

If you want Prosperity to return to America

R E A D

—The—

**AGRICULTURAL UTILITIES
P L A N**

—Of—

FARM RELIEF

It Corrects The Faults Of

—The—

Domestic Allotment Plan

and if enacted

IT WILL—

1. Place the American Farmer on his feet and give him a chance to work himself out of the hole other farm relief plans have put him in.
2. It will make \$30,000,000,000 worth of farm mortgages, now uncertain, once more sound.
3. It will provide a market for billions of dollars worth of manufactured goods.
4. It will not add a penny to taxes, and it will not require new hordes of government employees to carry it out.
5. It will go a long way in protecting America against the depreciated currencies of other nations.
6. It will save thousands of banks now tottering on the verge of insolvency, from the hand of the receiver.
7. It will replace the discouragement and pessimism in the heart of America today, with renewed confidence and faith in the United States and American institutions.

Issued By The

**Williams-Grand Canyon Chamber
Of Commerce**

WILLIAMS

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ARIZONA

A NATIONAL CRISIS

With fourteen million American workmen out of employment today, and denied the opportunity to work and provide their dependents with even bare necessities of life; with the agricultural population of the American reduced to an economic condition that is nothing short of desperate, their crops selling for less than the cost of production, and the great mass of farmers threatened with the loss of their farms, their homes, and all the material things of life that they have accumulated with years of hard labor; with factories closed down, and the business and bank failures occurring on every hand, municipal, county and state governments threatened with insolvency, and even the national government repeatedly failing to make its income cover its expenses, it is apparent to any thinking person that a national crisis has arisen that is fully as threatening if not more threatening to the national safety than that which confronted the United States in 1917.

The conviction has grown upon American legislators and statesmen as well as upon the mass of the American people that to bring America out of this deplorable economic condition, to end this depression amid plenty, this reduction of millions to dire want amid staggering surpluses of everything needed to satisfy the physical wants of man, means must first be found to place the American farmer back on a sound industrial basis.

To that end our United States congress has instituted and tried a number of plans chief among which are agricultural loans direct from the government, and the Farm Board.

It is a regrettable fact that the farm loans have resulted only in placing the farmer further in debt, increasing his surpluses and helping undermine his market price until today, every bushel of wheat, every pound of pork or beef, every bale of cotton he produces and sells not only fails to cover cost of production but runs him farther into debt, increasing his economic distress.

The Farm Board was instituted with powers and finances to buy up the farmer's surpluses for the purpose of stabilizing the market for his commodities, and assuring him a fair return for his efforts. This, too, met with failure because of the inability of that Board to remove the surpluses definitely from the American market. Instead, farm surpluses have rested like a gigantic weight upon the farmer's industrial edifice, driving its foundation—the market price—deeper into the quicksands of economic ruin.

Domestic Allotment Plan Appears

Now the Domestic Allotment Plan has appeared

above the farmer's horizon, with the golden fringed promise of the **one** thing the farmer has needed all along, a **just market price** for his commodities.

At first hailed with freshly awakened hope, assuredly a step in the right direction, the plan is now viewed by an increasing number of farmers and friends of farmers, with growing apprehension. Its faults are so numerous and so colossal that it is feared it could only follow in the footsteps of the Farm Loan Plan, and the presently constituted Farm Board Plan, and render the plight of the American farmer yet more desperate.

Faults Enumerated:

1. It is based on a tax and the word "tax" has become anathema to the American public.
2. The packers, millers, refiners . . . are made the collectors of the tax, and they object strenuously to being given that job.
3. With the variable export market price to which the tax would be added, either the total selling price or the tax would have to be varied constantly, making an enormous amount of accounting. If the export price were the down price paid the farmer, that would not cover cost of production and would be insufficient to enable him to carry on his operations while waiting for final settlement through the tax.
4. The plan does not take the necessities of life out of the hands of the market gamblers, a crime against civilization.
5. Allotting acreages would be a colossal job. It would place an enormous amount of power in the hands of the allotment officials, making a certain amount of favoritism unavoidable. It would stir up discord among the farmers, even though the allotment officials tried to be impartial, for it would be only human for each farmer to think his allotment unduly small and his neighbor's unduly large.
6. It would exclude young men and others seeking to enter the farming profession, whereas farming like any other calling should be left open constantly to new blood.
7. The plan being forced to wait upon the signatures of sixty per cent of the farmers would be delayed to an extent which would prevent its immediate relief to the present emergency, that the present crisis demands.
8. The whole proposition is extremely complicated, and would require an enormous staff to carry it out.

It is because of these and other faults in the Domestic Allotment Plan, that the Agricultural Utilities Plan has been prepared, aiming at the same laudable purpose of a fair price for the commodities of the agri-

culturalist, and the rehabilitation not only of the farming industry but of the entire nation. It is urged upon the President and upon Congress as an emergency measure competent to cope with the present national crisis.

Agricultural Utility Plan—What It Is

The Agricultural Plan, like the Farm Allotment Plan, aims directly at the core of the farmer's problem—the market price. But instead of a complicated system of arriving at a market price by means of the world market price plus a tax, it proposes simply to set a just price on six chief farm commodities each year, and make that price stick. It proposes a means of dealing with surpluses that cannot fail to hold the market price firm as bed rock.

The six commodities it proposes to regulate are: Wheat, Cotton, Tobacco, Wool, Beef, Pork. The reason for picking these is similar to that for picking a certain set of commodities under the Domestic Allotment Plan. They are produced in great volume, are woefully in need of regulation, and they are bought by a comparatively small number of packers, millers, refiners

The Agricultural Utilities Plan would meet the claim of unconstitutionality already raised against the Domestic Allotment Plan, by having these six commodities declared public utilities and hence subject to regulation the same as railroads, electric power companies and the like. It would also have the present crisis declared an emergency with powers delegated to the president similar to those in war times, until a constitutional amendment could be made—if necessary.

The Agricultural Utilities Plan would take these six commodities definitely off the exchange and thereby put an end to gambling on the major portion of the agricultural necessities of human life.

The Agricultural Utilities Plan would include enough tariff on the six named products, and also upon other farm products to protect the American farmer against the agricultural products of other countries, and especially those with greatly deflated currencies.

By the Agricultural Utilities Plan, congress would delegate to the Farm Board, the Farmers Cooperatives, the Grange and other farm organizations of sufficient importance, working with the President or his representatives, the power to fix the price on the six named commodities at a suitable time each year. This price would be published, and every buyer would be required to pay it, under severe penalty for evasion. The prices set would be sufficient to enable the farmer to pay his taxes, interest and other running expenses, and also the cost of operation of the plan, and still have enough left for a decent living—a farmer's living wage.

The Agricultural Utilities Plan would set the selling agent's commission, say at a cent or a cent and a half a bushel of wheat or a very little more, and give this

agency to the Farmers Cooperative by preference where operative, and to other suitable representatives including privately owned elevators where a direct representative of the farmers was not available. These agents would be the only middle men needed between the farmer and the big buyers, who would in all cases be required to pay the set price.

But the unique feature of the Agricultural Utilities Plan as compared with other plans offered, is the effective manner in which the surplus would be handled in order to prevent its reacting against the set market price. The Farm Board would be delegated to buy up that surplus as fast as it occurred and to see to it that it never again returned to the American market, unless dire need of it should arise at the set price or higher.

The board would be financed by a bond issue that would be carried by the plan itself, without a penny of extra taxes to be raised by Congress, for the plan is self-financing.

Wheat As An Example

To save time and space, and to exemplify the effective means this plan provides for disposing of surpluses, follow the example of wheat alone.

Suppose the set price on wheat should be one dollar (\$1.00) a bushel delivered in Chicago. The set price for the farmer in western Kansas would, very naturally be one dollar minus the freight from his point. The farmer, upon the delivery of his wheat would be paid fifty or perhaps sixty per cent of the set price for his point in cash by the agent. The agent in turn would sell the wheat to a miller or other consumer if available, and if not, to the Farm Board for one dollar a bushel. This would give the agent a wide margin after deducting his commission, which he would turn over to the Farm Board for use in the final settlement which would be made probably in May.

In addition to his cash the farmer would get a due-bill good for his share of the residue of the proceeds from his crop as shown at final settlement.

The Farm Board would be empowered to sell the surplus it collected, on the world market, at the world market price in so far as the world market would absorb it. And the residue, that the world market would not absorb, that not wanted by other nations, not needed in America by commercial buyers, the Red Cross or the R. F. C., **would be destroyed**, after a reasonable reserve had been put aside against drouth and catastrophe. It would be burned, dumped in the Mississippi, the Atlantic—whatever method might prove most economical and effective—so that it could never come back to undermine the set price.

Suppose the surplus that had to be destroyed plus the loss on wheat bought by the Farm Board at one dollar and sold perhaps for forty or fifty cents, should

reach the figure of two hundred million bushels. Suppose the nation's total crop were two billion bushels. The two hundred million would represent ten per cent of the total crop, which approximates the yearly surplus that made the Farm Board plan a failure. The ten per cent would then be charged to the dollar a bushel paid into the agents by the buyers.

Total Deductions

The deductions to be taken from the buyers dollar would be the ten percent loss due to surplus, a cent for agent's commission, a sufficient amount to cover the wheat's portion of interest on the government bonds floated to finance it, based on volume of business, something for a sinking fund on the bonds, and something more for wheat's share of the expense of operation—clerical work, inspectors, the Farm Board, office rent and the like. In all a deduction of twenty per cent should be ample.

This twenty percent, or twenty cents in the case of dollar wheat, would be deducted from the dollar, and there would be a payment of thirty cents per bushel left to go to the farmer. In other words, the farmer would enjoy a set market price of eighty cents a bushel for wheat, without Congress voting one copper for the operation of the plan.

Outstanding Benefits of the Plan

1. The farmer would be given an opportunity to work out his own salvation which is all anyone can fairly ask, and he would not be run further in debt as in case of the Farm Loans.
2. Thirty billions of dollars worth of farm mortgages in this United States would be made sound. The farmer would again be able to pay his interest, and such open violations of civil rights as that in which a mortgaged farm and its improvements and stock were sold for three dollars and fifty cents and returned to the farmer, would quickly cease to occur.
3. Banks in agricultural districts, that are still open, would have their agricultural loans made sound at once through guaranteeing the farmer a market price that would enable him to pay taxes, interest, operation and living expenses and still have a residue for payment on principal—that is any good farmer, any farmer who belongs on the land.
4. An established farm market for billions of dollars worth of automobiles, trucks, tractors, radios, farm machinery, modern farm conveniences and what not would be created, and immediately there would be a great rush of factories to provide goods for that farm market, necessitating the re-employment of millions of men idle today.

5. The credit, the financial stability of the entire nation and all its industries would again be set on a sound basis.
6. Congress would find an immediate increase in the revenues from all present forms of taxation due to increased buying, increased values, increased profits. Income taxes would mount. Even the farmers would again have incomes to be taxed.
7. A general uptrend of prices the nation over would be inevitable.
8. All market commodities would benefit, because whenever the price for any other crop was not sufficient the farmer could always return to one of the protected six and be assured of a decent living at the very least. Prices of all commodities would achieve a natural balance. Corn, of course, would be regulated by the price of hogs and beef, and rye, barley and other substitute feeds would follow.
9. The Agricultural Utilities Plan would be self regulating. If the farmer took to raising too many acres of wheat, his price would come down. If he regulated his production closely to the agricultural needs given out by the Department of Agriculture, he would increase the price received to maximum. But even with an unheard of surplus of wheat, the market could not be undermined, and at half the set price he could operate till he learned his lesson and quit raising surpluses.

Domestic Allotment Objections Overcome

Go back to that set of objections to the Domestic Allotment Plan. Check them off as follows:

- Objection 1. The tax. There would be no tax.
- Objection 2. The millers, packers, refiners, don't want the job of being tax collectors. They would not be made tax collectors.
- Objection 3. The variable market price etc
The market price would be established giving that solidarity so woefully lacking in American industry today.
- Objection 4. Does not take the necessities of life out of the hands of the market gamblers. The Agricultural Utilities Plan would put an end to gambling on agricultural commodities.
- Objection 5. The allotment of acreages—There would be no allotment of acreages. Each farmer would be free to use his land as he saw fit—with automatic penalties if the farmers as a whole, saw fit to indulge in huge surpluses.
- Objection 6. The exclusion of new entrants to the farming industry. There would be no exclusion. It would be as free and open as ever.

Objection 7. Delay due to waiting for sixty per cent of signatures. There would be no signatures required, hence no delay.

Objection 8. Complication of plan. The Agricultural Utilities Plan would be simple of operation. No new boards needed. No huge army of allotting officials. No huge army of clerks needed.

The Agricultural Utilities Plan and The Industrial Crisis

No foreign foe of today could put America to flight, but the depression has her in retreat in all sectors, with prices and values everywhere crumbling, and institutions of long standing going down in financial ruin. And still the prices go down, failures increase, uncertainty reigns, and hope seems lost.

Institute the Agricultural Utilities Plan, put farm commodities onto a fair basis, and immediately the farm population, one third of the nation will be placed on a sound financial footing. Thousands of agricultural towns and cities, now languishing because their source of revenue has been dammed up, will awake to new life.

Out over the rural school districts thousands upon thousands of schools will be reopened and teachers re-engaged and guaranteed their pay because the farmers will again be able to pay taxes.

The building trades will revive because the farmer will be able to build again. Lumbering and metals will benefit thereby.

In the great industrial centers, makers of automobiles, trucks, radios, farm machinery, farm conveniences, clothing—everything that the farmer uses—will hasten to open their factories in order to be ready for the sure market the farmer's rehabilitation will create. Millions of workmen will be reemployed. The entire nation will benefit.

What America needs today is an order for a general advance all along the No Man's Land of Depression. The adoption of the Agricultural Utilities Plan will constitute just such an advance, an advance of such proportions as the world has never seen. It will turn the tide of battle in the economic crisis, making American institutions once more secure, replacing the uncertainty and fear in the American heart with hope and confidence, and lead on to an era of success and prosperity, such as Americans have not yet dared vision.

America's financial status, her whole economic structure, is sound or unsound exactly as the agricultural status is sound or unsound. America must make Agriculture sound, and she cannot wait for sixty per cent of farmers to sign any plan, she cannot wait to educate recalcitrants to any program. America must get into the breach right now.