to prepare for any changes necessary. The application of the law will result in economies in manufacture, will provide the shipper with a definite basis of sale, and will relieve him of unfair competition through use by his competitor of a "short" package.

H. A. SPILMAN.

COOPERATIVE Associations Practice Pooling to Cut Costs and Spread Risks Pooling is that practice in a cooperative-marketing association which is concerned with determining the individual member-patron's share in sales returns, expenses, marketing, and other business risks. Pooling, in its relation to cooperative marketing, has been subject to various interpretations. There has been a tendency in some quarters to group cooperative marketing associations in two divisions—associations which pool sales returns or sales returns and expenses, and those which pool only sales expenses. Associations in the first group have been considered pooling organizations, whereas those in the second group have not. Certain cooperative leaders, as far back as 1919 and 1920, advanced a theory of cooperative marketing which linked pooling definitely with control of large quantities of the commodity. Others have believed that only associations engaged in marketing a single commodity were actually engaged in pooling. Hence the rather common use of the term "pool" to describe an association that handles only one product. The author believes, however, that a definition of pooling should cover the practice as it concerns not only sales returns, but also operating expenses, marketing, and other business risks or any combination of these.

The aim of pooling is to distribute equitably to all member patrons the results which accrue from group effort. Some of the economic advantages of group effort which are facilitated by pooling are the following: Improvement of the bargaining position of individual growers, through coordination of their efforts; elimination of waste; spreading of marketing risks among all members; and possibility of effective market expansion through control of the time, place, and form in which the commodity is sold.

Benefits of Large-Scale Operations

The combination of large quantities of agricultural commodities under the control of one organization facilitates better adaptation of the commodity to actual demand conditions. The mingling by growers of certain marketing functions, under the control of efficient management, permits an effective marketing and distribution program.

The average farmer does not have a sufficient quantity of product available for market at any one time to enable him to take advantage of the most economical ways of getting his product to market. The assembling, grading, and preparation for market of small lots of produce by numerous individuals at a local point costs more than the combination and handling of many small lots as a few large units under a common administration.

Any organization engaged in the marketing of agricultural commodities must always reckon with a number of marketing risks, such as price fluctuations, physical deterioration of product, and financial losses. Some of these risks are at times too great for a single farmer to bear. Pooling facilitates the spreading of these marketing risks among all members.

Only a few farmers, as individuals, can afford to undertake market development because of the expense involved and the lack of sufficient supplies to make the exploitation policy permanent. Here, again, the pooling by a large number of growers of the expense, risks, and other features involved in market expansion makes possible a program for widening the market for their product which is of benefit to the grower but which would be prohibitive if undertaken by an individual.

CHRIS L. CHRISTENSEN.

COOPERATIVE Handling of Grain on Large Scale is Now Making Headway Considerable information has been obtained during the last year from farmers' elevators and large-scale grain-marketing agencies regarding their methods of organization, operating practices, volume of business, and financial condition. Many significant facts were brought out.

From data obtained in the survey and from other sources it may be concluded that the farmers' elevator movement has passed its peak of rapid expansion. A number of associations passed out of existence during and immediately following the business depression of 1920-21, but in recent years the number of active associations has remained about constant. It is estimated that there are now approximately 4,000 local elevator associations operating one or more local elevator plants. In 1926-27 the number of stockholders of these associations was estimated at 450,000 and the number of patrons at 900,000. About 62 per cent of these farmers' elevators are operating with limitation of dividends payable on capital stock and about 73 per cent with provision for the payment of patronage dividends.

The volume of grain handled by farmers' elevators in 1926-27 was estimated at about 560,000,000 bushels, with a sales value of about \$500,000,000. In addition, they handled supplies for farmers valued at \$160,000,000. Nearly half of the farmers' companies do not handle sufficient grain to permit profitable operation, but nearly all of them have supplemented their incomes by handling side lines and performing other services such as feed grinding and seed cleaning.

From a financial standpoint the majority of the associations own their plants and equipment clear of debt and have surpluses which may be used for operating purposes. Although competition has been keen, more than one-half of the companies paid dividends on capital stock and about one-fourth returned patronage refunds to patrons during the 1926-27 season. More than 16 per cent reported being