

Some Aspects of the Farmers' Problems

By BERNARD M. BARUCH

(Reprinted from Atlantic Monthly)

(Continued from last week)

self sufficient and did not depend upon, or care very much, what the great world was doing. The result is that the agricultural group is almost as much at a disadvantage in dealing with other economic groups as the jay farmer of the funny pages in the hands of sleek urban confidence men, who sell him acreage in Central Park or the Chicago city hall. The leaders of the farmers thoroughly understand this, and they are intelligently striving to integrate their industry so that it will be on an equal footing with other businesses.

As an example of integration, take the steel industry, in which the model is the United States Steel Corporation, with its iron mines, its coal mines, its lake and rail transportation, its ocean vessels, its by-product coke ovens, its blast furnaces, its open hearth and Bessemer furnaces, its rolling mills, its tube mills and other manufacturing processes that are carried to the highest degree of finished production compatible with the large trade it has built up. All this is generally conceded to be to the advantage of the consumer. Nor does the steel corporation inconsiderately dump its products on the market. On the contrary, it so acts that it is frequently a stabilizing influence, as is often the case with other large organizations. It is master of its distribution as well as of its production. If prices are not satisfactory the products are held back or production is reduced or suspended. It is not compelled to send a year's work to the market at one time and take whatever it can get under such circumstances. It has one selling policy and its own export department. Neither are the grades and qualities of steel determined at the caprice of the buyer, nor does the latter hold the scales. In this single integration of the steel corporation is represented about 40 per cent of the steel production of America. The rest is mostly in the hands of a few large companies. In ordinary times the steel corporation, by example, stabilizes all steel prices. If this is permissible (it is even desirable, because stable and fair prices are essential to solid and continued prosperity) why would it be wrong for the farmers to utilize central agencies that would have similar effects on agricultural products? Something like that is what they are aiming at.

Some farmers favored by regional compactness and contiguity, such as the citrus fruit-growers of California, already have found a way legally to merge their products with seasonal and local demand, thus improving their position and rendering the consumer a reliable service of assured quality, certain supply, and reasonable and relatively steady prices. They have not found it necessary to resort to any special privilege, or to claim any exemption under the anti-trust legislation of the state or nation. Without removing local control, they have built up a very efficient marketing agency. The grain, cotton, and tobacco farmers, and the producers of hogs and wool, because of their numbers and the vastness of their regions, and for other reasons, have found integration a more difficult task; though there are now some thousands of farmer's co-operative elevators, warehouses, creameries, and other enterprises of one sort and another, with a turn-over of a billion dollars a year. They are giving the farmers business experience and training, and, so far as they go, they meet the need of honest weighing and fair grading; but they do not meet the requirements of rationally adjusted marketing in any large and fundamental way.

The next step, which will be a pattern for other groups, is now being prepared by the grain-risers through the establishment of sales media which shall handle grain separately or collectively, as the individual farmer may elect. It is this step—the plan of the Committee of Seventeen—which has created so much opposition and is thought by some to be in conflict with the anti-trust laws. Though there is now before congress a measure designed to clear up doubt on this point, the grain-producers are not relying on any humanity from anti-trust legislation. They desire, and they are entitled, to co-ordinate their efforts just as effectively as the large business interests of the country have done. In connection with the selling organizations the United States Grain Growers Incorporated is drafting a scheme of financing instrumentalities and auxiliary agencies which are indispensable to the successful utilization of modern business methods.

It is essential that the farmers should proceed gradually with these plans, and aim to avoid the error of scrapping the existing marketing machinery, which has been so laboriously built up by long experience, before they have a tried and proved substitute or supplementary mechanism. They must be careful not to become enmeshed in their own reforms and lose the perspective of their place in the national system. They must guard against fanatical devotion to new doctrines, and should seek articulation with the general economic system rather than its reckless destruction as it relates to them.

To take a tolerant and sympathetic view of the farmers' strivings for better things is not to give a blanket endorsement to any specific plan, and still less to applaud the vagaries of some of their leaders and groups. Neither should we, on the other hand, allow the froth of bitter agitation, false economies, and mistaken radicalism to conceal the facts of the farmers' disadvantages, and the practicability of eliminating them by well-considered measures. It may be that the farmers will not show the business sagacity and develop the wise leadership to carry through sound plans; but that possibility does not justify the obstruction of their upward efforts.

We, as city people, see in high and speculatively manipulated prices, spoilage, waste, scarcity, the results of defective distribution of farm products. Should it not occur to us that we have a common interest with the farmer in his attempts to attain a degree of efficiency in distribution corresponding to his efficiency in production? Do not the recent fluctuations in the May wheat option, apparently unrelated to normal interaction of supply and demand, offer a timely proof of the need of some such stabilizing agency as the grain growers have in contemplation?

It is contended that, if their proposed organizations be perfected and operated, the farmers will have in their hands an instrument that will be capable of dangerous abuse. We are told that it will be possible to pervert it to arbitrary and oppressive pricing from its legitimate use of ordering and stabilizing the flow of farm products to the market, to the mutual benefit of producer and consumer. I have no apprehensions on this point.

In the first place, a loose organization, such as any union of farmers must be at best, cannot be so arbitrarily and promptly controlled as a great corporation. The one is a lumbering democracy and the other an agile autocracy. In the second place, with all possible power of organization, the farmers cannot succeed to any great extent, or for any considerable length of time, in fixing prices. The great law of supply and demand works in various and surprising ways, to the undoing of the best laid plans that attempt to foil it. In the third place, their power will avail the farmers nothing if it is abused. In our time and country power is of value to its possessor only so long as it is not abused. It is fair to say that I have seen no signs in responsible quarters of a disposition to dictate prices. There seems, on the contrary, to be a commonly beneficial purpose to realize a stability that will give an orderly and abundant flow of farm products to the consumer and ensure reasonable and dependable returns to the producer.

In view of the supreme importance to the national well-being of a prosperous and contented agricultural population, we should be prepared to go a long way in assisting the farmers to get an equitable share of the wealth they produce, through the inauguration of reforms that will procure a continuous and increasing stream of farm products. They are far from getting a fair share now. Considering his capital and the long hours of labor put in by the average farmer and his family, he is remunerated less than any other occupational class, with the possible exception of teachers, religious and lay. Though we know that the present general distress of the farmers is exceptional and is linked with the inevitable economic readjustment following the war, it must be remembered that, although representing one-tenth of the industrial product and half the total population of the nation, the rural communities ordinarily enjoy but a fifth to a quarter of the net annual national gain. Notwithstanding the taste of prosperity that the farmers had during the war, there is today a lower standard of living among the cotton farmers of the South than in any other pursuit in the country.

In conclusion, it seems to me that the farmers are chiefly striving for a generally beneficial integration of their business, of the same kind and character that other business enjoys. If it should be found on examination that the attainment of this end requires methods different from those which other activities have followed for the same purpose should we not sympathetically consider the plea for the right to cooperate, if only from our own enlightened self-interest, in obtaining an abundant and steady flow of farm products?

In examining the horticultural situation with a view to its improvement, we shall be most helpful if we maintain a detached and judicial viewpoint, remembering that existing wrongs may be chiefly an accident of unsymmetrical economic growth instead of a creation of malevolent design and conspiracy. We Americans are prone, as Professor David Friday well says in his admirable book, "Profits, Wages and Prices," to seek a "pernicious intent behind every difficult and undesirable economic situation." I can positively assert from my contact with men of large affairs, including bankers, that, as a whole, they are endeavoring to

fulfill as they see them the obligations that go with their power. Preoccupied with the grave problems and heavy tasks of their own immediate affairs, they have not turned their thoughtful personal attention or their constructive abilities to the solution of agricultural business organization. Agriculture, it may be said, suffers from their preoccupation and neglect rather than from any purposeful exploitation by them. They ought now to begin to respond to the farmers' difficulties, which they must realize are their own.

On the other hand, my contacts with the farmers have filled me with respect for them—for their sanity, their patience, their balance. Within the last year, and particularly at a meeting called by the Kansas State Board of Agriculture and at another called by the Committee of Seventeen, I have met many of the leaders of the new farm movement, and I testify in all sincerity that they are endeavoring to deal with their problems, not as promoters of a narrow class interest, not as exploiters of the hapless consumer, not as worthless monopolists, but as honest men bent on the improvement of the common weal.

We can and must meet such men and such a cause half way. Their business is our business—the nation's business.

In the District Court of Webster County, Nebraska.

In The Matter of the Application of Alphonse E. Hansen, Administrator, for License to Sell Real Estate.

Now on this 7th day of February 1922, Alphonse E. Hansen, administrator of the estate of Henry G. Hansen, deceased, having presented his petition under oath praying for license to sell the following described real estate of the said Henry G. Hansen, deceased, to-wit: An undivided one-third interest in the South West Quarter of the North East Quarter and the South half of the North West Quarter of Section 15, Town 1, Range 10, in Webster County, Nebraska, subject to the homestead right in said land of Louise Hansen, for the payment of debts allowed against said estate, and allowances and costs of administration, for the reason that there is no personal property in the possession of said Alphonse E. Hansen, administrator, belonging to said real estate to pay said debts, allowances and costs.

It is therefore ordered, that all persons interested in said estate appear before me at chambers in the city of Red Cloud, in said county on 20th day of March 1922, at the hour of ten o'clock, A. M. to show cause, if any there be, why a license should not be granted to said administrator to sell so much of the above described real estate of said decedent as shall be necessary to pay said debts and expenses.

It is further ordered that a copy of this order be served upon all persons interested in said estate by causing the same to be published for four successive weeks in the Red Cloud Chief, a newspaper printed and published in said county of Webster.

LEWIS H. BLACKLEDGE, Judge of District Court

Notice of Hearing

In the matter of Houston D Fishburn, Deceased, in the County Court of Webster County, Nebraska.

The State of Nebraska, to all persons interested in said estate, creditors and heirs take notice, that J. E. Fishburn, has filed his petition alleging that Houston D. Fishburn died intestate in Webster County, Nebraska, on or about September 10, 1900 being a resident and inhabitant of Webster County, Nebraska and the owner of the following described real estate, to-wit: A tract or parcel of land bounded by a line commencing at the south east corner of Lot Number 3, in Block No. 5 in Vance's Addition to the Village of Guide Rock, as surveyed, platted and recorded and extending thence North 90 feet, thence west 148 1/2 feet, thence south 99 feet, thence east 148 1/2 feet to place of beginning, Webster County, Nebraska, leaving as his sole and only heirs at law the following named persons, to-wit: Hannah Fishburn, widow; J. E. Fishburn, son; Wm. H. Fishburn, son; Alice Rinard, daughter; S. L. Fishburn, son; Martha Pollock, daughter; C. D. Fishburn, son; D. A. Fishburn, son; Sadie Fishburn Schrock daughter.

That Petitioner inherits an interest in said real estate and praying for a decree barring claims; that said decedent died intestate; that no application for administration has been made and the estate of said decedent has not been administered in the State of Nebraska, and that the heirs at law of said decedent as herein set forth shall be deemed to be the owners in fee simple of the above described real estate, which has been set for hearing on the tenth day of March A. D. 1922 at ten o'clock A. M.

Dated at Red Cloud, Nebraska, this sixth day of February A. D. 1922.

A. D. RANNEY

County Judge.

E. G. Caldwell, Attorney.

Worthiness.

A man can bear a world's contempt when he has that within him which says he's worthy. Alexander Smith.

STATE LEGISLATURE IN SPECIAL SESSION

ELEVEN LAWS ENACTED AND FIVE KILLED.

REDUCES APPROPRIATIONS

Cost of Session Totals \$17,048.74. Tax Measure Defeated by 2 to 1 Vote.

(By Frank E. Helvey)

Lincoln.—The Forty-first (Special) session of the Nebraska Legislature convened in Lincoln Tuesday, Jan. 24th and adjourned sine die Thursday, Feb. 2nd at 4 p. m., having been in session nine days, considered 16 bills, enacted 11, killed 5 and passed numerous resolutions presumed to reflect public opinion on a variety of subjects.

The main work of the session, the reduction of state appropriations for the current year, shows, in the bill as enacted, a grand total reduction of the appropriations made by the last regular session of \$2,051,755.85. A computation by the State Department of Finance indicates that this retrenchment permits the reduction of the tax levy for state General Fund of 33 1/3 per cent for the current year.

The cost of the session for members and officers salaries, mileage, employees and incidentals foots up; for the House, \$12,469.35; for the Senate, \$4,588.39 a total of \$17,057.74, leaving unexpended \$1,992.00 carried in the current appropriations passed to pay the cost of the special session.

Call Contained Ten Items.

The official call issued by Gov. McKevie contained ten items of proposed legislation: Revision of the biennial appropriations; a tax of 1 cent per gallon on gasoline; a study and report for the use of the next legislative session for amendment of the revenue laws; amendment of the banking laws; re-appropriation of the Capitol building fund; amendment of the law relating to publication of legal notices; amendment of Omaha city charter; commitment of females to state reformatory for women and transfer to penitentiary, commitment of prisoners in reformatory to the penitentiary and an appropriation for the cost and expenses of the special session.

All of the items in the Governor's call were represented by bills introduced during the session except for the amendment of the banking law. This was omitted as a result of the generally expressed sentiment, voiced also by representatives of the State Bankers Association, that the time and conditions were not opportune for changes in the banking laws. However, under this clause in the call, a bill, S. F. 8, was introduced and passed giving to state banks the right to receive and loan the funds of the Federal War Finance Board without reference to the limitations of bank capital and surplus as defined in the law of 1921.

Bills in the House.

In the House eight bills were introduced during the session:

H. R. 1. Revision of general appropriations made by the regular session of 1921. Passed and signed by the Governor.

H. R. 2. Appropriating \$5,000 for mileage of members, employees salaries and incidental expenses of the special session. Passed and signed by the Governor.

H. R. 3. Appropriating \$14,040.00 for salaries of members and officers of the special session. Passed and signed by the Governor.

H. R. 4. Re-appropriation of the Capitol building funds (now amounting to \$1,650,000.) not specifically appropriated by the 1921 session the accumulated in the Treasury. Passed and signed by the Governor.

H. R. 5. Validating the publication of legal notices made in conformity with the statutes prior to the 1921 session but invalid under Chapter 185, session laws 1921. Killed by the House. This bill was duplicated in S. F. 7, which passed and was signed by the Governor.

H. R. 6. Amendment of "proof of publication" statute, providing form of affidavit and penalty for false statement. Killed by House.

H. R. 7. Levying one cent per gallon tax on gasoline and other liquid fuel and providing for refund of the tax when articles taxed are used for any other purpose than propulsion of motor vehicle on a public highway. Killed by House through indefinite postponement by vote of 67 to 31.

H. R. 8. Adds the required qualifications of a legal newspaper to statute providing for "proof of publication."

Eight Bills in Senate.

In the Senate eight bills were introduced:

S. F. 1. Repeal of legal newspaper qualification law enacted 1921. (Chap. 185) and requiring qualifications of legal newspaper to appear in "proof of publication" affidavit provided for in Sec. 7967 R. S. 1913. Killed in Senate as duplicate of other pending legislation.

S. F. 2. Authorizing state Tax Commissioner to make survey and study of revenue laws and recommend amendments to next session. Cost to be paid from proceeds of the funds for Tax department by 1921 session. Passed and signed by Governor.

S. F. 3. Amendment Omaha city charter permitting condemnation cost of opening and widening streets to be paid to property owners in 10 annual

payments. Passed Senate and killed in House without a roll-call.

S. F. 4. Authorizes commitment to penitentiary of any female convicted of felony and confined in woman's reformatory who appears to be incorrigible. Passed and signed by the Governor.

S. F. 5. Authorizes commitment to penitentiary of any male inmate of reformatory, convicted of felony, who appears to be incorrigible. Passed and signed by the Governor.

S. F. 6. Amendment of law governing the deposit of the funds of 2nd class cities and villages in State banks. Repeals state bank of requirement to give bond covering such deposits. Passed and signed by the Governor.

S. F. 7. Validation of legal notices published in newspapers which failed to comply with April and October affidavit law of 1921 session. Passed and signed by Governor.

S. F. 8. Authorizes State banks to receive and loan funds of Federal War Finance Board without limitation as to bank capital and surplus as provided in Chap. 190, session laws 1919. Passed and signed by Governor.

Carry Emergency Clause.

All the laws above noted as having been passed and signed carried the "emergency" clauses except H. R. 8, and became law in full force and effect on approval by the Governor.

Of the legislation considered by the special session H. R. 1, the revision of state appropriations downward, and H. R. 7, the gasoline tax bill, easily held the center of the stage. For the public and the membership as well the gasoline tax was the outstanding item of both interest and contest, filling more of the time, attention and debate of the session than any other issue, that it did not pass beyond the House where it originated and did not reach the senate for formal consideration.

An outline for H. R. 1 was prepared by the Department of Finance under direction of the Governor prior to the opening of the session and was presented in the message of the Governor to the joint session on January 24th. This proposed reduction from the appropriations passed by the 1921 session of \$2,730,505.85, included in which was a cut in the Federal-aid road tax of \$750,000 presumed to be replaced by the gasoline tax of one cent per gallon.

The House Finance Committee drew the formal bill further reducing the suggestions of the Governor's message by \$53,250. Senate amendments, including the restoration of \$750,000 road funds, necessitated by the failure of the gasoline tax bill in the House, increased the House appropriation \$59,500 outside the addition of the road-fund above noted. This was largely due to amounts retained for militia fund \$10,000 additional for state service costs at Nebraska City, Railway Commission and University.

The House refused to concur in the senate amendments and conference committees were named to adjust differences. Agreement was reached by the senate receding on various items, \$50,000 being taken from the road appropriation; \$10,000 from the Railway Commission and other smaller revisions made, leaving the bill presenting a total reduction from the amount appropriated by 1921 session of \$2,051,755.85, in which form it received final approval, the House vote recording 50 for the amended bill to 4 opposed.

H. R. 7, the gasoline tax bill, was debated at length through several sessions of the House and was once the "special order" for a full afternoon's discussion. On final consideration in Committee of the Whole a motion to indefinitely postpone and thereby dispose of the issue for this session was adopted by a record vote of 67 to 31.

Resolutions Numerous.

The session was prolific of resolutions presumed by members who adopted them to reflect the public opinion of the day in Nebraska.

Criticism of the relative cost of road-work performed by the state department of Public Works and the county boards led to the introduction in both houses for investigations by legislative committees. A ruling that such action was outside the call for the session brought from the Governor a message suggesting that an investigating committee composed of the Governor, Attorney-general, Auditor and two members of each house be appointed; the cost of investigation to be paid from the funds of these officers. Resolutions in conformity were adopted, the House naming Epperson and Hoffmeister and the senate Bushaw and Richard as members.

Both House and Senate by resolution condemned the system of Federal-aid appropriations which the states are called upon to match with state money, Anderson offering the senate resolution and Axtell in the House. Both were adopted.

Resolutions directed to Congress approve a constitutional amendment, permitting taxation of national, state and municipal securities heretofore tax free. The senate resolution by Richard the House by Dysart. Both were adopted.

The House by resolution approved the Great Lakes-St. Lawrence waterway and asked Congress to support the project; also that statute pressure be applied to the national Commerce Commission for early reduction of all rates; also that foreign war-debts be not cancelled but funded into interest bearing bonds. Another resolution tenders the Soldiers Home at Grand Island to the Federal government.

A senate resolution requests the Attorney-General to condemn the U. P. excess right-of-way for highway purposes. Another House resolution advises our state Railway Commission to refuse an increase in rates to the Northwestern Bell Telephone Company.

Notice of Hearing

In the matter of Hannah Fishburn, Deceased, in the County Court of Webster County, Nebraska.

The State of Nebraska, to all persons interested in said estate, creditors and heirs take notice, that J. E. Fishburn has filed his petition alleging that Hannah Fishburn died intestate in Webster County, Nebraska on or about September 25, 1900 being a resident and inhabitant of Webster County, Nebraska and the owner of an interest in real estate, to-wit: A tract or parcel of land bounded by a line commencing at the South East Corner of Lot Number 3, in block No. 5 in Vance's Addition to the Village of Guide Rock, as surveyed, platted and recorded and extending thence North 90 feet, thence west 148 1/2 feet, thence south 90 feet, thence east 148 1/2 feet to place of beginning, Webster County, Nebraska, leaving as his sole and only heirs at law the following named persons, to-wit: J. E. Fishburn, son; Wm. H. Fishburn, son; Alice Rinard, daughter; S. L. Fishburn, son; Martha Pollock, daughter; C. D. Fishburn, son; Sadie Fishburn Schrock, daughter; D. A. Fishburn, son.

That Petitioner inherits an interest in said real estate and praying for a decree barring claims; that said decedent died intestate; that no application for administration has been made and the estate of said decedent has not been administered in the State of Nebraska, and that the heirs at law of said decedent as herein set forth shall be deemed to be the owners in fee simple of the above described real estate, which has been set for hearing on the tenth day of March A. D. 1922 at ten o'clock A. M.

Dated at Red Cloud, Nebraska, this sixth day of February A. D. 1922.

A. D. RANNEY

County Judge.

E. G. Caldwell, Attorney.

J. A. Crawford, campaign manager for the U. S. Grain Growers, Inc., in Nebraska has been authorized and directed by the executive officers of the farmers' company to immediately initiate organization work in Kansas under their supervision. Mr. Crawford has been in charge of the Nebraska work since the first of September and under his supervision in excess of 22,000,000 bushels of grain have been placed under contract in the execution of over 8,000 grower contracts. He is a resident of Rawlins county, Kansas.

Notices of voting unit meetings to be held in 227 communities in Nebraska on February 7th are being sent out to over 8,000 members by Frank M. Myers, executive secretary of the Grain Growers. Every grower who signed a contract prior to the close of business January 17th will receive official notice together with a list of all voting unit meetings to be held in the state. In communities where there are less than 20 members or if the notice assigns the members to a shipping station which is not correct, the grower is at liberty to choose the meeting to be held nearest his home and cast his vote at that place.

Growers, whose contract have not been received at the Chicago office or for some other reason do not receive notice, will not be denied their vote just because they did not receive a notice from the secretary's office. The local voting unit, through its credentials committee, can accept satisfactory evidence of membership.

Nationally, membership in the Grain Growers advanced to 41,577 growers and 993 elevators and shipping associations last week, says a statement issued by the state organizer. Increases of 1,581 members were reported from six states: Illinois 408, Iowa 367, Nebraska 256, Indiana 252, Missouri 190 and Minnesota 111. Affiliation of 10 farmers elevators in Iowa, seven in Nebraska, four in Indiana, two in Illinois and one in Minnesota contributed to a total increase of 21.

POOR PLACE TO HIDE MONEY

French Peasant Now Convinced That Shotgun Is Unreliable as a Bank of Deposit.

The ingenuity of French peasants in hiding money has surpassed itself in the case of a man near Lorient who received a 1,000 franc note and a 500 franc note in payment for produce. He hid them in the muzzles of his double-barreled shotgun, believing that would be the last place thieves would search for money.

He made a mistake, however, in not taking his wife into the secret. A neighbor called a few days later, in the absence of the man of the house, and asked for the loan of the gun to get a hare.

The hare escaped and when the peasant came in that evening his wife remarked that the neighbor must be a very bad shot. "Why?" the peasant asked. "Because he used both charges of your gun on a hare without hitting it." "My shotgun?" inquired the peasant with a gasp, at the same time making for the corner where the weapon hung. The civil court of the department of Morbihan will have to decide the delicate point of law whether the neighbor is responsible for the loss of the 1,500 francs.