

SMITH BROS. ANNUAL SOW SALE

Smith Bros. will hold their 32nd Poland China Sale of bred Sows on

Tuesday, Feb. 14th, 1922

at the farm three quarters of a mile north of Cadams and 9/16 miles north-east of Superior, Nebraska. We will sell 35 head of bred sows—tried sows—fall gilts and spring gilts. All vaccinated. They are nearly all bred early, have had lots of exercise and are large and growthy.

With the hog market advancing, during the heavy run, it looks like there is a shortage of hogs.

This is Our Only Sale This Spring so don't wait for another chance to buy. Come over and spend the day with us.

Sale under cover at 1:00 p. m. Free lunch noon. Write for catalog.

SMITH BROS., Superior, Neb.

B. E. Ridgley, W. C. Henderson, Ira Von Forell, Aucts. C. A. Golden, Clerk

J. Wm. Jarboe's Poland China Hog Sale!

Saturday, Feb., 4, 1922

At one o'clock p. m.
AT BESSE SALE PAVILION
Red Cloud, Nebraska

33 HEAD

8 Bred Sows; 5 Fall Boars; 19 Fall Gilts;
1 Herd Boar, Plainview Timm 124603.

ENTIRE OFFERING IMMUNE

This is a dispersion sale. The owner is moving away, and is therefore selling this herd which he has spared neither time nor expense getting together.

Write or phone for catalogue.

J. H. ELLINGER, Auct.
State Bank of Red Cloud, Clerk

Annual Sale of Bred Duroc Jersey Sows and Gilts

To be held at the farm four miles south, one and a half east of Nelson; nine miles north, one and a half east of Superior; three and a half west and one south of Nora, on

TUESDAY, FEBRUARY 7th

50 Head Sows and Gilts

1 tried sows, 12 Fall gilts, and 33 Spring gilts
IMMUNE

This offering is sired by such boars as Orion Wonder I Am, Pal's Giant 2nd, High Orion Sensation, Archfinder and Improved Pathfinder; and are bred to Giant Col., a litter brother to Jr. Champion at the Colorado State Fair, and to Orion Wonder I Am and Archfinder.

In selecting this draft of brood sows and gilts, we do so knowing that we are putting up to the buying public one of the best offerings that we have as yet offered.

These sows and gilts have been fed with the same care as the sows and gilts that we are keeping in the herd. All are large and well grown.

We extend an invitation to our friends and customers; we appreciate your presence whether buyer or visitor.

Free Lunch at Noon; Sale held under cover
Write for Catalogue

Terms cash; or time will be given up to 8 months at 9 per cent interest.

Auctioneers— B. E. Ridgley and W. C. Henderson
Clerk—C. A. Golden

J. D. EILERS & SON, Nelson, Neb.

Some Aspects of the Farmers' Problems

By BERNARD M. BARUCH

(Reprinted from Atlantic Monthly)

The whole rural world is in a ferment of unrest, and there is an unparalleled volume and intensity of determined, if not angry, protest, and an ominous swarming of occupational conferences, interest groupings, political movements and propaganda. Such a turmoil cannot but arrest our attention. Indeed, it demands our careful study and examination. It is not likely that six million aloof and ruggedly independent men have come together and banded themselves into active unions, societies, farm bureaus, and so forth, for no sufficient cause.

Investigation of the subject conclusively proves that, while there is much overstatement of grievances and misconception of remedies, the farmers are right in complaining of wrongs long endured, and right in holding that it is feasible to relieve their ills with benefit to the rest of the community. This being the case of an industry that contributes, in the raw material form alone, about one-third of the national annual wealth production and is the means of livelihood of about 49 per cent of the population, it is obvious that the subject is one of grave concern. Not only do the farmers make up one-half of the nation, but the well-being of the other half depends upon them.

So long as we have nations, a wise political economy will aim at a large degree of national self-sufficiency and self-containment. Rome fell when the food supply was too far removed from the belly. Like her, we shall destroy our own agriculture and extend our sources of food distantly and precariously, if we do not see to it that our farmers are well and fairly paid for their services. The farm gives the nation men as well as food. Cities derive their vitality and are forever renewed from the country, but an impoverished countryside exports intelligence and retains unintelligence. Only the lower grades of mentality and character will remain on, or seek, the farm, unless agriculture is capable of being pursued with contentment and adequate compensation. Hence, to embitter and impoverish the farmer is to dry up and contaminate the vital sources of the nation.

The war showed convincingly how dependent the nation is on the full productivity of the farms. Despite herculean efforts, agricultural production kept only a few weeks or months ahead of consumption, and that only by increasing the acreage of certain staple crops at the cost of reducing that of others. We ought not to forget that lesson when we ponder on the farmer's problems. They are truly common problems, and there should be no attempt to deal with them as if they were purely selfish demands of a clear-cut group, antagonistic to the rest of the community. Rather should we consider agriculture in the light of broad national policy, just as we consider oil, coal, steel, dyestuffs, and so forth, as sinews of national strength. Our growing population and a higher standard of living demand increasing food supplies, and more wool, cotton, hides, and the rest. With the disappearance of free or cheap fertile land, additional acreage and increased yields can come only from costly effort. This we need not expect from an impoverished or unhappy rural population.

It will not do to take a narrow view of the rural discontent, or to appraise it from the standpoint of yesterday. This is peculiarly an age of flux and change and new deals. Because a thing always has been so no longer means that it is righteous, or always shall be so. More, perhaps, than ever before, there is a widespread feeling that all human relations can be improved by taking thought, and that it is not becoming for the reasoning animal to leave his destiny largely to chance and natural incidence.

Prudent and orderly adjustment of production and distribution in accordance with consumption is recognized as wise management in every business but that of farming. Yet, I venture to say, there is no other industry in which it is so important to the public—the city-dweller—that production should be sure, steady, and increasing, and that distribution should be in proportion to the need. The unorganized farmers naturally act blindly and impulsively and, in consequence, surfeit and death, accompanied by disconcerting price-variations, harass the consumer. One year potatoes rot in the fields because of excess production, and there is a scarcity of the things that have been displaced to make way for the expansion of the potato acreage; next year the punished farmers mass their fields on some other crop, and potatoes enter the class of luxuries; and so on.

Agriculture is the greatest and fundamentally the most important of our American industries. The cities are but the branches of the tree of national life, the roots of which go deeply into the land. We all flourish or decline with the farmer. So, when we of the cities read of the present universal distress of the farmers, of a slump of six billion dollars in the farm value of their crops in a single year,

of their inability to meet mortgages so to pay current bills, and how, seeking relief from their ills, they are planning to form pools, inaugurate farmers' strikes, and demand legislation abolishing grain exchanges, private cattle markets, and the like, we ought not hastily to brand them as economic heretics and highwaymen, and hurl at them the charge of being seekers of special privilege. Rather, we should ask if their trouble is not ours, and see what can be done to improve the situation. Purely from self-interest, if for no higher motive, we should help them. All of us want to get back permanently to "normalcy"; but is it reasonable to hope for that condition unless our greatest and most basic industry can be put on a sound and solid permanent foundation? The farmers are not entitled to special privileges; but are they not right in demanding that they be placed on an equal footing with the buyers of their products and with other industries?

Let us, then, consider some of the farmer's grievances, and see how far they are real. In doing so, we should remember that, while there have been, and still are, instances of purposeful abuse, the subject should not be approached with any general imputation to existing distributive agencies of deliberately intentional oppression, but rather with the conception that the marketing of farm products has not been modernized.

An ancient evil, and a persistent one, is the undergrading of farm products, with the result that what the farmers sell as of one quality is resold as of a higher. That this sort of chicanery should persist on any important scale in these days of business integrity would seem almost incredible, but there is much evidence that it does so persist. Even as I write, the newspapers announce the suspension of several firms from the New York Produce Exchange for exporting to Germany as No. 2 wheat a whole shipload of grossly inferior wheat mixed with oats, chaff and the like.

Another evil is that of inaccurate weighing of farm products, which, it is charged, is sometimes a matter of dishonesty; intention and sometimes of protective policy on the part of the local buyer, who fears that he may "weigh out" more than he "weighs in."

A greater grievance is that at present the field farmer has little or no control over the time and conditions of marketing his products, with the result that he is often underpaid for his products and usually overcharged for marketing service. The difference between what the farmer receives and what the consumer pays often exceeds all possibility of justification. To cite a single illustration: Last year, according to figures attested by the railroads and the growers, Georgia watermelon-raisers received on the average 7.5 cents for a melon, the railroads got 12.7 cents for carrying it to Baltimore and the consumer paid one dollar, leaving 79.8 cents for the service of marketing and its risks, as against 20.2 cents for growing and transporting. The hard annals of farm-life are replete with such commentaries on the crudeness of present practices.

Nature prescribes that the farmer's "goods" must be finished within two or three months of the year, while financial and storage limitations generally compel him to sell them at the same time. As a rule, other industries are in a continuous process of finishing goods for the markets; they distribute as they produce, and they can curtail production without too great injury to themselves or the community; but if the farmer restricts his output, it is with disastrous consequences, both to himself and to the community.

The average farmer is busy with production for the major part of the year, and has nothing to sell. The bulk of his output comes on the market at once. Because of lack of storage facilities and of financial support, the farmer cannot carry his goods through the year and dispose of them as they are currently needed. In the great majority of cases, farmers have to entrust storage—in warehouses and elevators—and the financial carrying of their products to others.

Farm products are generally marketed at a time when there is a congestion of both transportation and finance—when cars and money are scarce. The outcome, in many instances, is that the farmers not only sell under pressure, and therefore at a disadvantage, but are compelled to take further reductions in net returns, in order to meet the charges for the service of storing, transporting, financing, and ultimate marketing—which charges they claim, are often excessive, bear heavily on both consumer and producer, and are under the control of those performing the services. It is true that they are relieved of the risks of a declining market by selling at once; but they are quite will-

ing to take the unfavorable chance, if the favorable one also is theirs and they can retain for themselves a part of the service charges that are uniform, in good years and bad, with high prices and low.

While, in the main, the farmer must sell, regardless of market conditions, he cannot suspend production in toto. He must go on producing if he is to go on living, and if the world is to exist. The most he can do is to curtail production a little or alter its form, and that—because he is in the dark as to the probable demand for his goods—may be only to jump from the frying pan into the fire, taking the consumer with him.

Even the dairy farmers, whose output is not seasonal, complain that they find themselves at a disadvantage in the marketing of their productions, especially raw milk, because of the high costs of distribution, which they must ultimately bear.

Now that the farmers are stirring, thinking, and uniting as never before to eradicate these inequalities, they are subjected to stern economic lectures, and are met with the accusation that they are demanding, and are the recipients of, special privileges. Let us see what privileges the government has conferred on the farmers. Much has been made of Section 6 of the Clayton Anti-Trust Act, which purports to permit them to combine with immunity, under certain conditions. Admitting that, nominally, this exemption was in the nature of a special privilege,—though I think it was so in appearance rather than in fact,—we find that the courts have nullified it by judicial interpretation. Why should not the farmers be permitted to accomplish by co-operative methods what other businesses are already doing by co-operation in the form of incorporation? If it be proper for men to form, by fusion of existing corporations or otherwise, a corporation that controls the entire production of a commodity, or a large part of it, why is it not proper for a group of farmers to unite for the marketing of their common products, either in one or in several selling agencies? Why should it be right for a hundred thousand corporate shareholders to direct 25 or 30 or 40 per cent of an industry, and wrong for a hundred thousand co-operative farmers to control a no larger proportion of the wheat crop, or cotton, or any other product?

The Department of Agriculture is often spoken of as a special concession to the farmers, but in its commercial results, it is of as much benefit to the buyers and consumers of agricultural products as to the producers, or even more. I do not suppose that anyone opposes the benefits that the farmers derive from the educational and research work of the department, or the help that it gives them in working out improved cultural methods and practices, in developing better yielding varieties through breeding and selection, in introducing new varieties from remote parts of the world and adapting them to our climate and economic condition, and in devising practical measures for the elimination or control of dangerous and destructive animal and plant diseases, insect pests, and the like. All these things manifestly tend to stimulate and enlarge production, and their general beneficial effects are obvious.

It is complained that, whereas the law restricts Federal Reserve banks to three months' time for commercial paper, the farmer is allowed six months on his notes. This is not a special privilege, but merely such a recognition of business conditions as makes it possible for country banks to do business with country people. The crop farmer has only one turnover a year, while the merchant and manufacturer have many. Incidentally, I note that the Federal Reserve Board has just authorized the Federal Reserve banks to discount export paper for a period of six months, to conform to the nature of the business.

The Farm Loan banks are pointed to as an instance of special government favor for farmers. Are they not rather the outcome of laudable efforts to equalize rural and urban conditions? And about all the government does there is to help set up an administrative organization and lend a little credit at the start. Eventually the farmers will provide all the capital and carry all the liabilities themselves. It is true that Farm Loan bonds are tax exempt; but so are bonds of municipal light and traction plants, and new housing is to be exempt from taxation, in New York, for ten years.

On the other hand, the farmer reads of plans for municipal housing projects that run into the billions, of hundreds of millions annually spent on the merchant marine; he reads that the railroads are being favored with increased rates and virtual guarantees of earnings by the government, with the result to him of an "increased toll on all that he sells and all that he buys. He hears of many manifestations of governmental concern for particular industries and interests. Regarding the railroads from insolvency is undoubtedly for the benefit of the country as a whole, but what can be of more general benefit than encouragement of ample production of the principal necessities of life and their even flow from contented producers to satisfied consumers?

While it may be conceded that special governmental aid may be necessary in the general interest, we must all agree that it is difficult to see why agriculture and the production and distribution of farm products are not accorded the same opportunities that are provided for other businesses; especially as the enjoyment by the farmer of such opportunities would appear to be even more contributory to the gen-

eral good than in the case of other industries. The spirit of American democracy is unalterably opposed, alike to enacted special privilege and to the special privilege of unequal opportunity that arises automatically from the failure to correct glaring economic inequalities. I am opposed to the injection of government into business, but I do believe that it is an essential function of democratic government to equalize opportunity so far as it is within its power to do so, whether by the repeal of archaic statutes, or the enactment of modern ones. If the anti-trust laws keep the farmers from endeavoring scientifically to integrate their industry while other industries find a way to meet modern conditions without violating such statutes, then it would seem reasonable to find a way for the farmers to meet them under the same conditions. The law should operate equally in fact. Repealing the economic structure on one side is no injustice to the other side, which is in good repair.

We have traveled a long way from the old conception of government as merely a defensive and policing agency; and regulative, corrective, or equalizing legislation, which apparently is of a special nature, is often of the most general beneficial consequences. Even the First Congress passed a tariff act that was avowedly for the protection of manufacturers; but a protective tariff always has been defended as a means of promoting the general good through a particular approach; and the statute books are filled with acts for the benefit of shipping, commerce, and labor.

Now, what is the farmer asking? Without trying to catalogue the remedial measures that have been suggested in his behalf, the principal proposals that bear directly on the improvement of his distributing and marketing relations may be summarized as follows:—

First: storage warehouses for cotton, wool, and tobacco, and elevators for grain, of sufficient capacity to meet the maximum demand on them at the peak of the marketing period. The farmer thinks that either private capital must furnish these facilities, or the state must erect and own the elevators and warehouses.

Second: weighing and grading of agricultural products, and certification thereof, to be done by impartial and disinterested public inspectors (this is already accomplished to some extent by the federal licensing of weighers and graders), to eliminate underpaying, overcharging, and unfair grading, and to facilitate the utilization of the stored products as the basis of credit.

Third: a certainty of credit sufficient to enable the marketing of products in an orderly manner.

Fourth: the Department of Agriculture should collect, tabulate, summarize, and regularly and frequently publish and distribute to the farmers, full information from all the markets of the world, so that they shall be as well informed of their selling position as buyers now are of their buying position.

Fifth: freedom to integrate the business of agriculture by means of consolidated selling agencies, co-ordinating and co-operating in such way as to put the farmer on an equal footing with the large buyers of his products, and with commercial relations in other industries.

When a business requires specialized talent, it has to buy it. So will the farmers; and perhaps the best way for them to get it would be to utilize some of the present machinery of the largest established agencies dealing in farm products. Of course, if he wishes, the farmer may go further and engage in flour-milling and other manufactures of food products. In my opinion, however, he would be wise to stop short of that. Public interest may be opposed to all great integrations; but, in justice, should they be forbidden to the farmer and permitted to others? The corporate form of association cannot now be wholly adapted to his objects and conditions. The looser co-operative form seems more generally suitable. Therefore, he wishes to be free, if he finds it desirable and feasible, to resort to co-operation with his fellows and neighbors, without running afoul of the law. To urge that the farmers should have the same liberty to consolidate and co-ordinate their peculiar economic functions, which other industries in their fields enjoy, is not, however, to concede that any business integration should have legislative sanction to exercise monopolistic power. The American people are as firmly opposed to industrial as to political autocracy, whether attempted by rural or by urban industry.

For lack of united effort the farmers as a whole are still marketing their crops by antiquated methods, or by no methods at all, but they are surrounded by a business world that has been modernized to the last minute and is tirelessly striving for efficiency. This efficiency is due in large measure to big business, to united business, to integrated business. The farmers now seek the benefits of such largeness, union and integration.

The American farmer is a modern of the moderns in the use of labor saving machinery, and he has made vast strides in recent years in scientific tillage and efficient farm management, but as a business in contact with other businesses agriculture is a "one horse shay" in competition with high power automobiles. The American farmer is the greatest and most intractable of individualists. While industrial production and all phases of the huge commercial mechanism and its myriad accessories have articulated and co-ordinated themselves all the way from natural raw materials to retail sales, the business of agriculture has gone on in much the same fashion of the backwoods of the first part of the nineteenth-century, when the farmer was

(Continued next week)