

# Some Aspects of the Farmers' Problems

By BERNARD M. BARUCH

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I  
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 dearth, 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 or 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?

II  
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 dishonest 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 railways 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 changing 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, at the time of the maturity of crops, 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.

III  
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 purported 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 railways 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. Rescuing the railways 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-

(Continued on page 3)

## DR. CONDER IN RACE FOR REPRESENTATIVE

(Reprinted from the Heppner Gazette-Times of January 26th, 1922)

Editor The Gazette-Times:

Wish to commend the article appearing on first page of the last or current number of your paper, Jan. 19, 1922, in which you, discussing the political situation relative to a candidate seeking the nomination at the May primaries for joint representative for Morrow and Umatilla counties in the Oregon legislature, make use of the statement—which no one will question—"So far this paper has heard no mention of any one for this place from our own county. Mr. Woodson has declared that he feels he has done his full duty by his fellow citizens both here and in Umatilla by standing for this office at two elections and serving them as a legislator, a place, by the way, that he has so well filled, and in which he has set so high a mark, that it will be no easy task for another to take his place, so the field is now an open one. Heretofore, Umatilla county folks have conceded the joint representative to this county as this is all we have, and for our part we should be glad to see a strong man from this county put fourth."

Having resided for about a quarter of a century, half of my life time, in Oregon, visited the Legislature often at Salem and taken part in its procedure and otherwise been intimately associated with the law makers, I have no personal ambitions of a political nature, but I think it my duty and so desire to announce to the republican voters of Morrow and Umatilla counties that I will seek the nomination at the May primaries.

Having traveled extensively in all sections of the entire state of Oregon, and thus become personally acquainted with many of her citizens and problems, having resided continuously for the past thirteen years in Morrow county where I have an eight hundred-acre wheat ranch, and have wrestled with the problems common to the farmer and the stockman and having had extensive interests and experience in the stockraising business before coming to Morrow county and having met in a professional and business way the men engaged in

farming and stockraising as well as other citizens throughout both Morrow and Umatilla counties, I may help some little to initiate some very much needed and desirable legislation if I am elected to this position in the Legislature.

J. Perry Conder,  
Paid Adv.

### Lodge Activities

Thursday evening the State Grand Chancellor, Leif S. Finseth, and the State Grand Keeper of Records and Seals, Walter B. Gleason, paid an official visit to the local Knights of Pythias lodge. This was a very important event for the local lodge. After the meeting refreshments were served.

### They Appeal to Our Sympathies

The bilious and dyspeptic are constant sufferers and appeal to our sympathies. Many such, however, have been completely restored to health by the use of Chamberlain's Tablets. These tablets strengthen the stomach, invigorate the liver and improve the digestion. They also cause a gentle movement of the bowels. When you have any trouble with your stomach, give them a trial.

### Genius Blazed in Age

Goethe was more than eighty when he wrote the second part of Faust.

## Pendleton and Umatilla Stage

LEAVE	
Pendleton	8:00 12:00 4:00
Echo	9:15 1:15 5:15
Stanfield	9:30 1:35 5:35
Hermiston	9:55 1:55 5:55
Into Umatilla	10:15 2:15 6:15

LEAVE	
Umatilla	8:00 12:00 4:00
Hermiston	8:20 12:20 4:20
Stanfield	8:45 12:45 4:45
Echo	9:00 1:00 5:00
Into Pendleton	10:15 2:15 6:15

**TWO TRIPS SUNDAY**  
Leaving Pendleton 8 a. m. and 4 p. m.  
Leaving Umatilla 8 a. m. and 4 p. m.  
722 Cottonwood Phone 868  
We Deliver Parcels at Way Points

**FARES**  
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Pendleton to Stanfield, \$1.25  
Pendleton to Hermiston, \$1.50  
Pendleton to Umatilla, \$1.75

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