

# PRODUCTION AND MARKETING PLANS FOR NEXT YEAR

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Before proceeding to outline the production and marketing plans of the Department of Agriculture for the present time, as a large part of next year's production depends upon the present seedling of winter grains, and for the ensuing year, let us first examine briefly what the problem is and why it is so unusually necessary to make plans for the next year.

That bread is second only to bullets as an essential to win the war is not a theory but a cold fact. A relative scarcity of food supplies already exists, created in part by unfavorable conditions for crop production, and in part by the diversion of vast amounts of farm labor from the field of production into the pursuits of war. At least forty million men, a large number of whom come from agricultural pursuits, are now engaged in war or in war work. The year 1915 witnessed the production of prodigiously large crops of the important cereals in most of the producing countries of the world. The United States made 1,025,000,000 bushels of wheat, as compared with 891,000,000 bushels in 1914, and a five-year average of 728,000,000 bushels. Last year (1916) in contradistinction we produced only about 640,000,000 bushels, practically 400,000,000 bushels less than in 1915, and nearly 100,000,000 bushels less than the five-year average. In the face of this reduction in the crop our normal export requirements of about 125,000,000 bushels were more than doubled in order that we might feed the Allies and the neutral countries depending upon us.

In the case of corn also, 1916 witnessed the production of a crop fully 400,000,000 bushels less than the preceding bumper crop. Our white potato yield was nearly 100,000,000 bushels less than usual. A situation similar in kind but less in degree prevailed with respect to barley, rye and oats. In the case of some crops, notably rice, meats and other animal products, root vegetables and some

other vegetables and fruits, including sugar beets, and sweet potatoes, there was a somewhat larger production but wholly insufficient to fill the void occasioned by the reduction of nine bushels per inhabitant, or a total of about 900,000,000 bushels of the three great staple food crops,—wheat, corn and potatoes. Cabbages and onions, important staples, were also present in a very short supply that resulted in extraordinarily high prices. Beans, which are especially important in war time, were normal in crop, but so abnormal a demand existed as to occasion a real shortage. As a result of the reduced production throughout the world and the enormous demand, reserve stocks have been depleted to an unusual extent. The outlook for the current season is fair and there need be no fear of famine so far as our own population is concerned. However, as we have associated ourselves with the Allies across the water in a grim determination to defeat the central empires in this war we cannot think in terms of our own needs only, but must have in mind in addition those of our allies and those of deserving neutrals dependent upon us. Recent exposures force the consideration seriously of very great extensions of the existing embargoes on foodstuffs and other materials. The normal total production of France, Italy, the United Kingdom and Belgium of wheat, corn, oats, barley and rye is 1,846,000,000 bushels. Their normal consumptive requirements are 2,214,000,000 bushels. Hence their import requirements exceed 728,000,000 bushels. In normal times Canada and the United States have contributed roughly 240,000,000 bushels of this need, each shipping about half of the quantity. Russia, North Africa, Australia, India and Argentina have furnished the rest.

In a general way the diet of the average person in the United States is obtained from the following sources:

- 39 per cent animal
- 31 per cent cereal
- 25 per cent fruits and vegetables
- 5 per cent sugar, condiments and miscellaneous

It is apparent from this that practically 70 per cent of the whole food requirements depends upon animal and grain food products. Therefore it is their production and conservation that is of the highest importance. On account of the inroads that war has made upon the herds and flocks of the world, it is estimated that there

has been a decrease of over 115,000,000 head of cattle, hogs and sheep. Although our own animal production has been increasing slightly during recent years after a long period of serious decline, it has not kept pace with our increasing population to say nothing of our export demand. The average exportation of American meats during the three years preceding the war was something over 493,000,000 pounds. During the war year, extending from July 1, 1915 to June 30, 1916, the total exportation was almost 1,400,000,000 pounds, or an increase of nearly a billion pounds over normal times.

In the case of the cereals, the existing crop situation in the allied countries, while fairly satisfactory, in view of the vast amounts of labor diverted to war, still leaves a large total requirement that must be supplied largely by North America. The long haul from Australia requires three times the tonnage that shipments from North America require and shipping is scarce. The great uncertainty of being able to move any considerable quantities from India make it unwise to depend too seriously upon that source. Transportation conditions in Russia are almost impossible even though there may be considerable wheat available. The last season's crop from the River Plate territory was small, and the outlook for the new harvest is not encouraging. Hence, added responsibilities for the United States and Canada.

In the case of wheat, the probable production of our great allies is about 961,000,000 bushels compared with their normal peace production of 1,486,000,000 bushels. The deficiency due to war promises to be about 525,000,000 bushels in Great Britain, France and Italy. The neutral nations dependent upon us need about 192,000,000 bushels. The normal consumptive requirement of the United States is about 575,000,000 bushels. The Bureau of Crop Estimates anticipates a crop of about 668,000,000 bushels. Hence our exportable surplus will be in the neighborhood of 90,000,000 bushels. On the basis of the existing crop prospects throughout the world, the United States, Canada, Argentine, Australia, North Africa and India will be able to supply about 500,000,000 bushels. This leaves between seventy-five and one hundred million bushels of shortage which must be obtained by conservation and better utilization. What this means in terms of bread will perhaps convey the shortage to your minds more adequately.

It requires four and one-half bushels of wheat to make a barrel of flour. If the shortage were 75,000,000 bushels and it took five bushels to make a barrel of flour, the shortage would be 15,000,000 barrels. A barrel of flour under average conditions in modern bakeries produces 275 loaves of bread. Hence the shortage amounts to more than four billion loaves of bread. This probably is sufficient to feed every soul in the United States with his normal requirement of bread for two months. I have cited meats and cereals to indicate the amount and character of our needs.

In the case of two of our great food crops the prospect is for a large increase. In spite of the early frosts in the northern states we will probably have a corn crop of at least three billion bushels as compared with a five-year average of 2,700,000,000 bushels. The prospect for a potato crop is exceedingly fine, the estimates indicating about four and one-half million bushels. Last year's crop totaled only 285,000,000 bushels.

With this general introduction of the great problem to be met let us examine briefly the steps that are being taken in the United States to increase production and to improve distribution.

### PRODUCTION PLANS

*Cereals.* The elaboration of a food production program raises many serious questions. When war was declared in April, seeding plans for the current season were far advanced and of course the winter wheat crop planted the previous fall was susceptible of no particular attention except through the possible application of nitrates for its quicker stimulation. Nevertheless, active steps were taken immediately to effect as large an increase as was possible. The Secretary of Agriculture called together at St. Louis on April 9 and 10, a most representative body of the agricultural interests of the nation. After thoroughgoing discussion of all of the problems involved, a careful report was drafted recommending the steps to be taken. The main features of the production program may be summarized briefly as follows:

1. Every community was to be urged to produce its own food and feed so far as practicable.
2. The production of non-perishable staples was to be increased beyond local needs in every locality where this could be done most profitably.
3. The staples recommended by the Department for immediately increased

plantings were spring wheat, rye, beans and rice. Sugar beet and sugar cane production were to be increased in districts lending themselves to those industries.

4. The commercial production of perishables was to be increased above normal only as the facilities of transportation and marketing were assured, while the home garden was encouraged, particularly with a view to supplying the need of the family growing it.

It was recognized that the farmer is a business man and that he could not produce crops at a loss. Therefore, only sound practices which involved no dislocation in the industry were recommended.

During the current summer more definite recommendations for the production of 1918 have been prepared, taking into account the existing conditions as to transportation, seed supply, fertilizers, farm machinery and available farm labor. The program worked out called for 44,634,000 acres of winter wheat. The authorities of the states most concerned, which are those properly equipped with machinery for producing and harvesting winter wheat, decided that it was possible to increase the acreage, and the plan finally adopted called for the sowing of over 47,000,000 acres of winter wheat, and over 5,000,000 acres of winter rye. On the basis of the average yield for the past ten years, this acreage should produce about 672,000,000 bushels.

As noted before, the prospect for the present year of both winter and spring wheat is only about 668,000,000 bushels. If we should have a bumper crop, this acreage would produce in the neighborhood of 850,000,000 bushels. On the whole, for the United States, the per cent of increase suggested is 18.

With regard to spring wheat, it is too early to determine what area should be sown next year. In 1917 there were 19,000,000 acres. If the yield is up to the average of the last ten years, there will be a crop of 251,000,000 bushels. If it equals the great crop of 1915, it may total 350,000,000 bushels. Should we attain a combined planting of 66,000,000 acres of spring and winter wheat, and have an average yield, we may expect over 1,000,000,000 bushels in 1918. With highly favorable conditions, it might reach a billion and a quarter.

Rye is recommended particularly for the soils and conditions in those states suited to its cultivation where wheat production is more precarious and rye can be planted more safely. It succeeds

on poorer soils with less fertilizer than wheat; likewise is somewhat less susceptible of winter killing. An acreage of 5,131,000 is recommended, which on the ten-year average yield will produce about 84,000,000 bushels. This acreage would represent a 22 per cent increase over last year.

The planting of winter oats in the south is recommended to the extent that suitable seed of adapted varieties is available. Recommendations have not been prepared covering next spring's planting of corn, spring oats, rice, the grain sorghums and buckwheat, but in due time and well in advance of the planting season, these recommendations will be available.

The bean acreage this year represents an increase of over 84 per cent over last year's. It is still too early to say definitely what should be done regarding this crop, as well as soy beans, cowpeas and peanuts. The increase in the acreage of the peanut crop in the last year is 60 per cent.

The production of hay and forage crops is to be increased to such an extent as may be practicable, to equal at least the plantings of the present season. Fortunately the high prices of livestock will tend to discourage plowing up pastures to grow grain crops, thus to an extent enlarging our possibility of supplying ourselves and our allies with sufficient livestock and meat products.

The demand for fertilizer is very large and the demand for basic chemicals, particularly sulphuric acid, in other industries, including munitions, has resulted in high prices and low stocks. In addition, there is some suspicion of hoarding, particularly of sulphur which might be used to increase our fertilizer supply. An investigation of this subject is to be undertaken immediately.

Carefully worked out plans are being put into operation in the areas where suitable seed stocks exist, to insure their use for increased production. In coöperation with the Food Administration all requests for the storage of grain for seed purposes will be passed upon with a view to effecting the saving of the highest qualities.

*Livestock.* The Department, with the coöperation of the Food Administration, agricultural colleges, livestock associations and producers, is taking many steps to extend the production of cattle, hogs, and sheep. With respect to beef cattle, the following lines of work are being actively prosecuted: increased feed production work, direct distribution of range cattle to feeding areas, the re-

distribution of livestock from drouth-stricken areas to areas of more plentiful feed, a concentrated drive against the cattle tick, the most efficient management of federal grazing lands, the greater encouragement of boys' beef clubs, and the appointment of a very large number of additional agricultural agents who will assist in the extension of the cattle industry through educational and demonstrational work.

Inefficient dairy cows at existing beef prices have proven more valuable for meat than for milk production with the result that unprofitable cows have gone to the block and a concomitant decrease has taken place in the total production of milk in proportion to the population. While milk prices are high, they have not risen in proportion to other products. Increase in the supply of milk and milk products must be secured by a better understanding of scientific methods of feeding and the selection of cows of greater production. This is being fostered by the Department through increasing the number of cow testing associations. Much ill-advised talk is going the rounds of the press calling for the prevention of marketing dairy calves. We can not feed the same milk to both babies and calves; neither can we use our available feeds for growing inefficient dairy calves into low value beef animals and have the requisite amount of feed left to produce the needed flow of milk. A certain way to decrease production would be to prohibit the slaughter of dairy calves. The Department disapproves of steps in this direction.

There is a world shortage of wool and mutton. To overcome this, all agricultural agencies are working in the direction of more thorough education in sheep raising and wool growing along safe and conservative lines. The redistribution of ewes no longer able to endure the hardships of the range to small farms is suggested. Steps will be taken to further overcome the injury and loss due to predatory animals. The saving for breeding purposes of every ewe lamb that promises to have an economic future is also urged.

Hog production is to be increased by every available means, including the greater control of hog cholera and other hog diseases and general educational and demonstrational work in the direction of more efficient production of pork and pork products. In connection with hog production we are urging particularly upon farmers the raising of all meat required for home use and the utilization of pas-

ture and forage crops to a maximum extent in order to reduce the grain ration required for making pork.

*Perishables.* It is too soon to make definite recommendations regarding acreages of truck crops to be planted for harvest in 1918. It is certain that we should have more frequent and more detailed estimates of crop prospects and crops, particularly of the highly perishable fruits and vegetables. The home garden, as was urged this year, should be encouraged to the extent of supplying as fully as possible the needs of the family growing it and any certain market outlet that may be available. The market gardener should be encouraged to plant to meet seasonal demands of the market he customarily supplies. The trucking industry should be encouraged to plant such acreages as will meet the normal demands of the markets as fixed by production in competing territories. Expansion of commercial production should be undertaken only after very thorough investigation in such territories as have not been thoroughly tested. So far as possible truck crops should be produced at the shortest feasible distance from the point of consumption in order to lessen the exactions upon our transportation facilities.

#### THE NATIONAL GOVERNMENT IN ITS RELATION TO MARKETING CROPS DURING THE WAR

Increased attention must be given to the marketing of food products in the present crisis because, in response to appeals from every side, production will be increased immensely during the present season. Sections which never before produced commercial surpluses will do so this year and the producers, being inexperienced in marketing, will not know how to dispose of their commodities without assistance. They will be confronted with a situation somewhat similar to that which faced some of the farmers in the Southern States when, after the ravages of the boll weevil had made it inadvisable to continue to plant cotton, the producers began to raise other crops and produced grain in commercial quantities. The proper distribution of this season's bean crop in such a way as to secure equitable returns for the producers promises to be an important problem, and potatoes have been planted so heavily that many sections will show a commercial surplus for the first time. The growers of these commodities will be largely dependent upon the Department for disinterested and accurate information.



The economical disposition of the products of home gardens—the number of which has increased tremendously—has presented many difficulties. At present it is impossible to measure the effect which the harvesting of these commodities will produce. Some of the truck growers surrounding certain large cities have not been able to dispose of their crops because their former customers have been turned into producers. They can only hope to sell their products in other cities which have not engaged so extensively in gardening and the problem has been to stimulate consumption and to bring the growers promptly into touch with communities which are able to absorb their products.

The particular marketing plans with which the Bureau of Markets will be charged are outlined below:

#### MARKET NEWS SERVICES

One of the things pressing most strongly for attention in the present crisis is the question of proper and equitable apportionment of supplies between markets to avoid the manifest wastefulness of having some markets undersupplied and some oversupplied with food and of allowing food to decay because it cannot be sold in the market to which it has been sent. This question the Bureau of Markets proposes to meet by extending its market news services on fruits and vegetables and livestock and meats, and to render a service similar in nature upon butter, eggs, poultry, grains, seeds and hay. These services will not only promote a more equitable distribution of the food of the nation, but will assist the producer in obtaining a better market for his products.

*Fruits and Vegetables.* A field force has been organized to cover in turn the most important producing areas of various fruit and truck crops immediately preceding and during the shipping seasons. Some of the crops covered by the news service last year were tomatoès, cantaloupes, peaches, watermelons, onions, asparagus, strawberries, potatoes, grapes and apples. Temporary and permanent branch offices have been established in the most important markets and consuming centers and daily telegraphic reports are obtained from the common carriers showing the number of cars of each crop shipped from producing areas on their lines and the destinations to which such produce will go. These reports, together with the number of cars offered and the prices prevailing

on each of the principal markets, are summarized for redistribution to producing districts, markets and the press.

Under the emergency appropriation the number of permanent stations will be increased from twelve to twenty-five and the list of products reported on will be enlarged so as to include all of the more important fruits and vegetables and such staples as dried beans and peas. The service will be country wide, stations being opened on the Pacific Coast and in the South.

*Livestock and Meats.* A market reporting service on meat trade conditions in the eastern consuming cities was instituted in December, 1916, and the information is published daily in bulletin form in such important markets as Boston, New York, Philadelphia, Chicago, Omaha, Kansas City and Washington. Daily telegraphic reports are received from division superintendents of railroads showing the number of cars of each class of livestock loaded during the preceding twenty-four hours and the destinations of these cars. This information is compiled daily and wired to the principal central markets.

Under the emergency appropriation the eight stations now covered will be increased to twenty and the organizations in Chicago and New York will be built up to a point commensurate with the importance of those markets. This work should be particularly valuable in the present emergency not only in equalizing the distribution of livestock and meats, but because, tending to inspire confidence in the mind of the producer and relieve him of the fear of manipulation, it will increase production. The livestock business has been so hazardous that stockmen have been leaving it for other and safer undertakings.

*Butter, Cheese, Eggs and Poultry.* The news service on dairy and poultry products will include the securing and issuing of reports of production, market receipts, market conditions, and market prices of these products. Branch offices will be established on the Pacific Coast, in the Middle West, in the South, and in the East. This work, however, is yet in an experimental stage. This service is greatly needed as the storage of these products is based largely on guess work and inadequate information and trading in these products involves much speculation. An information service on these products should improve market conditions, stabilize prices and facilitate trading. The need of this market information is greatly

increased by the fact that the butter and egg exchanges are scarcely performing their normal functions.

*Grain, Seeds and Hay.* A market reporting service is now being established for grain, hay and seed. Under this service bi-weekly reports are being issued giving estimates of stocks on hand, shipments, requirements of markets in the immediate future, and the prices at which these commodities are being bought and sold in various sections of the country.

For this purpose the country has been divided into ten districts, the first district to be organized including Virginia, West Virginia, North and South Carolina, Maryland and Delaware. Reports will be issued at present on wheat, corn, oats, and hay. Other commodities will be added and additional territory included as rapidly as possible.

Working in coöperation with the Bureau of Plant Industry, seed stocks of suitable quality are being located in order to see that all communities are adequately supplied with properly acclimatized seed for planting.

### FOOD SUPPLY

In order to have authoritative information as to the country's food supply the Department of Agriculture, through this Bureau, is taking stock of our food supply with a view to secure information regarding the existing quantity of food products and its location and ownership. In this crisis accurate information should be at hand regarding the instrumentalities and agencies that own, control, manufacture, and distribute food products. For this purpose schedules have been mailed to 385,000 food handling enterprises from whom certified reports are being obtained showing the amount of eighteen important food articles held by each. As an indication of their character and number, I will cite some of the more important groups:

Grain elevators, mills, and wholesale dealers . . . . .	38,000
Grain, flour and feed dealers and proprietary feed manufacturers . . . . .	18,000
Breweries . . . . .	1,200
Distilleries . . . . .	800
Rice mills and storages . . . . .	800
Canners of fruits, vegetables, meats and sea foods . . . . .	6,500
Mills, refineries and exclusive dealers of edible oils . . . . .	1,400
Sugar and sirup mills and refineries . . . . .	1,300
Wholesale and retail bakers . . . . .	32,000

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Manufacturing and wholesale confectioners .....	1,800
Fish freezing plants, and dry and salt fish packers .....	1,040
Slaughterers and meat packers .....	3,700
Lard compound and oleomargarine manufacturers .....	169
Wholesale poultry, butter, egg and cheese dealers .....	5,000
Poultry packing and fattening plants, and live poultry shippers .....	5,000
Wholesale fruit and vegetable dealers .....	1,500
Wholesale grocers and merchandise brokers with stocks .....	7,500
Creameries and milk condenseries (condenseries 393) .....	7,000
Cheese factories .....	5,000

After this information is obtained reports will be secured monthly from all places storing agricultural products in order to keep an account of the food supply so that at any time it will be possible to tell just how much food the country has on hand and its exact whereabouts. After the harvests are all in, about December first, a more comprehensive and detailed survey will be made.

### CONSERVATION OF FOOD PRODUCTS IN TRANSPORTATION AND STORAGE

Through its investigational work extending over a number of years, the Department has been able to a great extent to determine the most efficient manner of handling perishable food products intended for transportation and storage. Information will be distributed calculated to promote the extension and to insure the effective application of the fundamental principles governing such matters. Sources of waste must be pointed out, such as those caused by delays in shipment, delays in transit and at terminals, and improper methods of storing in cars. Efficient and inefficient types of containers will be demonstrated and producers and others shown the amount of losses resulting from unnecessarily long hauls, too long storage, or storage in buildings not well adapted for that purpose.

### CITY MARKET SERVICE

As mentioned in the first part of this article the home gardening movement probably will cause some losses to truck gardeners having farms adjacent to cities, upon the inhabitants of which they depend for their market. In some cities the plan worked out by this Bureau in coöperation with the market gardeners' association at Providence, Rhode Island, probably will be used.

An agent visits the market early in the morning to ascertain the amount and kind of produce on the farmers' wagons. He determines also as accurately as possible the probable supply which will be brought to the market by the growers on the next day and this information will be tabulated and posted. If it should appear that more fruits and vegetables will be brought to the market than the market can absorb, means are taken to find other points having need of such products. Municipalities are being assisted in improving their methods of handling and distributing foods and wherever necessary an effort will be made to install municipal drying plants to take care of home-grown fruits and vegetables which cannot be consumed when fresh.

#### DIRECT MARKETING ACTIVITIES

This work will be conducted in coöperation with the Post Office Department and express companies in order to assist in the direct interchange of products between nearby producers and consumers.

Prevailing high prices create for direct marketing a much wider field of usefulness than it would possess under normal conditions, as it is now economically possible to market commodities by parcel post or express which heretofore could not have been disposed of in this way because the relatively high cost of packing and shipping rendered this impracticable.

Assistance will be given so far as feasible in establishing personal contacts between producers and consumers in order to assist in marketing the surplus products of home gardens and the excess produced by truck growers and others, and many small quantities of food will thus be sold that otherwise could not be marketed. This will add to the available food supply of the nation. Agents will be placed in a number of large cities throughout the country to awaken interest in direct marketing among consumers. Agents also will work through the postmasters in small towns in interesting producers in furnishing supplies.

In view of the car shortage, and congestion at terminals, and the great difficulty that is experienced in handling efficiently less than carlot quantities of freight, demonstrations will be undertaken in the establishment of automobile truck marketing routes.

### INSPECTION SERVICE

Under an amendment inserted in the food survey bill on the floor of the Senate an inspection service will be conducted enabling the Secretary of Agriculture to investigate and certify to shippers the condition of fruits and vegetables and other products arriving on the market. Producers, dealers and transportation companies have been clamoring for an inspection service for many years. It should afford protection to producers against unjustified rejections of produce and against false and misleading reports concerning the condition of produce consigned for sale on commission. This service should stimulate the production of perishable products by assuring the grower fair treatment in the market and educating him to better methods of packing and handling, and the consumer would be benefited by the increased production thus brought about. Certificates from federal inspectors would furnish a basis for adjusting claims for damages to perishable products in transit and should have an important educational value in tending to keep the grower informed as to market requirements and teach him to grade and pack his product in accordance with those requirements.

### STANDARDIZATION

The standardization of agricultural products and the packages and containers in which they are offered for sale is fundamental not only to the efficient marketing of agricultural and other products, but is absolutely necessary in the present crisis because it will furnish an accurate basis for price quotations and should obviate many of the delays and misunderstandings which inevitably arise on account of a lack of complete understanding between buyers and sellers and which will interfere materially with the intelligent distribution of food to our own people and to our allies.

Standards definitely determined upon furnish buyer and seller with a common terminology so that the latter knows just what the former will deliver to him when he contracts for a commodity of a specified grade. Standardization of agricultural products furnishes an adequate basis for the efficient dissemination of market information. When the experimental market news service was put into effect by the Office of Markets and Rural Organization about two years ago the necessity was quickly realized for a common language in quoting prices and for the accurate description of prod-

ucts, packages, and containers. Standards already have been fixed for shelled corn and wheat under the United States grain standards act, and for white and colored cottons under the United States cotton futures act. Under the standard basket act mandatory standards have been fixed for Climax baskets for grapes and other fruits and vegetables, and baskets and other containers for small fruits, berries and vegetables. Tentative grades have been worked out for Arkansas sweet potatoes, Irish potatoes, apples, and other commodities.

### MARKETING PLANS

*Licensing and Supervision.* When Congress asked the Department of Agriculture to draft suitable legislation to provide for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products, this Bureau assisted largely in the drafting of the legislation. One section of the food control bill empowers the President, through such instruments as he may select or create, to license the agencies of distribution. This task has been assigned to the Food Administration under Mr. Hoover. This is a matter in which I have taken a great personal interest for a number of years. To my mind the enactment of Section 5, the licensing section, creates one of the most important opportunities for service to American agriculture that has been offered in many years. Already the grain elevators and the mills grinding over one hundred barrels of flour per day have been placed under license by the Food Administration. The licensing of other agencies of distribution is at present under consideration. Because of their peculiar nature the produce, vegetable and fruit trades are subject to certain evils which restrict the free distribution of foodstuffs and thus discourage producers. These can readily be overcome by a system of federal licensing and supervision for which there now exists authority of law. The best members of the fruit and vegetable trade, as well as many of the butter, poultry and egg trade, have long been in favor of such a licensing system and many of them have openly advocated it.

Licensing in itself will accomplish nothing unless it is combined with a certain amount of supervision. This supervision would necessitate the establishment of standard systems of accounting and of standard business practices, with a certain amount of regular

inspection, to see that licensed merchants carried out their business in accordance with these standards.

By means of the standard systems of accounting and standard business practices which all licensees should be required to install and maintain, the following results would be accomplished:

1. "Fly by night" concerns, which are now all too common in the produce business, would be eliminated. These are concerns which establish themselves in business at various points, and solicit consignments by means of attractive advertising. After a short period they may disappear entirely, leaving no money behind and owing much to various shippers. The legitimate trade earnestly desires to see these concerns eliminated. It is only because of the peculiar nature of the fruit and produce business that they are able to exist at all.

2. By means of the standard system of accounting which licensees should be required to install, and by means of occasional inspection of books by government representatives, the making of dishonest returns will be reduced to a minimum. The making of dishonest returns is a practice which is steadily decreasing, but it is still all too prevalent.

3. By means of regulations enforced under a license, prompt returns to shippers could be enforced. A certain element of the trade customarily delays returns beyond a reasonable length of time.

4. Another evil which could be eliminated would be the averaging of returns to all shippers. Many houses that are otherwise reliable do not keep accurate records and at the end of the day's business average all sales of any commodity, such as strawberries for instance, and return to shippers the same price regardless of the quality of their berries or the price obtained for each shipper's particular lot.

5. Regulation of licensees would prevent the making of charges for hauling, packing and other services which are not actually performed. Many firms supposed to be reputable make a practice of adding extra charges for services which are not performed, and on certain markets many firms actually depend upon their hauling charges for their profits, charging an exorbitant rate per package. The practice of making a hauling charge has become so common in some markets that practically all shipments have this charge made against them, whether the service was actually performed or not.

6. By a system of licensing the practice of charging varying rates of commission to different shippers would be eliminated. Some otherwise reputable firms make a practice of charging "all the traffic will bear." Commission men are actually performing a public service, and should treat all shippers alike.



7. By means of standard systems of accounting and business practices prescribed for licensees, the practice of making rebates would be eliminated. Many otherwise reputable firms consistently rebate 3 per cent of gross sales to association managers who ship carloads of goods to them for sale for the account of their association. This is little less than bribery and the expense involved must ultimately come out of the pockets of the growers and consumers.

8. The practice of "buying in" for the account of the receiver large quantities of goods received on commission, and afterwards selling them at much higher prices, would be eliminated. Certain firms who are large receivers of consigned goods often purchase them outright when the market is low, and hold them for a short time, selling them for much higher prices. No one should be allowed to purchase a producer's goods at the same time that he is acting as agent for the producer.

9. Commission charges are usually made for services rendered in selling consigned goods on a jobbing basis. Through custom it has become almost the general practice to sell all goods at a jobbing price, and when small lots are sold at a somewhat higher price many firms pocket the difference between the jobbing and the so-called retail price. Regulation of licensees would eliminate this.

10. It is almost the universal practice of firms receiving goods on commission to "buy-in" any few packages left over from full carloads of consigned goods which may not have been sold at the end of the day's business, in order to make prompt returns. As a rule these goods are resold at the same price for which they are bought in, but sometimes a good profit is obtained on these leftovers. Standard practices prescribed for licensees would prevent this.

11. Many auction companies now acting as agents for shippers are owned by members of the trade. All auction companies make a terminal charge of a few cents per package, which charge is paid by the purchaser. Some are alleged to give special privileges in the matter of terminal charge rebates to their own stockholders. As the auction companies are essentially public service corporations, they should treat all patrons alike. These practices could be eliminated through the licensing of auction companies.

12. The practice of making rejections of carloads of goods purchased subject to inspection because of a declining market and upon technical grounds is very common. Licensed merchants could be controlled in this respect and unfair rejections by them be avoided.

13. Any steps to be taken in actual food control will necessarily utilize existing machinery. A license system will form the basis of work to be carried out in this connection, and contacts with the trade will be established and accurate lists will be ready, if there is need for them.

A correctly conceived and properly executed licensing of the agencies of distribution will relieve the honest majority of the trade of the evil practices of the minority. It will furnish a disinterested agency through which they can in the future expect to be relieved of much odium and unfair criticism that has been leveled at merchants engaged in the distribution of perishable food products. Taken together with the inspection of foods described above we may fairly look to a new era in perishable distribution.

## AN AGRICULTURAL POLICY FOR THE UNITED STATES IN WAR TIME

BY GIFFORD PINCHOT,

President of the Pennsylvania Rural Progress Association.

One of the outstanding facts which is least recognized among the great facts that this war is gradually forcing upon the attention of the world—perhaps the outstanding fact of all—is that the world will never be the same again; in fact the change has already been made. We have passed already into a new world order which has laid the foundations of a new point of view not only in world affairs but in national and civic affairs as well.

I do not mean by a “new point of view,” a view that has never been advocated before, but a view that has never before been widely adopted; and that view, if a conservationist may say so, is the point of view of the conservation policy. It is the point of view of planned and orderly development to reach distant ends.

Hitherto, in all our national affairs, we have gone where the pressure was least. I do not say that as a criticism; I state it as a fact. It is necessarily so in the early stages of any civilization. We have yielded to the thrust that sent us this way or that way without accepted plan or definite conception of where we were going, and this has led us, as it necessarily has led every other nation in a similar stage of development, to haphazard excursions in this direction and in that. The condition which we have now reached, not only in agriculture but in every phase of our national life, is a result far more of the action of forces which we did not count upon