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THE ORGANIZATION OF A RURAL COMMUNITY.

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Prepared for the Office of Markets and Rural Organization.

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GENERAL OUTLINES OF THE PLAN.

NO single plan of organization will suit all rural communities. There must be a clear and definite need for organization before any organization can hope to succeed. Since the needs of different rural communities differ, it must follow that the plans of organization must differ also, at least in some of their details. The plan here presented is intended only as a general guide, to be followed so far as it seems to meet the needs of any community which is studying the problem of organization. They who are on the ground and know the local conditions must determine for themselves how far this plan fits the case.

It is presented in the form of a general comprehensive organization of the whole community. Such an organization is desirable wherever possible. However, some parts of this plan ought to be of use to every existing organization in a rural community, however narrow its scope or purpose. The Boy Scouts ought to find suggestions for useful work in some of the details of this plan, the Camp-fire Girls in others, the various church societies and committees in others, the Grange, the Farmers' Union, and other farmers' organizations in others, and the country school could become an effective agency in every part of this plan.

It is not a plan for the "uplifting" of the farmer. The farmers are quite capable of taking care of themselves, but they have not yet taken up the work of *organized* self-help as completely as could be desired. It is hoped that this plan may persuade more of them to study the need for and results of organization, and to act in accordance with the results of their study, than have ever done so before. It is of the utmost importance that careful study should precede action. Hasty, ill-considered action is likely to lead to mistakes and failures. A few bad mistakes and conspicuous failures will discredit the whole movement and put it back for a generation.

The plan is similar to that of the chambers of commerce in some of our cities. The whole membership of the organization is to be divided into committees, each member being assigned to one committee. Naturally each one should be assigned to that committee whose work interests him or her most.

There is to be a central or executive committee composed of the president of the organization, its secretary, its treasurer, and the chairmen of the various committees. This central committee should direct the general policy of the organization, have charge of all property, either owned or rented, raise all funds needed, control them and their expenditure, appoint all paid officers, such as secretaries, inspectors, packers, business managers, etc., if any are needed, determine their salaries, and conduct all correspondence with other organizations of a similar character, as well as with business or banking houses, railroad companies, manufacturers, etc.

ORGANIZATION FOR DEFINITE PURPOSES.

Not only must there be a distinct need for organization, but each committee should be constructed to deal with one specific need. The first thing to decide, therefore, is what are the principal needs of the community in question, in order that the proper committee may be constituted. As a result of considerable study of this question the author has reached the conclusion that the 10 principal needs for organization in the average rural community in the United States are as follows:

The needs of rural communities.

- | | | |
|-------------------------------------------------------------|----------------------------|--------------------------------------------|
| Needs of rural communities which require organization | I. Business needs. | 1. Better farm production. |
| | | 2. Better marketing facilities. |
| | | 3. Better means of securing farm supplies. |
| | | 4. Better credit facilities. |
| | | 5. Better means of communication: |
| | | A. Roads. |
| | | B. Telephones. |
| | II. Social needs. | 1. Better educational facilities. |
| | | 2. Better sanitation. |
| | | 3. Better opportunities for recreation. |
| 4. Beautification of the countryside. | | |
| 5. Better home economics. | | |

For any rural community which this statement happens to fit, whose citizens are convinced that these are their 10 principal needs, the plan of organization shown later is recommended (fig. 1, p. 6).

ADVANTAGES OF ORGANIZATION.

It ought not to be difficult to convince the farmers of any community that they need organization. There is probably not a farming community in the United States which does not need some, at least, of the things named in the above outline. Yet none of these things can be secured by individual farmers each working alone. Some form of "team work" will be found necessary or advantageous in every case. They who can not or will not work together are always in a weak position when brought into competition with those who can and do. Team work counts as much in business competition as in athletic contests; but the team work, in either case, needs to be wisely directed according to a well-considered plan.

At the very beginning let us acknowledge the excellent work already done by a number of farmers' organizations. They have undertaken a stupendous task, and they have grappled with it courageously. There are now more than 6½ million farmers in the United States; they are widely scattered; they have a great diversity of interests, many of which are difficult to harmonize, and farmers are temperamentally an independent, individualistic class, and therefore difficult to organize. In view of these facts, it is not difficult to understand why the progress in organization has been slow. The recognition of the work of rural organization by the Secretary of Agriculture as a legitimate part of the work of his department should be a great help, and will probably mark an epoch in the history of American agriculture.

WHY AMERICAN AGRICULTURE HAS NOT BEEN WELL ORGANIZED.

Since the opening up of the vast territory west of the Appalachians and the first beginnings of the public-land policy of the United States, the farming in this country has been more individualistic and less organized than that of

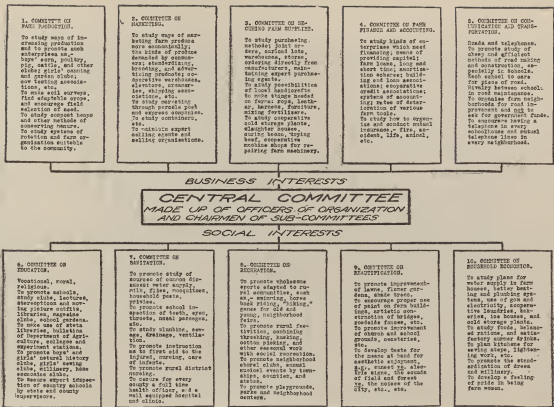


FIG. 1.—Outline plan for the organization of a rural community.

any other civilized country. Our methods of disposing of the public lands, under the preemption and homestead acts, encouraged this system. Each settler was treated as an isolated individual and his farm as an isolated economic unit. Settlers found themselves thrown together as neighbors without previous acquaintance.

So long as there was an abundance of fertile soil to be had for the trouble of living on it, agriculture could flourish under this system, and the statistics of agricultural production and exportation could continue to swell. The individual farmer frequently remained poor, or profited, if at all, through the rise in the value of his land rather than through the sale of his products. This condition of the individual farmer did not always attract the attention of statesmen and publicists. They were interested rather in the expanding figures of total national production and exportation, to which they could always point with pride.

Only the best and most easily tilled lands were suitable for this kind of farming. The result has been, as ascertained by a recent inquiry of the Secretary of Agriculture, that only a fraction of the tillable land even of the humid portion of the country has been reduced to cultivation. The tendency has been to pass by the second and third grade lands, or the lands whose initial expense of cultivation was high, and select the best and most easily cultivated lands. The time has now arrived when the continuation of that policy is carrying our pioneer farmers beyond the boundaries of the United States into Canada and Mexico. Meanwhile vast areas of tillable land at home remain neglected.

CONSEQUENCES OF LACK OF ORGANIZATION.

If it were invariably true that superior lands beyond our own boundaries were being taken up to the neglect of inferior lands at home, there would be much to be said in favor of this policy. At any rate, it would be hard to find a convincing argument, aside from the appeal to patriotism, to show a farmer why he should remain on inferior land within our own borders when he might find superior land just over the boundary. But there are reasons for believing that this is not always nor even usually the case. In the first place,

the lands being sought are virgin soil, capable of profitable exploitation for a few years. They can be made to grow heavy yields of a single money crop, and that, too, a crop like wheat, for which there is a highly efficient and very active market. The farmer's marketing problem is solved for him, and he can continue his highly individualistic farming. The lands which he is passing by are frequently highly productive, but are suitable for various kinds of agricultural specialties.

Now, the characteristic of an agricultural specialty is that there is no organized market for it and it does not regularly sell at a quotable price. If it did, it would not be a specialty. The isolated small farmer could scarcely make a living by growing this kind of a crop unless he were near a large city, and even there he would probably have to give as much time and thought to the marketing of his crop as to the growing of it. If he were not thus favorably located he could scarcely market his specialty at all unless he were either growing it on a very large scale, so that he could maintain a selling agency of his own, or were cooperating with a group of other farmers for the same purpose. If they were thus organized they could make more off some of this land which is now being neglected than they could possibly make off the virgin lands of the far Northwest. But as isolated, unorganized farmers they can doubtless make more off those new lands growing a staple crop which almost markets itself. Until we succeed in developing an organized rural life—until our farmers are willing to work together instead of working as isolated, unorganized units—they will continue to neglect such lands as require organization for their successful cultivation and migrate to new lands which are capable of being farmed by the old methods.

A similar problem is met with in the promotion of irrigation farming. There are only a few places where an individual farmer can reclaim land and bring it under irrigation. Until some organization could be formed to handle the problem or until the State or Federal Government took up the matter, individual farmers ignored very productive irrigable land in favor of inferior land which had the advantage of being capable of individual reclamation. Again, there are vast areas which require drainage. In only a few

cases can this drainage be done by individual small farmers. Consequently these lands have generally been neglected in favor of lands which, though ultimately less productive, have the one advantage of being suitable for immediate cultivation by unorganized, individual farmers. Even Government enterprise, in the case of irrigation and drainage projects, unless supplemented by organized work on the part of the settlers, will prove insufficient. Such Government projects will eventually fail to attract settlers unless the Government sells the land to them below the cost of reclamation, which would be bad economy, or organizes them to work out their marketing and financial problems so as to enable them to make enough off the land to pay the cost of reclamation.

The issues which depend upon an organization which will bring about the utilization of lands now neglected are more far-reaching than most of us are prepared to believe. Passing by these lands in search of new land which is capable of successful cultivation without organization means a rapid expansion of our people over new territories, together with a very thin settlement of older territories. So long as we have plenty of new land within our own boundaries this will lead to no international complications. When this rapidly spreading farm population begins to cross our boundaries in large numbers such complications are inevitable. When they find governmental and social conditions satisfactory, trouble may be avoided. When they find them unsatisfactory to themselves—as they did in Texas and Hawaii, as the English did in South Africa, and as we are certain to do in countries whose civilization is different from our own—then trouble can not by any possibility be avoided. Therefore even the problem of international peace bears a close relation to our ability to find productive opportunities for our expanding rural population at home, and this in turn depends upon a rural organization which will make possible the successful farming of lands now being neglected.

Of more immediate importance in this connection than the problem of international peace is that of the preservation of the prosperity of the small farmer who does most of his own work on his own farm. His salvation depends upon his ability to compete with the large farmer or the farming

corporation. Two things threaten to place him under a handicap and to give the large farmer an advantage over him in competition. If these two things are allowed to operate, the big farmer will beat him in competition and force him down to a lower standard of living and possibly to extinction.

One thing which would tend in that direction is a large supply of cheap labor. The small farmer now has an advantage because of the difficulty which the big farmer has in getting help. So great is this difficulty that many of the bonanza farmers are giving up the fight and selling out to small farmers. That is, the big farms, the farms that can only be cultivated by gangs of hired laborers, are being divided up. Give the owners of these farms an abundant supply of cheap labor, make it easy for them to solve the problem of efficient help, and they will begin again to compete successfully with the small farmer who, because he does his own work, has no labor problem. If conditions remain such that the capitalistic farmer has great difficulty in getting help, the small farmer will continue to beat him in competition, and the bonanza farm will continue to give way to the one-family farm.

ORGANIZATION ESSENTIAL TO THE PRESERVATION OF THE SMALL FARMER.

Another thing which threatens the prosperity and even the existence of the small farmer is the handicap under which he finds himself in buying and selling. The big farmer who can buy and sell in large quantities, and also employ expert talent in buying and selling, and in securing credit, has an advantage over the small farmer who must buy and sell in small quantities and give his time and attention mainly to the growing of crops rather than to selling them. Much of the supposed economy of large-scale production, even in merchandising and manufacturing, is found, upon examination, to consist wholly in an advantage in bargaining; that is, in buying and selling. When it comes to the work of growing farm crops, as distinct from selling them and buying raw materials, the one-family farm is the most efficient unit that has yet been found. But the big farmer can beat the individual small farmer in buying and

selling. It would seem desirable, from the standpoint of national efficiency, to preserve the small farm as the productive unit, but to organize a number of small farms into larger units for buying and selling. Thus we should have the most efficient units both in producing and in buying and selling.

If this is not done, the only farmers who can enter successfully into the production of agricultural specialties, where the problem of marketing is greater than the problem of producing, will be the big, capitalistic farmers. The small farmer may hold his own in the growing of staple crops, in which field the problem of efficient production is perhaps greater than that of successful marketing. The reason for this is that there is a well-organized market for staple crops and the problem of marketing is therefore somewhat less difficult than in the case of agricultural specialties. But even in the growing of staple crops the small farmer will have a hard time of it if he is forced to compete with the big farm when it is cultivated by gangs of cheap laborers. The two worst enemies of the small farmer are the opponents of cooperative buying and selling on the one hand and the advocates of enlarged immigration to the rural districts on the other. The latter would help the big farmer in the buying of labor for his farm, and reduce the price of the small farmer's own labor when he undertook to sell it in the form of produce.

SPECIAL FEATURES OF THE PLAN.

I. BUSINESS INTERESTS.

1. COMMITTEE ON PRODUCTION.

Our plan for the organization of a rural community begins with the committee on production. The greater part of the actual work of production can probably be carried on most economically on individual farms of a size which can be cultivated mainly by the labor of one family. This calls for very little cooperation or organization. But the study of the problems of production can undoubtedly be carried on most effectively in cooperation. If a hundred men in a community are all studying the problem of growing the crops of that community, but each man studies alone and does not exchange ideas with his neighbors, each man profits only by

his own study; but if they meet frequently to discuss their common problems and to exchange ideas, each man profits not only by his own study but by that of all his neighbors. Again, much of the work of organized marketing must begin before there is anything to sell. It must begin with production. Successful marketing consists, first, in finding out just what the consumers want and how they want it packed and delivered. To get the whole community to grow a uniform product such as the consumers demand requires organization of the community to standardize its production. Again, to stimulate rivalry in improving the products of a community, both as to quality and quantity, requires an organization to recognize and show some appreciation of merit.

It will, of course, occur to anyone that the problem of marketing farm produce is the one which, more than any other in the list, is now attracting public attention and calling for organization. The problem of economic and efficient marketing—that is, of securing for the producer the largest possible proportion of the price paid by the consumer—is largely a problem of selling by grade rather than by inspection. So long as the farmer lived within hauling distance of the consumer, so long as he could haul his produce to town and show it to the consumer and allow him to examine it and “paw it over,” this method of selling on inspection was satisfactory. When the producer lives at a great distance from the consumer this method becomes expensive, because, first, the process of inspection has to be repeated by several middlemen; second, it is physically impossible to handle goods on so large a scale where they are sold on inspection as where they are sold on grade. Wherever there is a highly efficient system of selling anything it will be found that there has been developed a system of grading and standardization; that is, the goods are inspected only once and are graded. Thereafter they are bought and sold by grade with no further inspection. The farmers are under the same inexorable economic laws as other people, and they will never be able to market their products with the maximum economy until they grade and standardize their own products so that they can move through the channels of trade toward the consumers without repeated inspections. But this can

not be done without organization. This ought to be a sufficient reason for having a committee on production in any well-organized rural community. Cooperation is not a magical scheme by which poor products or products which consumers do not want can be sold at a good price. The products must, to begin with, be such as to please the consumer, and they must be so uniform in quality as to give the consumer confidence. The products of a multitude of small farmers can be made uniform as to grading and packing by an organization and by no other means whatsoever. It is a waste of time and breath even to talk about it on any other basis.

Much excellent work is already being done by the boys' and girls' clubs toward the improvement of production. An

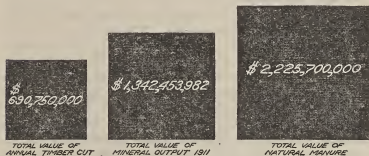


FIG. 2.—Comparison of annual timber cut and mineral output, with value of natural manure. (Figures for annual timber cut from Forest Service; for annual mineral output from Bureau of Mines; for value of natural manure from Farmers' Bulletin 192, p. 5, U. S. Department of Agriculture.)

organization such as is here outlined should through its committee on farm production promote all such work and cause it to spread and increase in efficiency. This committee should also study to discover new methods of increasing the productivity of the community, new crops, new and improved methods of soil treatment, the field selection of seed, scientific breeding of live stock, and even the conservation of manure. How important this last-named topic is may be shown by the figures in the accompanying diagram (fig. 2).

From this chart it will be seen that the value of natural manure alone is considerably greater than the combined value of the entire mineral output and timber cut of the United States. These items are considered important enough

to become political issues and to call for a national organization for their conservation. It is not here proposed that the conservation of our manure shall become an issue in national politics, but it is reasonable to suggest that it is important enough to occupy the attention of any organization whose purpose is to promote the prosperity of American agriculture. It is impossible to state just how much of this enormous value is wasted by neglect or improper handling. It is variously estimated as from one-fourth to one-half of the total. Assuming that one-third of it is wasted, we get the enormous sum of \$741,900,000. This is certainly important enough to justify a considerable amount of study by a large number of local organizations.

Too much emphasis can hardly be laid on the importance of organized promotion of breeding enterprises. So long as this is left wholly to individual breeders, each one working alone, no great headway can be made by small farmers with little capital. Only those men who are in a position to invest heavily and advertise widely can do much in this direction. American farmers have accomplished something in the way of establishing new breeds of swine and poultry. These forms of live stock multiply more rapidly than any other of our common domesticated animals, and therefore it does not take so long to establish a breed. Outside of these two branches of animal husbandry our achievements are very limited. At this present moment it is doubtful if it can honestly be said that we have established a single new breed of cattle, sheep, or horses. We have depended wholly upon importation from abroad, and, in spite of the millions of dollars which have been expended for imported breeding stock, there is probably no European country which has so much poor stock as the United States, and there are not many where the average is so low.

One reason for our indifferent success in animal breeding has been the lack of neighborhood organization. Where a whole community is interested in the same breed of live stock, where practically every farm is a breeding station, there is, first, a wider basis of selection than where only one farm is given over to that breed. A wider basis of selection makes possible more scientific mating than is possible where there are only a few breeding animals from which to select.

In the second place, a neighborhood enterprise of this kind gives greater permanency and continuity than is possible where only a few individual farmers are interested. It has happened so often in this country that it may almost be said to be the rule that by the time a successful breeder has built up a superior herd, stud, or flock his life is drawing to a close, his sons have moved to town, and his animals are scattered. These animals may, after they are scattered, do something toward improving the general average of the animals of the community, but this is by no means certain. There are many chances that they will be crossed with other breeds, and the general tendency of haphazard cross-breeding is to produce mongrels. If, on the other hand, the whole community in which such a breeder lived were engaged in developing the same breed instead of a large number of different breeds, his animals would probably remain in the same neighborhood and be crossed with others of the same breed. When this happens the work of the individual breeder is not lost, but is enabled to count in the improvement of the stock of the country. Under our present highly individualistic methods, the farmer who enters upon a breeding enterprise frequently, if not generally, makes the initial mistake of selecting some breed which is new to his community in order that he may have something different from anything possessed by his neighbors. It is safe to say that a neighborhood whose farmers behave in this absurd manner will never become distinguished for the excellence of its live stock or of its field crops.

A third reason for our lack of success in animal breeding has already been suggested, i. e., the lack of stability of the average American farm family. Where the same farm stays in the same family for several generations, if it happens to be a breeding farm, there is time to build up a superior herd, stud, or flock. In the United States this does not often happen. The sons of a successful breeder have, in the past, frequently gone to a city to enter upon an urban business or profession. But even this instability of the farm family, which prevents the continuation of breeding enterprises over long periods of time is, in large measure, due to a lack of rural organization. This will be discussed more fully under the organization of the social interests of farm communities;

but it may be permitted at this point in our discussion to call attention to the fact that well-to-do people leave the farms because the country does not furnish them the means of social and intellectual enjoyment which they crave. These things can be had only where there is an organized effort to build up the neighborhood on its social and educational side.

Another very definite advantage in neighborhood organization for the breeding of farm animals has been realized already in many communities. This is the opportunity which such an organization affords for the purchase and maintenance of expensive breeding animals. This may take the form (1) of purchasing a more expensive animal than would be economical for a single small farmer who could not use him to his full capacity, or (2) purchasing jointly a number of pure-bred males. Each animal thus purchased is kept on a single farm for two years. Then they are all changed around so that each animal serves on another farm for another two-year period, and so on as long as they are fit for service. In this way each animal can be used during his whole effective lifetime and his full value can be realized. Where an individual farmer purchases an animal of this kind, without the opportunity for a fair exchange, he must either sell the animal at a loss or run the risk of injuring his herd by undesirable inbreeding. Another advantage, not to be ignored, is the opportunity which the plan gives for more scientific mating. There being a larger number of pure-bred males in the neighborhood from which to select, arrangement can easily be made by which certain selected females can be mated with those males which have shown special prepotency.

In short, if the farmers of a given community will all adopt the same breeds of farm animals, and if the same breeding farm will remain in the same family generation after generation, and if the farmers will practice cooperative purchasing and maintaining of breeding animals on a large scale, we can soon hope to rival any European country in the excellence of our breeding stock.

2. COMMITTEE ON MARKETING.

The marketing of farm products must begin, as already stated, with the production of things that are marketable.

Four accomplishments must precede the actual selling of a product if the best results are to be secured, and each of these accomplishments calls for organization. They are:

(1) The improvement of the product. This ought to be one of the first results of cooperation. A group of farmers, all interested in growing the same product, by meeting frequently and discussing the problems connected with the growing of that product, will normally educate one another and thus improve their methods of production.

(2) The standardization of the product through organized production and marketing. Standardization follows naturally and easily if the cooperators are wise enough to see its importance. Not only must the product be a good product, but it must be graded according to the tastes or desires of the consumers or ultimate purchasers. If the producers insist upon throwing an unstandardized, non-descript product upon the market, the consumers, each one of whom wants a small and simple parcel and wants that to be of a certain kind and quality, will never buy of the producers. Some one, then, must intervene to do the grading and standardizing.

Individual growers, except where they produce on a commercial scale, are usually unable to grade their own products sufficiently to satisfy the trade. Their products should be pooled and the work of grading should be under the control of an organization whose employees have no personal interest in the goods. Such an arrangement makes it easier to secure an absolutely honest and uniform pack. In this way, too, producers will be able either to sell directly to the consumer or so to reduce the toll charged by the middleman as to enlarge their own profits.

(3) Branding. An excellent product, graded and standardized, must then be so branded or trade-marked as to enable the consumer to identify it or recognize it when he sees it. That is really all there is to the stamp on a coin. It adds nothing to the intrinsic value of the metal, but it makes it circulate. Without such a stamp each individual would have to weigh and test a piece of metal which was offered him and the circulation or salability of the metal would be greatly restricted, but a stamp upon it which the average receiver recognizes at once and in which he has confidence

makes him instantly willing to accept it. This may be an extreme case, but it does not differ in principle from the stamping of any other salable piece of material. A private stamp is quite as good as a Government stamp if people have as much confidence in it as they have in a Government stamp and if it is as reliable and as uniform. Private coins have circulated many times in the past. However, without taking such an extreme case as the coinage of metal, except by way of illustration, it will not take much argument to convince the average person that if a box of apples bearing a certain stamp or trade-mark gets to be known as reliable and good all the way through, the producer or the producing association whose stamp has thus gained confidence will be able to sell where unstamped products equally good will fail altogether.

(4) Education of the consumer. The consumer must be educated as to the meaning of a stamp or trade-mark on goods which are excellent in themselves and uniform in quality. This may call for some form of advertising which can be financed effectively only by an organization.

Let these four things be done and the problem of marketing will become fairly simple. But it must be remembered that these four things can be done only by organization.

After these four things are done, and not before, the organization should put an expert salesman, or selling agency, in the field to search for the best markets, to make favorable contracts with consumers and dealers, to secure satisfactory storage and transportation facilities, and to look after a multitude of details which require more technical knowledge than the average farmer, with his varied duties, has time to acquire.

There is probably no form of human effort where the old adage that "knowledge is power" is capable of greater emphasis than in the three commercial branches of the farmer's business, viz, the disposing of farm products, the procuring of farm supplies, and the securing of farm credit. More important, perhaps, than even the cooperative marketing of farm products is the knowledge on the part of the farmers that they can market cooperatively, and, in detail, just how it can be done. So long as they do not possess this knowledge, so long will the mercantile agencies who possess

a monopoly of the knowledge of all the marketing processes, the channels of trade, methods of doing business, methods of payment, collection, etc., have the farmers at a disadvantage. Of all forms of monopoly, a monopoly of knowledge is the most powerful. When dealers no longer possess this monopoly, when farmers are thoroughly informed on all these matters, then dealers will be compelled to do business at a reasonable profit; otherwise, the farmers will do it for themselves.

It is extremely improbable that cooperative marketing will ever entirely displace the system of marketing through private dealers. The latter can, if they will, handle the farmers' products, in many cases at least, as cheaply as the farmers themselves can. When the farmers are thoroughly organized and thoroughly informed on commercial methods, they can take their choice as between cooperative marketing and selling through private dealers. They will be prepared to adopt whichever method is more economical. Then the private dealers will be compelled to be as efficient and economical as a cooperative society or else get out of business altogether. There is no reason why they should not continue to do a large share of the business of handling farm products. Every economy which a farmers' cooperative society can practice will be open to the private dealers as well. It is only where farmers are unwilling to work together, or are uninformed as to commercial methods, that the private dealers are able to take advantage of them and charge an excessive toll on the products which pass through their hands.

It should be the business of the committee on marketing of farm products of a local organization to keep itself and the members of the organization thoroughly informed as to all the commercial practices involved in getting products from the farm to the consumer. This knowledge should include not only the regular channels through which the products move, but also all other possible channels, such as the parcels post and the express companies' service. Knowing how to use these channels may prove to be a very important advantage, without actually using them to any great extent. This knowledge may reduce the toll which can be charged upon goods passing through other channels.

One of the most vexatious questions connected with marketing is that of railroad transportation. The difficulty is not so much the freight cost in itself as the difficulty which the small farmer has of getting efficient service. Railroad companies, like all practical business houses, prefer a large business to a small business. The large shipper can command their attention when the small shipper can not. This is of particular importance to the shipper of perishable produce. A small shipper, who occasionally ships a carload, is subject to vexatious delays in getting cars, and, likewise, to frequent losses through failure of his loaded cars to arrive promptly at their destination. In the mass of traffic during a busy season they are more likely to be overlooked than those of a large shipper who sends many cars.

The remedy for this is the organization of a large number of producers in order to ship together. Such an organization can get the attention of the railroad management when a small shipper would be ignored. It is likewise possible for a large organization of this kind to keep in telegraphic communication with its agents at various places in order to be informed promptly upon the arrival or failure to arrive of its cars. Another tremendous advantage which such an organization possesses is that of being able to distribute its loaded cars to the various markets in proportion to their capacity to consume the products. A very high degree of efficiency is reached when the cars can be distributed after having been started on their way. It is this that has made possible the shipment of perishable products over very long distances.

It should be the work of the committee on marketing and transportation to act for the whole community in all cases where products are shipped out. Preferably, as stated above, producers should combine their shipments. But if there should not be a large number of producers of a given commodity, and if, therefore, each producer should be compelled to ship in small quantities, he should at least have the support and backing of an organized community. Entirely aside from this is the simple matter of keeping informed as to methods of procedure in dealing with railroad companies. This is the very least which our committee on marketing and transportation ought to undertake. It

should negotiate for accommodations, and it should keep itself and the whole neighborhood informed as to rates, accommodations, and the relative economy and efficiency of different methods of shipment.

3. COMMITTEE ON SECURING FARM SUPPLIES.

The importance of knowledge of commercial processes applies as well to the procuring of farm supplies as to the disposing of farm products. When the farmers are sufficiently well organized and sufficiently well informed to be able to dispense with the services of the various dealers who are supplying them, it may not be necessary actually to dispense with those services. The services will, however, have to be rendered at a cost to the farmer no higher than that of cooperative purchasing or manufacturing.

While farmers are perfecting their organization and acquiring knowledge and experience in commercial methods, they are hereby advised to proceed slowly and carefully. Until they have learned by experience it will be easy to underestimate the cost of running a store or other commercial agency and to overestimate the savings which they can effect. To make that mistake is to invite failure. This mistake is encouraged by a false theory and by a misinterpretation of certain experiences. The false theory is to the effect that, since a cooperative society can eliminate profits, it therefore must be able to do business cheaper than a private profit-making agency. While a cooperative society does eliminate that which goes under the name of profit, it does not in any way eliminate the necessity for a business manager. Unless the manager will donate his services charitably, he must be paid a salary. To get a good man requires a good salary. The private storekeeper in a country town usually does his own managing. Thus he saves the salary of a manager. More accurately, he receives his compensation in the form of a profit rather than in the form of a salary; whereas the manager of a cooperative society receives his compensation, if he receives any, in the form of a salary rather than in the form of profit. It may be that the storekeeper's profit is larger than necessary, or larger than would be necessary to pay the salary of a manager, but that is not always the case. It is never to be

assumed without study that something can be saved by a cooperative society merely because it eliminates "profit."

The misinterpretation of experience is found occasionally in the claim to large savings made by a group of people who order a large bill of goods at wholesale rates, go to the station after them, and do their own delivering and storing. It will readily be seen that though they save something on the price of goods thus ordered, they are not getting the same service as is given them by the local store. In the first place, they do their own delivering, which is an expensive part of the work of the local store. In the second place, they do not have to hire a salesman or clerk to do up their packages for them in convenient size, to show them goods from which to select, etc. In the third place, they do not maintain a storehouse for the goods, but each one stores in his own house, thus saving rent. In the fourth place, they do not have to keep a stock of goods on hand for customers; therefore they have no interest charge to carry. If these same people who save a considerable sum on a joint order were to try to run a store jointly they would have a rent charge, an interest charge, a clerk's salary, and a delivery charge to bear. These combined charges would reduce the savings by a considerable percentage, and would sometimes, but not always, wipe out the savings altogether.

There are three methods of purchasing farm supplies cooperatively. The simplest method is that of a joint order, where a group of farmers combine their orders so as to get a given article in large quantities—say, in carload lots. By offering cash or satisfactory security to a manufacturer they can frequently buy directly, thus saving middlemen's and agents' commissions, besides getting exactly what they want, instead of being compelled to take whatever the local dealer happens to have. Wherever possible these orders should be sent through the local dealer; that is, this should be done whenever the dealer is reliable and genuinely willing to act as the agent of the farmers rather than of the wholesaler or manufacturer. As the agent of the farmers he is in honor and in law bound to act in their interest, but when he is the agent of the wholesaler he is equally bound to act in his interest.

One method of procedure long familiar to business men and recently adopted by a number of farmers' organi-

zations is known as the order-form bill of lading. A detailed description of this plan will be furnished on application to the Office of Markets and Rural Organization. The essential features of the plan are: (1) combining the orders of a large number of farmers; (2) requiring each farmer to have on his order a banker's certificate that the money to pay the bill is on deposit, that the bank will pay the bill when a draft for the sum is attached to the bill of lading and the farmer certifies that the goods as ordered are at the depot. This method protects everybody concerned—the farmer, the wholesaler, the local organization, the bank, and the railroads. The farmer pays for what he gets and can inspect the goods before they are paid for. The wholesaler is safe, because the local bank guarantees payment. The local organization receives no money and incurs no obligation and the bank need not certify the order of anyone who does not actually have money on deposit.

The second method is like the one just described, with the addition of a warehouse. This warehouse is owned or rented cooperatively. Goods are ordered as in the first method, but when they arrive they may be unloaded and kept in the warehouse instead of being immediately hauled to the homes of the various farmers who have ordered them. Thus the cooperative group performs two of the functions ordinarily performed by the local store. It orders goods in advance and it stores them until they are needed by the individual farmers. It does not perform the other functions, such as displaying goods, serving customers, and delivering purchases. Sometimes manufacturers may be induced to place goods on exhibition in this kind of a warehouse in order to enable members to order from samples.

The third method is to run a cooperative store, which performs for the members of the organization all the services ordinarily performed by a privately owned store. A group of farmers who have not had commercial experience will generally find it wise to begin with the first and simplest of these methods rather than with the second or third. If they can operate the simplest plan successfully and with profit to themselves, they may then, if they can figure a further profit, undertake the second. The third is only to be undertaken after the most careful consideration on the basis of actual experience.

Experience has shown that where a cooperative store is undertaken it should not attempt to cut prices, but should sell at the regular, current prices, such as are charged at the other local stores. If there is a profit at the end of the year, a dividend should be declared on the basis of the amount purchased by each member; that is, if there is a profit of 7 per cent on all the business done, each member should receive a check at the end of the year for 7 per cent of the total amount purchased by him during the year.

One very successful store, however—and there are probably others—runs on the opposite principle of selling at a fixed percentage above cost; that is, it adds 3 per cent to the cost of each article and pays the running expenses of the store out of this small margin. It began, however, by charging an advance of 10 per cent, but has since, by careful management, been able to reduce this to 3 per cent. This is very unusual. Though it is located in a town, it absolutely refuses to sell to any but members, who must be farmers. It discounts all its bills and does its business in a prompt and efficient way.

Just here is the difference between a cooperative society and an ordinary, profit-making, joint-stock company. In the latter profits are divided in proportion to the shares owned instead of in proportion to the amount of business done by the different members. Thus in a store run by a joint-stock company, if A owned 10 shares and B only 1—that is, if A had invested ten times as much as B at the beginning—A would receive ten times as much profit as B, even though the latter had purchased ten times as much during the year. But in the cooperative store, if B had purchased ten times as much as A, his dividend at the end of the year would be ten times as great as A's, even though A had invested ten times as much. Ordinarily, however, each share of capital will receive a fixed rate of interest.

In order to safeguard this point it is necessary, wherever the laws of the State will permit, to restrict the voting powers of shareholders. A method commonly advocated by students of cooperation is that each member shall have one vote, regardless of the number of shares owned by him, instead of having a vote for every share. The objection to the common method of voting by shares is that the management

of the organization is likely to be run in the interest of those who own the shares instead of those who do the most business with the society. If, for example, a certain individual should own a large number of shares, but have very little business with the association, he would naturally be more interested in getting dividends on his shares than in getting goods at a low price. If a majority of the shares were owned by a few men in this situation, they could outvote the others and control the organization in their own interest. The "one-man-one-vote" method prevents this, though there may be other methods which can be used in those States which have not yet passed satisfactory laws relating to cooperative organizations. One such method is to limit the number of shares which can be owned by one individual. In all cases, however, before a cooperative society is formed, the advice of a reliable lawyer, familiar with the laws of the State, should be secured.

But the problem of securing farm supplies is not limited to the subject of purchasing. Of equal importance is the subject of producing things on the farm or in the neighborhood for the supply of the needs of the farmers. Our committee on securing farm supplies should therefore give careful attention to possibilities of this kind, especially in those sections of the country where farmers are in the habit of selling everything they grow and buying everything they use. Where this system prevails the farmer invariably sells at wholesale and buys at retail, thus reversing the ordinary commercial method. Except where the farmers produce high-priced specialties, such as oranges or garden truck, this method will keep them on the verge of bankruptcy. Their only way out of the difficulty is to produce more of the things they use, even though it should to some slight degree reduce the amount they have to sell. The advantage of this is that what the farmer produces for himself he produces for the best possible market, and he should credit this part of his business with the retail prices which he would have to pay if he purchased the articles in question.

These remarks are not to be interpreted, however, as meaning that the farmer should attempt to produce everything he uses. That would be obviously uneconomical. It is only where he finds that he can actually save money by so doing

that this is advisable. This will be found to be the case more often than is commonly supposed. Many articles in common use are sold at retail at prices which have no perceptible relation to the cost of production as distinct from the cost of selling. It is not uncommon to find a great selling organization whose purpose is to control the sale over a large territory. Manufacturing is carried on merely to supply this great selling organization with the stuff it sells. The cost of manufacturing is frequently only an insignificant fraction of the retail price. One case, perhaps somewhat extreme, is that of a certain class of dyes which can be produced by anyone who knows how at about 1 per cent of the price which he would be compelled to pay at the local store. Without a great selling organization he could not sell his product at all, except perhaps to a few of his neighbors. The company which produces and sells the article bends all its energies to the control of the sales, manufacturing being a mere incident. While a farmers' club could not compete with this company in selling the product on the market without investing large sums in a selling organization, it could easily supply its own members at a small fraction of the price which they now have to pay. There are multitudes of other cases similar to this, though many of them are less extreme.

Here, as in the case of marketing and purchasing, "knowledge is power." If the farmers do not know how they can supply themselves, others can charge them exorbitant prices, especially those companies which make a specialty of selling rather than of producing. While the individual farmer can not be expected to know all these things, a special committee of a farmers' organization should make it its business to study ways of beating the game of the exploiter. One way is to study ways of producing at home articles whose retail prices are so far above the cost of production as to make home production economical.

4. COMMITTEE ON FARM FINANCE AND ACCOUNTING.

Probably no subject connected with agriculture, unless it be that of marketing, has recently attracted so much attention as that of farm credit. Undoubtedly credit conditions are bad in some parts of the country. In spite of the fact that Americans are better supplied with banks than any other country and more in the habit of using them, our

banking system has only partly met the needs of farmers. The main reason is, undoubtedly, that farmers need credit, if at all, for longer periods than do business men in the cities, whereas a commercial bank, doing a regular check and deposit business, can not let a large share of its funds out for long periods. The nature of its business requires that it shall keep its funds as liquid as possible; that is, that they shall always be available within a short period. In order to meet more fully the needs of farmers it seems necessary to provide a special class of institutions.

The committee of our local organization which handles this subject should also handle the question of farm accounting and insurance. It should handle the former especially, because the first thing to determine in the problem of farm credit is what farm enterprises are worth financing; that is, what could the farmers do if they could borrow more money which would surely be profitable to themselves. Without this knowledge, the more they borrow the worse off they will be, no matter how low the rate of interest. What enterprises will be sure money-makers for the farmers is not to be determined by guesswork; it is to be determined by careful accountancy and by no other method whatsoever.

The promotion of farm accounting and the study of farm accounts in order to find out what farm enterprises can safely be financed is the first duty of this committee. The next is to find out how these enterprises can be financed on the most favorable terms. The latter is often the easier problem of the two. If our committee can say with certainty to the local banker, "If these farmers can get the money to buy brood sows or dairy cows or fertilizer, it will be very profitable to them, and they will certainly have the money to meet the loan when it is due," the banker, if he is alive to his own interests and those of his community, will certainly consider the matter favorably. If there is nothing definite of this kind which can be said to the banker—that is, if he is merely asked on general principles to lend money to farmers—he can not be blamed for a lack of enthusiasm. He is no friend of the farmer who makes him think that he ought to have abundant credit merely because his land is good security. To extend him credit on that ground alone is a very good way of encouraging him to lose his land.

If, however, there is no local banker sufficiently alive to his opportunities or willing to justify his existence by financing genuinely productive enterprises at a reasonable rate of interest when they are pointed out to him, the committee should consider other ways of securing capital.

This problem is somewhat simpler in a community which is able to finance itself—that is, where there is a sufficient accumulation of capital to supply those who need it—from what it is in a community which has to bring capital in from the outside. In the former case it is only necessary to develop a local institution which can receive the loans or deposits of those who have a surplus and lend them out to those who want to borrow. One of the simplest plans for accomplishing this is the credit union or cooperative credit association. Institutions of this kind have had a remarkable development in European countries, and several States have passed laws permitting their organization in this country. Without going into detail, the essential features of this plan are very simple. A group of farmers organize themselves to receive deposits and make loans, assuming, of course, full responsibility for all deposits intrusted to their care. In Europe each member usually assumes unlimited liability for the obligations of the association.¹⁷ No one receives any pay except the secretary of the association, who keeps the books. It is not necessary to have either an office or a safe, though desk room in some one's office is usually necessary. The "bank," as it is commonly called, is open once a week—say, Saturday afternoon—for receiving deposits and making loans. No safe is necessary, for the reason that the deposits are usually all loaned out and no funds are kept on hand. In case there should be money on hand, the association can deposit it in the nearest commercial bank, just as an individual would do. By this method expenses can be kept down to a minimum. Having such low expenses, the association can pay almost as much on deposits as it charges on loans. For example, if it lends at 6 per cent it can pay 5 per cent, or if it lends at 5 per cent it can pay 4 per cent, and meet its running expenses out of the 1 per cent difference. If borrowers want more at 5 per cent than depositors are willing to deposit at 4 per cent, both rates can be raised to 6 per cent and 5 per cent,

respectively. If at the latter rates the depositors deposit more than borrowers will take, both rates can be lowered, always keeping the difference between the two rates unchanged. Some associations have found it possible to pay expenses on a difference of less than 1 per cent.

Another method similar to the last, but somewhat more highly developed, is the mutual savings bank. Institutions of this kind have become numerous in recent years in the northeastern sections of the United States, but here they are essentially savings institutions rather than credit associations. The reason for this is that there is a large wage and salary-receiving population who need opportunities to save. They do not need opportunities to borrow, for the reason that they have no productive purposes to which they could devote borrowed capital. These institutions can, however, be made to serve the needs of borrowers where there is a population who need to borrow for productive purposes. As such they would be mere enlargements of the credit-union idea.

Such an institution would differ from the credit union mainly in the following particulars: (1) It would do a larger business; (2) it would be open regularly as do other banks—every weekday; (3) it would have a regular place of business, with safes and other fixtures and paraphernalia pertaining to the banking business; (4) having heavier expenses than the credit unions, it would usually have to charge a higher interest on loans over and above that which is paid on deposits; (5) instead of unlimited liability, the members would assume the same liability as the shareholders of other banks, which, in this country, is usually double the par value of their shares. The mutual savings banks of the northeast, which, as stated above, are savings institutions for townspeople rather than credit institutions for farmers, do not have shares, and there is no financial liability. They are run as quasi-philanthropic institutions by men of large business experience.

In many of our States there is no legislative provision for a strictly mutual savings bank, but in many of them it will be possible to embody the essential principles of mutuality in the regular joint-stock form of organization. A reliable lawyer or banker, or some one who is familiar with the banking laws of the State, should in each case be consulted.

The essential principles of mutuality in a credit association are (1) that it should be an association of borrowers rather than of lenders; (2) it should be run in the interests of borrowers primarily; (3) the association as such should make no profit, aiming rather to increase the profits of its members in their regular business—that is, to enable borrowers to borrow at lower rates for productive purposes in order that their profits in these productive enterprises may be larger. A joint-stock savings bank may do all these things if its stock is owned by farmers and others whose chief interest is the promotion of agriculture rather than the securing of high dividends on their stock. The number of shares owned by any one person should be limited if the laws of the State will permit.

For supplying long-time or mortgage credit at low rates, one of the simplest and most familiar methods is that of the building and loan association or savings and loan association. These organizations were formed originally to enable townspeople to build homes and pay for them on easy terms; but they are easily adaptable to the purpose of enabling farmers to make permanent improvements. In fact, they have already gone extensively into this field, particularly in the State of Ohio. They lend to farmers who can furnish good mortgage security for making improvements on their farms, permitting them to pay back the loans on the amortization plan—that is, in semiannual or annual installments. They secure capital for making these loans by selling bonds to savers and investors. These bonds draw interest lower than that charged on loans, in order that there may be a margin to pay the running expenses of the business. These bonds are sold either for cash or on the installment plan. In the latter case they meet the needs of small investors who can save only small sums at a time.

Like all financial institutions, including even the regular commercial banks, these savings and loan associations should be closely supervised, inspected, and audited by public officials, either State or National. No such organization ought to be allowed to exist and handle other people's money without such inspection, and farmers ought to be warned against intrusting their affairs to any financial institution unless such inspection is provided for. The history of the

commercial banking business in this country, especially before the Civil War, abundantly proves the necessity of such inspection.

In order to attract capital into the community from outside sources, it is necessary that the community should have a good financial reputation; that is, it must be a community that has the reputation of paying its debts promptly. Here it is necessary to call attention to a popular error, namely, that farm land is the best security in the world, and farmers therefore should be able to borrow on better terms than anyone else. There are two difficulties with this argument. In the first place, farm land sometimes has a selling value far in excess of its present productive value. Land which is not now yielding its owner interest, say at 5 per cent, on a valuation of more than \$50 an acre, sometimes sells for \$100 an acre. The reason is that buyers are speculating on the future. They know that at the present time they can not sell the products at such rates as will yield them interest, after all expenses are paid, on \$100 an acre, yet they expect to be able to do so at some time in the future. They are offering a price which is based not upon its present proved productivity, but upon its future expected productivity. People living at a distance do not always have the same confidence in the future value of the land as do those who are buying on this basis. Therefore they can not be blamed for being shy about sending their capital to such a community for investment at these high prices or about lending to others to invest on this kind of security. Thus the supply of loanable capital in such a community is limited.

From the standpoint of demand, however, these very conditions greatly increase the immediate demand for loanable funds. When everyone feels that land is certain to increase in value, everyone who can possibly do so wants to buy a piece of land. If he can borrow the money with which to purchase it, he feels sure that he can eventually sell out for enough to repay the loan and leave him a balance besides. Parenthetically we may say that this is a speculative rather than a productive purpose. It does not promote good farming; it merely promotes a rapid transfer of land titles. At any rate, the increased demand for loans and the limited

supply of loanable funds combine to make high interest rates. One advantage which old and thickly settled countries, such as most of the countries of Europe, have is that they have long ago passed out of this stage. There is comparatively little speculation in farm lands; farm values have settled down to a basis of proved productivity; their values are relatively stable and offer excellent security to the lender.

Again, even though land values are stable, a community may easily get a bad financial reputation which will serve to keep outside capital from coming in. A local community where the average borrower will take advantage of legal technicalities, where he will force the lender to resort to legal proceedings, where he will appeal to the sympathy which people instinctively feel for the "poor debtor" and make things generally uncomfortable for the lender, will always suffer from a scarcity of loanable funds, accompanied by high interest rates, no matter how good the land may be. One of the most important duties of our committee on farm finance and accounting, therefore, will be to study to give the neighborhood a good financial reputation.

In order to get capital from the outside on as favorable terms as possible it may be practicable to use both the credit union and the savings and loan association, the one for short-time credit and the other for long-time or mortgage credit. If there are not enough local deposits in the former to satisfy the productive needs of borrowers, the membership of the union may, on its joint note, negotiate a loan from a distance. The joint liability of all the members of the association increases the responsibility of each and correspondingly increases the security of the lender. With a fund of outside capital to begin with, supplemented by the savings of local depositors, the credit union should be able to meet the needs of its borrowers.

This matter of a joint note or other form of unlimited liability will prove a stumblingblock to some of our farmers. They should remember, however, that where one man indorses another's note, as many banks now require, the indorser assumes unlimited liability for the amount of the debt. Where a number of men go into a scheme which involves unlimited liability they virtually indorse one another's notes, or they in some cases sign a joint note.

Here it must be pointed out that cooperative credit is not for everybody. It is only for those who are known to be trustworthy. No one will indorse the note of a man who is not known to be financially responsible. Neither should a group of men admit to a credit association anyone whose note they would not be willing to indorse. Herr Raiffeisen, the founder of the most successful system of cooperative credit in Germany, laid down as one of the fundamental rules for his credit associations that no one should be admitted who was not known to be trustworthy and that any member who was found to be untrustworthy should be expelled. Any other policy would lead directly to failure and ruin.

It is not inconsistent with the highest ideals of democracy that character should be of advantage even in business. If they who possess sound moral character, which includes financial trustworthiness, have some economic advantage over those who do not, in the long run the former will prosper and the latter will fail. The former will more and more buy out the latter, because land will be worth more to the former than to the latter. By this principle of selection the quality of the population will gradually improve and the community gain in every way. Without some such method of capitalizing character, this principle of selection will not always operate.

Again, from the standpoint of the lender who lives at a distance and who must be induced to intrust his money to the community which is trying to finance itself, the fact that a number of men in that community have confidence enough in one another to indorse one another's notes, to sign a joint note, or to go into any credit scheme which involves unlimited liability, will make a favorable impression upon him. On the other hand, if 10 or more men who know one another can not be found who are willing to trust one another to this extent, it may be difficult to convince him (the distant lender who does not know any of them) that he should trust them with his funds.

The savings and loan association, while it must always limit itself to making loans to the local community, where all its members may be known to one another, where land values are well known to its officers and where the laws

under which it operates permit, may sell its bonds to distant investors if they can be persuaded to buy.

There are a number of private agencies operating in this field already. These are sometimes classed under the name of debenture companies. Starting with a fund of capital, such a company invests in farm mortgages, buying of some local bank or mortgage broker. When it has a certain sum in the form of farm mortgages, let us say \$100,000, it deposits them with some large financial institution, say a trust company, for safe-keeping. The trust company certifies that these mortgages are on deposit. Against these mortgages and this certificate as security the debenture company then issues bonds to an equal amount, i. e., \$100,000, paying a lower rate of interest than that received on the mortgages. If the investing public has confidence, it buys these bonds and thus provides funds for the purchase of another hundred thousand dollars worth of mortgages. This operation may be repeated several times. Thus the original fund of capital owned by the debenture company is made the basis of the investment of several times its amount in mortgages.

From the standpoint of the investor, these are the following elements making up the security of his investment: (1) The value of the mortgages themselves; (2) the credit of the local bank or mortgage broker, who is required to guarantee the mortgages; (3) the certificate of the trust company, which does nothing more than to state that the mortgages are on deposit; (4) the credit of the debenture company, which hazards at least its original investment and its general credit besides. Lately certain banks have gone into this kind of business and have added the amortization feature.

Many of the good features of all these institutions may be combined in a special class of farm-land banks which have been proposed for this country. They are modeled in part after the *Landschaften* which have played such an important part in the agricultural development of Germany. They may be either cooperative or joint-stock associations, according to the character of the legislation under which they are authorized and the preference of those who promote them. In case a cooperative organization is permitted by law and preferred by its members, the essential features of its work

should be to secure funds by the sale of bonds, pledging the combined security of the original members for their payment and to lend these funds on the most favorable terms possible to farmers, for productive purposes only, taking mortgages as security. These mortgages may in turn be used as a basis for new issues of bonds, and the new funds thus secured used for making new loans, etc. The interest received on mortgage loans should, of course, be enough higher than that paid on the bonds to enable the association to pay its running expenses out of the difference. The loans to farmers should be paid on the amortization plan.

Probably no form of cooperation has been so successful for so long a time in this country as that which is known as mutual insurance. Farmers' mutual insurance companies are spread over the entire country; but they are especially numerous in the States of New York, Pennsylvania, Michigan, Ohio, Illinois, Wisconsin, Iowa, and Minnesota. They are so familiar as to call for no description here. They furnish insurance at cost, they are cooperative, and they serve as examples of what farmers may gain by working together for their mutual interests.

5. COMMITTEE ON COMMUNICATION AND TRANSPORTATION.

Intercommunication is one of the primary factors of civilization. Every substantial increase in the efficiency of means of communication marks a new epoch of civilization. The railroads, the telegraph, and the telephone have often been cited as examples. It is not necessary, however, that we should confine our attention to these means of increasing long-distance communication. Important as this is, it is probably of less absolute importance than the communication of neighbor with neighbor by means of the spoken word and the commoner modes of locomotion. Yet it is just at this point that the people who live in the country are at a disadvantage as compared with those who live in the city. So far as long-distance communication is concerned, there is no great difference; but in the matter of short-distance communication the townsmen have a great advantage. The fact that country people live so far apart is what creates the difference. There is special need, therefore, that country people should have the best possible means of overcoming

distances which separate them from one another—distances which are measured in miles rather than in hundreds of miles.

As the characteristic evils of urban life grow out of congestion, so do the characteristic evils of rural life grow out of isolation. Except for a few rare souls, isolation means stagnation. The average person needs the stimulating influence of association with his fellows to keep his faculties up to their maximum activity. This aspect of the question is of greater importance even than the question of economical transportation of products, important as that is. Here again, the dweller in the country is at a disadvantage as compared with his urban fellow-citizen. In long-distance transportation the one is served approximately as well as the other. But it costs the average American farmer more to haul his produce from his farm to the nearest shipping point than it does to ship it by rail over a distance of 200 miles.

It is fairly clear, therefore, that any farmers' organization which aims to improve the economic and social well-being of its community must give a good deal of attention to the subject of local communication and transportation, especially to roads and telephones. Few subjects lend themselves better to the purposes of a country school than that of country roads. Each school should study its own roads and should at least consider the expediency of having complete charge of a small piece of roadway. The pupils should study road management and maintenance as a part of their school work. Such an organization as we are now contemplating ought to consider the question of offering a prize to that country school which keeps its piece of road in the best condition.

In this as in all other rural-organization work the keynote should be organized self-help. If as much energy were put forth in local self-help as is put forth in trying to get Government help for various social schemes, there would be much less need for Government help. Road improvement is a case in point.

Probably nothing has done more for country life than the rural telephone. Wherever it has come into general use it has overcome the isolation of farm life as nothing else could have done. But while some sections of the country are well served by this agency, there being a telephone in practically

every farmhouse, there are, unfortunately, other sections which have scarcely begun to realize its advantages. The trouble is not so much ignorance of methods of construction, maintenance, and operation—though there is a good deal of ignorance on these points—as inertia and unwillingness to work together, though sometimes the difficulty is increased by a lack of means. Obviously a telephone is of no use to anyone who does not wish to communicate with his neighbors, and unless there is neighborly feeling there will be little desire to communicate. One purpose of this committee must, therefore, be the development of this neighborly feeling. This feeling, however, grows by what it feeds on. Give the neighborhood easy means of neighborly communication and the neighborly spirit will in turn be developed among all normal and right-minded people.

II. SOCIAL INTERESTS.

Up to this point we have been discussing the organization of the business interests of rural communities. All rural improvement must undoubtedly begin on this foundation. But it must be remembered that no building is complete when the foundation is laid. In fact, the foundation is of no use unless something is to be built upon it. We have now to consider what is to be done with the prosperity which will come to a farming community when its business interests are well organized. It is of doubtful utility to grow excellent grain to feed to scrub stock; it is of more than doubtful utility to grow excellent grain, meat, fruits, and vegetables to feed to scrub people. By scrub people are meant they who, whatever their financial condition, have few ambitions or interests beyond the elementary wants of hunger, thirst, sex, and amusement. There will be very little profit in making a community prosperous unless the prosperity is to be used to support life on a somewhat higher plane than this low level of animal existence.

Most of us used to believe that the one thing needful for the improvement of country life was to increase the farmers' income. We are now beginning to discover that this is only half of the problem and by no means the most difficult half. We find, for example, that the wealthy farmer is even more inclined to move to town than is the unprosperous farmer.

In fact, he frequently moves to town because he has prospered in the country, has accumulated a competence, and is now able to retire to the city. It does not seem to have occurred to many of us to ask why he does not retire in the country. Whatever the reason, the undoubted fact is that he has not generally done so, but has retired to the city instead. Those sections of the country where agriculture has been most prosperous, where land is highest and farmers have grown rich in the largest numbers, are the very sections from which farmers have retired to town in the largest numbers, where there is the largest percentage of tenancy. In some of these sections we already find the schools, churches, and other civilizing agencies as badly run down as in the poorest sections, and we may confidently expect that they will all tend in that direction. There is no scourge or plague known to agricultural science which will more certainly destroy rural civilization and enterprise than absentee landlordism.

The only thing, apparently, which will cure this situation is to make the country so attractive that even the prosperous farmer, no matter how rich he may become, will prefer to remain in the country rather than to move to town. He is not likely to remain in the country if the town provides and the country lacks everything he wants and feels that he can afford.

There are five principal reasons and probably several minor reasons why the farmer who can afford to do so would like to move to town. First, town schools are generally better, or at least thought to be better, than country schools. It frequently turns out that the pupils of the country schools show more real training than those of the town schools. It is a question, however, whether they get their training in the country school or in the country home. Still, so long as people think the city school is better, farmers who have children will find in this a reason for moving to town if they are financially able to do so. Until country schools are so improved as to give to every country child as good an educational opportunity as is open to any city child we must expect that the people who appreciate education and who can afford city life will continue to move cityward. In the end this would leave in the country only those who cared little for education and those who, however much they

appreciated education, were not able to afford it; that is, those who were not able to live in town.

A second reason is found, or will be soon, in the better sanitary conditions found in the more progressive cities and towns. The country is still somewhat more healthful than the city, though there are some perverted statistics which aim to show the contrary. But the undoubted fact is that the cities are improving very rapidly in sanitation, and the time is not far distant, unless the country districts arouse themselves, when the cities will be more healthful than the country. Then there will be an additional reason why enlightened people should desire to move from the country to the city. This would be especially regrettable because it is so unnecessary. With all its natural advantages the country ought always to be more healthful than the city. If it is not, it merely proves that country people are negligent and have not taken hold of the problem with the same vigor as city people.

A third reason is found in the better opportunities for recreation which the city affords. Here, as in nearly every other respect, the country has a natural advantage. Recreation, however, is almost unthinkable without some kind of group action, and this is the very thing which country people lack and which city people possess. However, it is necessary to admit that certain kinds of recreation, so called, will be hard to supply in the country. The noise, glare, and excitement of city streets at night, which are so attractive to certain types of mind, can not well be supplied in the country. They who prefer this form of recreation, together with the products of the popular drama, where neurosis is so commonly mistaken for mentality, will probably continue to love the city, and they will be no loss to the country. But the opportunities for genuine *re-creation* through outdoor play and sport are so much better in the country than in the city that there is no excuse for any rural community which loses sound people because of a lack of such opportunities. However, most cities are trying to overcome their natural disadvantages by the establishment of parks, playgrounds, swimming pools, gymnasiums, etc. Unless the rural communities become more active than they have been, young men and women may be driven away by a lack of

recreational opportunities, or attracted to the cities by the superior advantages which they offer.

The desire for beauty, or the things which please the mind through the eye, is one of the first symptoms of a desire to rise above that plane of existence where interests are confined to the primary wants of hunger, thirst, and sex. If there is any one particular in which any rural community ought to excel any city it is in the superior opportunities it should offer for the gratification of this desire. But many cities are making heroic efforts to overcome their natural ugliness, whereas it seems that many rural communities are making almost equal efforts to destroy their natural beauty. Where this is the case there is a fourth reason, and a very strong one, why desirable people should leave the country and go to the city.

A fifth reason, and it is sometimes the strongest of all, is found in the lack of household conveniences in the country. The city home may have gas and electricity, must of necessity have hydrant water and sewage connection, usually has both hot and cold water, a bathtub, and a convenient heating system, besides a number of other conveniences to lighten the burdens of housekeeping. All these things are possible in the country as well as in the city, but they are actually less common. The chief reason is a lack of community action, which is the one advantage, here as elsewhere, of the city over the rural community. This, however, is a matter which lies within the power of any rural community to correct. It is simply a matter of working together.

If these things are not done—that is, if the city should for a long period of time have the advantage over the country in these five particulars—viz, in education, sanitation, recreation, beautification, and household conveniences—nothing can keep enlightened people from going to the cities, leaving the country to people who either do not care for these things or who are so inefficient as farmers that they can never accumulate enough to enable them to move to town. That is, instead of our present progressive, enlightened, self-respecting agricultural population, we shall drain off all the better elements, leaving only a “peasant” population, ignorant, stolid, unprogressive, and inefficient. Even the growing of crops must decline under such a system. For all these

reasons, it is quite as important that our local organization shall give attention to the social as to the business interests of rural people. There should be committees on education, sanitation, recreation, beautification, and household economics, and these committees should be regarded as quite as important as those dealing with business questions.

6. COMMITTEE ON EDUCATION.

The key to most of the educational problems of the country is the country school. There is scarcely a single phase of country life in which the country school may not become a vitalizing factor. The boys' and girls' clubs should begin there. The study of farm production, of marketing, of sources of supply, of farm accounts, and of road and telephone construction should be a part of the work of the country school. But this work should be extended over the social interests of the community also. The knowledge of one's environment should include one's economic and social as well as one's physical environment. The first attention of the committee on education should obviously be directed toward the country schools.

There should be a distinct and persistent movement to make the country schools at least as efficient as the city schools. To accomplish this the entire school system of the State must eventually be supported and administered as a unit, as the school system of a city is now. Because one section of a city is less wealthy than another is not considered as a valid reason why the children of the poorer section should have poorer schools than those of the richer section. This policy should be made to apply to the entire State. Because there is less wealth in the country than in the city ought not to be considered as a valid reason why the country children should have poorer schools than the city children. They should all have equal support out of the tax fund of the entire State, and they should all be administered as a unit. If each ward of a city were restricted to the taxes of that ward for school purposes, it would often happen that the most populous wards, where there were the most children needing schools, would have the least money to support their schools, because of the scarcity of taxable property, while the least populous wards, where

children were scarcest, would have the most money for schools, because of the large amounts of taxable property. This would be so obviously wasteful and inefficient that no enlightened city would tolerate it. Yet that is precisely what happens in all of our States. Schools are supported, not in proportion to the need for them, which is the only correct principle, but mainly in proportion to the amount which each community can raise.

In order that the State school system can be administered as a unit there must be at the head of the State system a highly trained expert, not elected, but appointed as is the superintendent of a city school system. He should have ample power and an adequate staff of assistants and inspectors to enable him actually to inspect the schools of every county in the State.

Again, in each county there should be an educator, not elected as are county superintendents now, but appointed as are city superintendents, with ample power and a staff of assistants which will enable him to inspect and control every school in the county.

Until these things can be brought about through State legislation each community can do a great deal toward the improvement of its own schools through concerted action. The study of the broader questions of national economy may well be turned over to the higher institutions of learning, where students are more mature than they who attend the district school. But the questions of local or neighborhood economy, with which the study of economics ought always to begin, may be studied to advantage in every country school. In many States it is already possible to consolidate rural schools wherever the local communities are willing.

But the country school can not possibly do everything in the way of education that is needed. At any rate, there are some things which one can learn better outside of school than inside. The committee should study to utilize other educational resources, such as study clubs, natural-history clubs, circulating libraries, not of cheap fiction, but of solid reading which will be of use to the community. Use should also be made of such educational agencies as the stereopticon and motion-picture outfits, and lecturers from the State colleges.

7. COMMITTEE ON SANITATION.

No committee of our organization has a greater opportunity for usefulness than the committee on sanitation. There is much to be learned by scientific research regarding sanitation, but scientific research should not be the work of this committee. Enough is already known to scientists to vastly improve the health of any rural community which will apply that knowledge. It should be the work of this committee to inform itself and the neighborhood as to what has already been discovered and demonstrated regarding the cause and prevention of the common diseases, such as malaria, typhoid fever, hookworm, tuberculosis, dysentery, etc., and to persuade the community to apply this knowledge. The application of this knowledge may sometimes require hard and persistent work; but when people realize clearly that babies can be killed with fly-infected food as well as with an ax, they ought to be willing to work as hard to exterminate the fly as they would to exterminate a gang of murderers who went about killing babies with axes. The reason they do not act promptly in the case of the fly and the mosquito is that they do not fully realize the danger from them. Our early pioneers acted vigorously to exterminate the wolf and the bear. Organized wolf hunts have been carried on in most of our States west of the Alleghenies within the memory of men now living. Even the rabbit has been the object of well-organized campaigns on the Pacific coast. The reason was that these pests were large enough to be seen, and the damage they did was visible to the eye. Therefore it was easy to realize the danger from them. When we realize with equal clearness the danger from insect and microscopic pests we shall probably act with equal vigor. It is not too much to hope that the time will come when the fly, the mosquito, and the hookworm, together with the germs of tuberculosis, typhoid fever, etc., will be as nearly extinct as wolves, bears, and panthers now are in the older States.

It is to be hoped that there will be soon, in every county, a full-time health officer, chosen because of his special knowledge of sanitary science, provided with ample power to compel obedience to the fundamental laws of sanitation, and

assisted by a corps of trained nurses and assistants who shall inspect every school, church, and public building, examine all school children, require all drains, privies, and wells to be constructed on scientific principles, and all dairy barns to be clean and wholesome, and do anything else which will improve the health and reduce the death rate of the country. Meanwhile each local organization should be active in all these directions without waiting for new legislation. A trained nurse may be supported in every county to do both school and district nursing in the open country. She could also give a limited amount of instruction to mothers' clubs and school children on the questions connected with the health of the people.

S. COMMITTEE ON RECREATION.

The young of all animals play as naturally as they eat and drink. The surest way to make one of them vicious is to suppress the instinct for play or allow it no opportunity to express itself. In human societies, which are controlled by the grown-ups who have forgotten something of their earlier interests, the play of the young is sometimes repressed, and seldom provided with adequate opportunities. This danger is even greater in the country than in the city, for the reason that the children of the farmer usually, and rightly, help with the farm work. But the farmer, who does not himself feel the need of very much play, and sees the pressing need of farm work, is in danger of allowing himself to exploit his children for his own profit and their injury. The same man who would not overwork a colt, realizing the difference between a colt and a mature horse, will sometimes overwork his own boys and girls. In the case of these young working animals, for as such they are sometimes regarded, it is not so much the strenuousness of their work which is likely to do them injury as the dull monotony of continued toil unrelieved by play or recreation.

Every hard-working person will easily understand how essential a reasonable amount of recreation is to the maintenance of a high state of mental and physical efficiency. He will then appreciate the statement that a rational standard of living must include a reasonable expenditure of time or money on recreation. Just what is a reasonable expenditure for this purpose may not be easy to determine,

though there need be no disagreement as to the general principle that too little recreation, which produces dullness of body and mind, is as bad as too much, which is mere dissipation or waste of time, energy, or money. Nor need there be any disagreement as to the principle that the recreation should be made such as to appeal to all members of the community. While economists generally approve a division of labor in industry, there are few who will approve that kind of division of labor in which most of the men work all the time and never play, while a few loafers amuse themselves all the time and never work.

Rural sports are a natural adjunct of rural festivals as a means of maintaining a wholesome and agreeable social life in the country. Owing to a natural excitability and tendency to excess, Americans have found it difficult to develop distinctive rural sports as a permanent and dignified institution of rural life except in a few favored localities. Fox hunting and horse racing tend, in this country, to be spoiled as rural sports by their affectation by urban magnates in the one case, and livery-stable toughs in the other. Nothing is finer and more dignified than for a group of neighboring, well-to-do farmers to unite for a day's hunting when the purpose is to rid the country of vermin; but when a group of townsmen, who have learned to ride under a roof in a professional riding school, proceed to the country and advertise their solvency by chasing a timid fox across the farmers' fields, the sight is not calculated to inspire admiration. Nor is there any sport more fitting than for a group of horse-breeding farmers to meet for the purpose of testing their colts in a fair and open competition. It is only by such open competition that successful horse breeding is made possible. But when horse racing degenerates into a mere vaudeville "stunt," or, as is more frequently the case, into a mere opportunity for a group of professional gamblers from the purlieus of the livery stables, who have been initiated into the mysteries of race-track management, to enrich themselves at the expense of the uninitiated, it is not too much to say that it has lost its virtue as the inspirer of a wholesome and agreeable social life in the country.

In view of the well-known excitability of the American temperament and its tendency to excess, it is important that rural sport in this country should be of a character which does not lend itself readily to extreme specialization; otherwise it will tend to drift into the hands of specialists who do the playing while the public looks on. This produces a spectacle rather than a sport. It is also important that there should be considerable variety in the forms of sport in order that as many as possible should be able to participate. Of particular importance, however, is the requirement that these sports should fit into the seasonal character of rural work. City work is so uniform that the time for recreation can be evenly distributed throughout the year. Short hours with regular weekly, biweekly, or monthly half holidays give the city worker ample time for wholesome recreation. But since in every farming country there are rush sea-

sons, when short hours and half holidays would mean a loss of crops, it is obvious that recreation time can not be so evenly diffused. To make up for this it is desirable that during the seasons when work is slack there should be regular periods of recreation and games, which need not be crowded into a single afternoon.

This suggests the need also of regular annual festival occasions suited to each section of the country and its type of agriculture, when there can be a general relaxation from the strenuous toil of the rush seasons. In anticipation of such a period of jollity, the grinding fatigue of the busy season is borne with more patience, particularly by the young people, and the work is done more vigorously because more cheerfully. Again, there is the possibility of uniting social pleasures with rural work to a somewhat greater degree than is now done. If the spirit which showed itself among our ancestors in the barn raisings, log rollings, and similar occasions could be restored, it is possible that the present generation could get a great deal of social pleasure out of the thrashing season and other occasions of a similar character. This would seem to be the natural time for the harvest-home celebration, which has been so important an event in old rural civilizations. In former days, however, as the writer can testify, thrashing was such prodigiously hard work, and a great deal of it was so dusty and disagreeable, as to stifle any spirit of jollification which might otherwise have arisen. But with the more powerful engines and more highly improved machinery of the present, the hardest and most disagreeable part of the work of thrashing has been eliminated. Under such conditions it is at least a theoretical possibility that the thrashing season in any neighborhood might be made a festival occasion, to be participated in by women as well as by men—by priest, parson, and schoolma'am as well as by the farmers themselves. This, however, is only by way of suggestion.¹

The highest form of social amusement is choral singing. This is peculiarly adapted to the needs of rural communities. In the first place, the equipment costs nothing. The human voice is not only the finest musical instrument known, but it is supplied free of charge to every human being. Training and practice under a competent instructor will, however, cost something. The money cost is usually less than the cost in time and practice. Again, as a matter of actual observation, it is found that group singing is a common practice in every country or community which has a wholesome rural life. Germany, Wales, and Denmark may be cited as conspicuous examples. Especially in the last-named country, which has so much to teach the rest of the world in the way of rural organization, group singing is one

¹ Quoted from the author's *Principles of Rural Economics*.

of the prominent features of the national life. Not only is every class in every school, from the primary school to the university, opened with a hymn, but practically every business meeting of every farmers' organization as well. When one hears a group of hard-headed, wide-awake Danish farmers, who have met together as directors of a cooperative bacon factory, join in a hymn at the opening of their meeting, one begins to understand why cooperation is so successful in Denmark. Back of business cooperation there is the cooperative spirit. This spirit is the result of years of education along cooperative lines.

In the city, where land is scarce, there may be some excuse for a lack of playgrounds. But in view of the fact that land is the one form of property which is abundant in the country, it would seem that a suitable playground could always be possible. It should, however, always be under the control of the civil authorities or a local organization, in order that it may not be monopolized by a few to the exclusion of the many, and in order that unsuitable language and conduct may be eliminated.

Aside from the recreational feature of rural sports, they have great value as socializing agencies. After people have learned to play together it is easier to learn to work together. Consistent working together will do more to increase the prosperity of the average rural community than any other single factor.

9. COMMITTEE ON BEAUTIFICATION.

The committee on the beautification of the countryside will probably have the hardest work of any. Many farmers so pride themselves on their hardheadedness that their heads are in danger of becoming not only hard but impenetrable, and their hearts as well. A house tends to become for them merely a thing to furnish shelter and protection, not to please the eye; paint becomes a means of preserving wood, fences become means of restraining live stock, land a means of growing salable crops, church and school lots exist for the purpose of supporting buildings, and flowers are merely incidents to the production of fruits and seeds. Few, however, are so far gone as to regard a cemetery merely as a place to bury corpses. This most serious reminder of the

realities of our earthly existence stirs in even the hardest natures the rudiments at least of a somber idealism and leads them to expend some effort at beautification. Nor are there many who are so far gone as not to prefer a handsome, well-groomed team even when an ugly, ungroomed team might do as much work. Every good workman prefers tools with a fine finish, even though they do not do any more work than those without finish or polish. In short, part of the joy of living consists in the satisfaction which we get directly out of our tools—the things with which we work—as well as that which we get out of the products of our work. One can well afford to sacrifice a dollar of money income if by so doing one can add two dollars' worth of satisfaction to one's work.

These remarks apply as well to fences, bridges, and out-buildings as to the dwelling house, and they apply particularly to the general appearance of the farm itself. The man in the city does not usually live with his business—that is, he does not live in or near his factory, his store, or his shop. If he has any surplus income he will generally spend some of it in the adornment of his home surroundings, but he too frequently allows his place of business to remain unattractive and even repulsive, unless he finds that it attracts customers better by being made attractive. If he were compelled to live with his business, that is, in or adjacent to his factory, store, shop, or mine, he would find it impossible to get the maximum satisfaction out of life if these places of business were allowed, as they usually are, to remain ugly.

Just here is one of the largest differences between city and country life. Whereas in the city business and life are divorced, the place of business and the home are separated, and the source of income is considered apart from the place where the income is spent, quite the opposite is true in the country. There the farm is both place of business and home, both source of income and the place where it is spent. It would therefore be ridiculous to adorn the inside of the home and leave its surroundings ugly and repulsive. It would be an interesting digression to speculate as to what would happen in our cities if all city business men were compelled to live with their business. It would certainly make slums impossible and lead to a vast improvement of the

factory districts—the elimination of smoke, noise, and other nuisances. However, that is a city and not a country problem.

In advocating a campaign for the beautification of the countryside it is not necessary to go so far as to sacrifice in any degree the productive efficiency of the farms. It is not proposed that farms shall be turned into parks. When tools are given a fine finish or polish they are not turned into toys; their working efficiency is not, or should not be, reduced in the slightest degree. Similarly, when the farm and its buildings, fences, hedges, etc., are made pleasing to the eye its productivity need not be at all diminished. Nor is it necessary that large sums of money should be spent on the beautification of the neighborhood or the individual farm. Our committee on beautification will have enough work to do in the average community if it merely develops in all the people an intelligent interest in the improvement of the general appearance of the neighborhood; first, through the improvement of school and church grounds, cemeteries, roadsides, bridges, and other public property; second, through the improvement of farm buildings by a better regard for proportion and a more intelligent use of paint, the artistic selection and location of trees and shrubs, and the care of lawns and gardens on individual farms.

10. COMMITTEE ON HOUSEHOLD ECONOMICS.

As previously suggested, one of the most powerful forces driving people from the country to the city is the lack of household conveniences in the country homes. The committee which can find ways of securing most of these conveniences will do a great deal toward making country life attractive and checking the movement from country to city. Every farmer learns to be handy with tools. With very little instruction he can put into his house many of the little things which reduce the drudgery of housework in city homes. Our committee should aim to furnish as much of this instruction as possible. Even if nothing more is done, it would be of value to collect drawings, illustrations, plans and specifications, price lists, and catalogues of all sorts of household improvements. Another possibility of usefulness for such a committee is the promotion of cooperative laundries, bakeries, ice houses, or ice factorics.

But it must be remembered that these labor-saving improvements seldom reduce the amount of work. They merely enable people to accomplish more with the same effort. Many labor-saving processes have been introduced into the farm home since the days of our grandmothers, and many kinds of work which our grandmothers did have been removed from the farmhouse to the factory. Yet it is doubtful if the ambitious farm woman of to-day works any less hard than did her grandmother; she merely does more things and supplies her family with comforts and luxuries which her grandmother never dreamed of having. And it may be confidently predicted that even if a hundred new labor-saving devices are introduced into the farm homes during the present generation, unless something else is done the women of the next generation will work just as hard as those of the present. They will merely accomplish more.

This increase in the results accomplished by work is altogether desirable as long as the results are desirable in themselves. But this is not always the case. Many of the things which we buy with our money, or get with our work, are not desirable for their own sakes; they are desired merely because others have them and we want to keep up with our neighbors. We are suffering infinitely more from competitive consumption than from competitive production.

One of the most destructive forms of competitive consumption is the effort which country people make to act and dress like city people. This desire to imitate city people indicates a feeling of inferiority on the part of country people. It will never be cured until country people organize themselves and develop a feeling of solidarity and a pride in being country people. When a class of people feel themselves to be the equals or superiors of another class they never try to imitate that other class.

Then there is the rivalry among members of the same class or community to outshine one another in matters of consumption, display, or ostentation. "Conspicuous waste" becomes a recognized method of advertising respectability. Where this spirit prevails, no matter how much money we have, we can never have enough to live in mental comfort, but will strive with might and main for more. Similarly, no matter how many labor-saving devices there may be in the farm

home, the women can never do as much as they would like to do, but will continue to wear themselves out trying to do more.

One of the largest results, therefore, which should come from an effective rural organization should be such a standardization of consumption as to stop this form of strenuous competition. When country people stop trying to imitate city people, when they have the strength to set their own standards of consumption, and when they agree to do the things they really want to do and have the things they really want, then the introduction of labor-saving devices will really lighten work.

Earlier in this discussion attention has been directed to the work which the country school may do in the organization of a rural community. Attention should also be directed to the opportunities of the country church. To those who object that the church should not concern itself with temporal matters it is only necessary to reply that it must do so or perish. It is not for us to state what the church ought to do. That is for its own leaders to determine. As a mere question of cause and effect, setting aside for the moment all questions of moral obligation, the following considerations are presented to those leaders:

It is a law of rural economics that the best land of any community tends, in the long run, to pass into the hands of the best farmers. The reason is that they can afford to pay more for the land, either in the form of a purchase price or in the form of rent, than poorer farmers. The farmer who can make 100 bushels of corn grow where others can make only 50 can pay more for the land. In the long run he and others like him will outbid the poorer farmers and gradually possess the land. Now, if religious people turn out to be better farmers than irreligious people, then religious people will eventually come into possession of the land. But if, on the other hand, irreligious people should turn out to be the better farmers, then irreligious people will eventually possess the land and the country churches will die a natural death.

Again, it is the experience of organizers of rural interests in every country that the great obstacle is the lack of a

neighborhood spirit and mutual good will. Wherever this spirit exists organization is easy. Wherever it is lacking and mutual suspicion and antipathy exist in its stead, there organization is difficult. In this connection one may be justified in asking: If the church does not promote neighborly feeling and mutual good will, what does it exist for?

One of the impressive things about the rural organizations of such countries as Ireland, Belgium, Holland; Italy, Germany, and Denmark is the active part which the local priest or parson has played. It is quite the common thing to find that the priest or parson is the president of the cooperative society, while the schoolmaster is its secretary and business manager. This, however, is partly due to the fact that these two men are frequently the only educated men and generally the best educated men in the community. Such is seldom the case in this country. In any prosperous farming community it will frequently, if not generally, be found that there are farmers who are better educated than the priest, parson, or school-teacher, besides having much more practical business experience. Where this is true it is better, of course, to leave the practical administration of affairs to these farmers. Nevertheless, the inspirational work of the church might well be directed toward the creation of such a neighborly spirit and mutual good will as would enable the whole community to work together easily and amicably. And in those communities where the country preacher is the best educated man and where he has or can obtain information as to methods of organization, there can be no objection to his assuming leadership in the organization of the community.

In closing it can not be emphasized too much that patriotism, like charity, begins at home—that is, in the neighborhood. Neighborhood loyalty, willingness to sacrifice if need be, for the good of the neighborhood, is just as important as national loyalty and willingness to sacrifice in the interest of the nation. No nation can be strong, prosperous, or progressive which does not command the loyalty and support of its citizens. Neither can a neighborhood. It is as true of a neighborhood as of a nation that “a house divided against itself shall not stand.”

SUGGESTED READINGS FOR THE VARIOUS COMMITTEES.

Each committee is strongly advised to correspond with its own State college and with the United States Department of Agriculture, asking for specific information and for suggestions for further reading. The readings here suggested are by no means exhaustive. They are intended merely to start the committees in the right direction. There are doubtless many publications other than those enumerated which would be of equal value.

1. COMMITTEE ON PRODUCTION.

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- HARWOOD, W. S. The new earth. New York City, The Macmillan Co., 1906.
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- SPILLMAN, W. J. Systems of farm management in the United States. Yearbook, Dept. of Agriculture, 1902. pp. 343-364.
- TAYLOR, HENRY C. An introduction to the study of agricultural economics. New York City, The Macmillan Co., 1905.

2. COMMITTEE ON MARKETING.

- *AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE. Annals, vol. 50, whole No. 139. Reducing the cost of food distribution. Philadelphia, American Academy of Political and Social Science, 1913.
- *ANDREWS, FRANK. Freight costs and market values. Yearbook, Dept. of Agriculture, 1906. pp. 371-386.
- *DAGGETT, STUART. Railroad reorganization. Boston, Houghton, Mifflin & Co., 1908.
- *ELLIOTT, HOWARD. Business efficiency in farming and railroading. St. Paul, Northern Pacific Railway, 1911.
- *THE MAYOR'S MARKET COMMISSION OF NEW YORK CITY. Report. 1913. Address the Chairman, Mayor's Market Commission, New York City.
- *POWELL, G. HAROLD. Cooperation in agriculture. (Rural science series.) New York City, The Macmillan Co., 1913.
- *RIPLEY, WILLIAM Z. Railroads, rates and regulation. London, Longmans, Green & Co., 1913.

*Recommended by Charles J. Brand, Chief, Office of Markets and Rural Organization, U. S. Department of Agriculture.

- *SEIBELS, WILLIAM T. Produce markets and marketing. Chicago, Produce Markets and Marketing Co., c. 1911.
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