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A CONSUMERS' SOCIETY

or

COOPERATION WITH CONSUMERS

by

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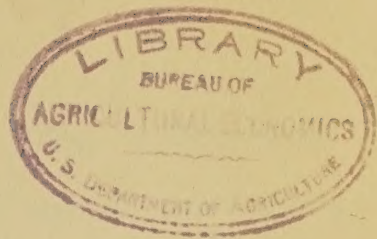
Address delivered before the Institute of
Rural Affairs, Blacksburg, Va., August 1, 1934.

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I have taken some liberties with the title assigned to me. I have changed it from "Cooperation with Consumers" to "A Consumers' Society." I have done that because it seems to me we have gone far enough to discern within what is going on in Washington, a changing emphasis on the functions of the political state.

It is inevitable that the New Deal should be subject to divergent interpretations. Some of these interpretations are purely partisan; some are completely honest. And within the program which has been taking form in Washington during the last twelve months there is a necessary conflict of divergent economic interests that causes certain factors to stand out so prominently that they give color to the entire program. I refer to such things as the alleged regimentation of industry and agriculture; to the alleged submersion of liberty and to that type of interpretation which sees in our changing society something that is opposed to our historical traditions.

Whatever else may be true of this new dispensation which is taking form, it will, I think, be admitted that there is no intellectual regimentation among those who are at work in Washington. Men do not conform to any



fixed pattern. There are conservatives and liberals. They reflect many shades of political and social opinions. The same is true of the legislation enacted. It too reflects a variety of approaches. It too is open to two divergent interpretations; interpretations which give some color at least to the apprehensions that are voiced by many.

Just as others find cause for concern in what is taking place in Washington, so I find equal grounds for rejoicing; rejoicing in the fact that these changes seem to offer to America a new freedom rather than regimentation. They offer the promise of a new dispensation; such a dispensation as all those who believe in democracy -- political, economic and social -- may well take heart over. And when I speak of the new freedom and the democracy which it involves I speak with a profound belief in democracy; in a democracy as full and as complete as that which inspired Thomas Jefferson and James Madison a hundred years ago. And I have had rather unusual masters in the interpretation of democracy. For four years I sat in the classroom under Woodrow Wilson, whose philosophy was that of the early democratic fathers and whose affections were identified with the traditions of the State of Virginia. Woodrow Wilson placed a high value on those concepts of personal and political liberties which find expression in the Bill of Rights. He was an intellectual descendant of Thomas Jefferson, as he was of that hierarchy of protagonists of liberty from Magna Carta down to date.

While my political opinions have changed in detail, they have not been altered in their fundamentals. And my concept of the political state places a high value on the individual; on his natural rights and on his possibilities as well. To me, the ultimate end and object of the political

state is to consciously aid each individual to achieve himself; to realize to the fullest those qualities within him which are the essence of his individuality. To state it in another way my philosophy goes back to the individual man; to his complex of desires and needs and the obligation on the State to assure to him every possible opportunity for the realization of those desires and needs.

In the eighteenth century, and to some extent in the nineteenth, there was much discussion of natural laws. The philosophers of France and England were inspired by those natural rights and possibilities which inhere in the individual man. It was voiced by Rousseau and the French philosophers prior to the French Revolution; it was voiced by a series of other philosophers in England. It found economic expression in Adam Smith and Ricardo, as it found a larger interpretation in the writings of James and John Stuart Mill.

It is this concept of the possibilities of life and of the political and industrial system which seems to me to be finding expression in what is going on in Washington. And it is in the belief that it contains within it the birth of a new freedom, that I find so much that signifies a rebirth of democracy.

What are the elements in this new dispensation that justify such an interpretation, and what are the forces that are making for their realization?

First, and most important to me, is the belief that we are living at the end of an era. We are witnessing the birth of something quite new. The major factor in this impending change is an economic one. For millions of years man has been faced by scarcity. That was the fear of America for

300 years. It was the fear of the western world for twenty-five centuries. The civilization which we know is a civilization that feared hunger; it feared want; it feared that we would not have enough food -- enough wealth to go around. This was our economic environment, and it affected all of our actions as it affected all of our thinking.

The necessity for that age-long scarcity has come to an end. Instead of too little we have too much. Instead of a war against famine there is a war against plenty. Wealth is issuing from the land on the one hand and the machine on the other in such volume that we do not as yet know what to do with it. This is the extraordinary fact about the world in which we live. It is the most extraordinary fact which our civilization presents.

Wherever we turn we observe that machine production has thrown everything out of gear. It has overthrown our economic and political setup. For 300 years our legislation has been directed to producing more and more wealth. That is the significance of the tariff; it is the significance of our land policy; it is the significance of the activities of most of the Departments of the Government. As a people we have been absorbed in a passion to escape from the fear of want. The machine has changed all this. On every hand surplusses confront us and on every hand we are endeavoring to adjust our old philosophy of scarcity to a world that has overwhelmed us with abundance.

It is this fact which cannot be escaped that is giving birth to a new era; an era which we are not willing to face. It is not a popular thing to talk about the consequences of this abundance, yet its existence and its implications are felt by all classes, -- the poor no less than the

rich. It is entering into the psychology of the worker. It may be the factor that is making our wage disputes more bitter than they have been in the past. It certainly is affecting the minds of those millions who without governmental assistance do not get enough to eat; of those millions who have lost security.

As I observe the things that are being done in Washington and the things that men and women everywhere are thinking about, I am constrained to believe that we may be entering on a consumers' society; on a society in which men in places of power shall think of wealth as something to be enjoyed, something to be used, something to contribute for universal happiness. It is this abundance which makes possible the new freedom as it inspires consciously or unconsciously much of the constructive legislation which is taking place at Washington. There are parallels to just such changes in human society. They too came imperceptibly. They too were not recognized by those whose lives coincided with them as they were not brought about by the efforts of the individuals whose names are identified with them.

Greece rose out of darkness to a civilization unparalleled in the surrounding world. It came about in a very few generations.

Again the Renaissance issued out of the dark ages; ages so dark that we have only the scantiest records of what those ages were. Civilization had sunk into an eclipse in every domain of life. Yet the twelfth century was one of the great centuries of the world; great in every respect of life -- political, economic and cultural.

The Protestant Reformation burst on the world which apparently accepted other things and remade a great part of Europe. It came not because

of the preachings of Martin Luther, but because something old had come to an end. The French Revolution was also born of forces within the people. It spread to a great part of Europe. It too came as a kind of universal biological change in the thought process of men. And so we too may be living in changes as revolutionary as those which I have mentioned; revolutionary in the sense that our composite mind is changing much more rapidly than our actions and in which the political state and economic state lag behind the rapidly changing opinions of the people.

Second, it is in this mastery over nature and over the machine that I see the possibility of something quite different than the world has ever known. It makes possible a contemplation of a Consumers' Society in which wealth will be viewed as something to be consumed. It will also make possible a new freedom in which we may develop talents and abilities which now lie dormant within us. All this is so new that it has not yet broken through our traditional thinking; it has not become a part of our intellectual concepts. It will take a long time for us to adjust all of our thinking to the fact that there is wealth enough for all and that this abundance is the greatest blessing that could possibly be bestowed upon us. Our social thinking moves slowly. But it does move. And it moves as a mass. It moves faster today than it ever moved in history. As merely one example is the fact that twenty years ago proposals for factory legislation, for the ending of child labor, for accident insurance, health insurance, old age insurance, were denounced as socialism. They represented a program of extreme radicalism. Today they have become all but a commonplace. Resistance to them is feeble; it has to apologize for its opinion and its

opposition. The same might be said for such questions as the public ownership of gas, electricity and water; it might be said of many other industrial and economic problems.

It is less than two generations since individual women were stoned and almost hunted from the platform for advocating women suffrage. But the mind of the world does move. There is such a thing as social psychology. And in time we will accept the wealth that has been given us as something to be used, something to be enjoyed, something to be shared in by all.

To me, at least, it is this birth of abundance that has forced these new problems upon us. And these problems require planning; planning not to escape from disaster alone but to enable us to realize on and take advantage of the abundance which surrounds us.

That is the significance of the new implements which have been given us. Whatever their purposes they make possible a different kind of a society than we have heretofore known. And of these implements the most important of all relate to the land. They relate to the source of all life. In the long view of things the legislation relating to agriculture is of a far-reaching sort. As an immediate agency the Agricultural Adjustment Administration aims to pull us out of the ditch. It aims to establish a parity of purchasing power and to bring back the income of the farm to what it was prior to the war. It is in the nature of a primer to set our economic world going again. For without agricultural purchasing power our entire economic life is stalled in the mire. Inability of the farmers to buy means unemployment for millions of factory workers.

Until the agricultural income is raised there can be no profits nor dividends. The foundations on which any kind of a structure may be built must first be laid and those foundations are found in the Agricultural Adjustment Act and in the economic recovery of the farmer.

Within the agricultural legislation, however, there is the possibility of a new long-visioned program. It is a program which permits of just such a planned rural life as the Country Life Commission envisioned twenty odd years ago. That Commission, created by Theodore Roosevelt, talked about a planned agriculture, an agriculture that contained within itself the possibilities of a rich and diversified rural life. There is before us for the first time in our history the possibilities of a rural life as far beyond that which we have today as the agriculture of America is in advance of that of the peasant of many countries in Europe.

Growing out of this legislation are the County Committees in more or less continuous session, planning for production adjustment. The creation of these Committees has given us agencies of the greatest possible value. They are thinking not as individualists only; they are thinking of their parish, of their county, of their state. They are cooperating with their fellows. They are voluntary community cooperatives which, if they endure, may develop a diversified and experimental agricultural planning, which may result in a revolution in our rural life.

This is one of the unseen, or at least unemphasized contributions to a new freedom in America.

But this is but the major factor in this new freedom. There are a

variety of other advances along the same line. One is the bringing of electric light and power to the farm house and to the city dweller at reasonable rates. This has already been achieved in the Province of Ontario; it has been achieved in Switzerland and in other parts of Europe. Much of the drudgery of the farm will be lifted when the white coal of our streams is made to serve a great part of the people as it now serves a few.

The Tennessee Valley Authority project is another project of great possibilities. It too looks to the planning of an area and to services of a variety of kinds for elevating the standards of living and the comfort of the people.

There is the rehabilitation of farm houses by public loans as the result of a survey conducted by the Government. This may involve the improvement in farm dwellings; it may involve the supply of water; the installation of bathtubs and other conveniences to lighten the burdens of the housewife.

There is the projected removal of 40 millions of acres of sub-marginal land from cultivation and the transfer of willing farmers to more inviting soils. This involves the protection of the soil from erosion, the extension of forestry, the increase in our public lands, the development of great game preserves and the dedication of millions of acres to recreation and public uses.

Finally, there is the promise of subsistence homesteads; of small scale farms with fully equipped homesteads for industrial workers or those engaged in seasonal or part-time employment. There is no reason why we should not have hundreds, possibly thousands of such rural industrial villages located in the most beautiful parts of the country; and planned not for factory workers

alone, but for different classes who wish to escape from the pressure of urban life.

This program does not involve regimentation of the individual. It does involve planning. It opens up new opportunities for choice, new opportunities for freedom, new opportunities for variety in our life. Within them are the possibilities of that kind of life which permits of the achievement of one's own personality to which I referred earlier in this paper as the proper and object of the state.

In this sense we are planning. But it is the kind of planning we all indulge in. We plan our homes and factories; we plan our crops we plan our education. A planned society is merely an orderly society, as a planned life is merely an orderly life. And in this sense the state is doing something new. It is, however, a contribution to freedom rather than the reverse.

Second in importance to the land is the thing which we call credit. Now credit is something which issues out of labor, out of wealth, out of the confidence which we have in one another. It does not necessarily issue from a private bank. As a matter of fact it is now issuing from your Government, and given land and credit any kind of a society can be created. Next to the land, credit is the most powerful of all instruments for the remaking of a new society, as it is the most powerful of all instruments for the making possible of the new freedom. A distinguished Englishman recently said: "The hand that writes the bank check rules the world," and an equally outstanding American once stated before a Congressional Committee: "Let me control credit and I care not who makes the laws." These statements are not greatly exaggerated. And almost unnoticed in their importance, there has been provided

for us a series of credit instruments which make it almost true that every man may now be his own banker. He may so cooperate with his fellows as to secure from them the tools and implements which will enlarge his power and his individual property many-fold.

Among these implements are the agencies provided by the Farm Credit Administration which encompass almost every field of agricultural activity. Those who till the soil can now go to themselves, that is to the state, for sympathetic aid in the building of their lives. Added to these are industrial credit agencies for those who would work with the machine. And finally, there are some new implements provided for us in the last day of the last Congress. They are known as credit unions. To me they are baby banks; that is banks for the "forgotten man," for the man farthest down, for the man who heretofore has had no banks of his own to which he could go for sympathetic support and aid in getting started in the world. By reason of them America may in time be freed from the loan shark who exacts sometimes 50, sometimes 100% interest for the right to obtain an axe or a spade, for the right to till and plant the soil. I hope these little banks will spring up in every community to satisfy every community need. And if I may be permitted to do so, I would urge each one of you, whether man or woman, whether farmer or industrialist, to write to the Farm Credit Administration and secure information as to how you can organize one of these baby banks. You may use it as a business instrument; or you may use it as a social instrument to help those now unable to help themselves. Not by encouraging thrift so much, as for providing implements, tools, horse power, so that many members of the community may enjoy that kind of power which heretofore has been possessed by a limited few.

There are a hundred thousand of these banks in the world. They are found in Germany, Austria, Italy, Ireland, Russia; they are found even in India, Egypt, and the neglected places of the world. And if you will read the history of Denmark and the Scandinavian countries, or even the stories of the peasants of Germany, you will find within these little credit agencies a vitalizing force that has changed the face of their civilization. They have promoted temperance. They have promoted concern for one another. They have introduced into the ruthless individualism of the competitive world an agency of concern for the well-being of others fairly comparable to the mandates of religion.

May I go back to my thesis; a thesis which envisages a new democracy; a decentralized industry; a life which invites all of us into a new participation in the comforts and conveniences of life. And in this program I would place first the possibilities of a new agriculture and a planned farm development.

Second, I would place those credit agencies which give tools and implements to man with which to increase his productive power.

But this is not the end of this potential society which may be envisaged from what is taking place at Washington. It is scarcely more than a beginning. Your nation is building homes for people; it is building them in the cities and the towns; it is making a beginning of clearing away disease breeding slums and in their stead is erecting better homes than private capital has heretofore provided. These also are exhibits of a consumers' society.

Within the Federal Emergency Relief Administration are new activities which may become permanent in the making of a better America.

And back of these relief agencies is something quite new. There is the belief that man has a right to useful work. That he has a right to use the talents and the energy and the gifts which God or nature has given him. It is a recognition that the machine has so altered our life that poverty is no longer a personal thing. It has become social. It is traceable to the maladjustment of our industrial system. We are undertaking relief work from a new viewpoint.

Finally, just a word about cooperation; cooperation especially of consumers and of communities. This movement is spreading with great rapidity. We are becoming cooperative minded. Our common sufferings have promoted a concern for one another that did not exist a few years ago. And within the cooperative movement there are the possibilities of a new society that is exciting great numbers of our people in a great variety of ways. We have thought of the cooperative consumer as one who was interested in the saving of some pennies and dimes in his day to day purchases. But it is much more than this.

Just outside of Washington, in Bethesda, Maryland, is a cooperative association of 86 farm women. Each one of them has an individual stall. Each one sells her own products. These women excel in the things that they bring to this market, which is now doing a business of more than \$100,000 a year. In these stalls one finds almost every farm product which women can themselves produce. One finds many specialties and delicacies also. And these farm women have added substantially to their incomes, while the residents of Washington who use this market find there a product far more satisfactory by virtue of its quality than they find in the retail stores.

Here is an activity which women may with profit promote in thousands of different localities. The technique of organizing a cooperative is not difficult. Only limited capital is required. It comes from many people. And those who produce and sell and those who buy enjoy many dividends other than those which register in their account books.

I have a great affection for the cooperative movement. Not because of its material gains but because of its education, cultural and spiritual contributions. And my belief in cooperation is strengthened by a visit which I made to the little country of Denmark some years ago. And I only wish that all of you might have the opportunity to get acquainted, by observation, with all that cooperation has done to a country which 60 years ago was sunk in national despair. In the intervening years almost the entire population has become identified with the cooperative movement. The average farmer is a member of a half dozen, possibly a dozen, cooperatives. Through them he works with his fellows. Through them he becomes acquainted with the problems of the farm as he becomes acquainted with industry, with consumers, with the outside world. His intelligence is high as is his sense of power.

This is one view of the picture. But there are others. In the intervening years extreme poverty has been all but ended. There is no such thing as La Miserere, as the French term it. Instead of a nation of farm tenants Denmark has become a nation of home owners. Rural slums have been ended. So also have been the slums in the cities. Along with this there has come a cultural uplift that is probably unparalleled in the world. Quite honestly, there is no illiteracy in Denmark. The people read more and demand more of a cultural sort than any people I know.

From an intensive study and cultivation of the soil there has come a new culture. It is a culture identified with the planting, the nurture and the growing of things. It is a culture related to a knowledge of many subjects that are closed to us. It is a culture, too, that has created a nationwide demand that Denmark shall keep out of war. She has abolished her army. She has abolished her navy. She has declared that she will take her chance in a warring world standing helpless before her neighbors.

Along with this, the Danes have changed the political state so that it is a democratic agency. The farmer has entered politics. He has obtained control of both the lower and upper houses of the Danish legislature. He has moved into the ministry and he administers the state not for the farmers alone but for the urban dwellers as well. In a depressed world Denmark stands out as an exhibit of the possibilities of a political state as it stands out as a possibility of a planned society in which the best intelligence that the state can discover has been brought to its service.

And the source of this outstanding political and social achievement is the cooperative movement, a movement which in 60 years has changed the people from one of the most depressed into one of the most prosperous groups in the western world.

Whatever else one may feel about this period we are living through, it is rich in a great variety of exhibits. And to me it is a marvelous privilege to live in this age and to observe it. And I see it as the beginning of the end of that age-long evolution in which man has been forced by necessity to fight, oftentimes ruthlessly, for his security. And with the ending of this necessity, possibility of a new world lies spread before us.

We are faced with a choice which has ~~never~~ been offered to man before. And it is my feeling that back of much of the unrest and back of the psychology of millions of the well-to-do classes is the belief that we somehow or other should find ways and means so that hunger, insecurity and want should be exiled from the earth.

There is a parallel to this situation in ancient Greece. The Greeks enjoyed abundance because of human slavery. And in that abundance they produced a civilization which has not been equaled, in subsequent centuries. And just as slavery made such a life possible to the Greeks, so the modern machine and with it political democracy may make such a life possible for all of us. For the machine has taken over our work. The electric switch and the automatic factory now do the work which required an army of men but a few years ago. The machine may have created a Frankenstein monster. On the other hand, it may have given us an implement which makes it possible for each one of us to achieve that destiny in which each individual will be able to dedicate part of his time at least to the realization of that personality which God or Nature has given him for the attainment of his greatest individual and social possibilities.

The first part of the document is a letter from the Secretary of the State Department to the Secretary of the War Department. The letter is dated August 1, 1864, and is addressed to the Secretary of the War Department, Washington, D.C. The letter discusses the appointment of a new Secretary of the War Department and the transfer of the Secretary of the State Department to the position of Secretary of the War Department. The letter is signed by the Secretary of the State Department, William H. Seward.

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