

Agriculture in the United States and Russia

By PROF. N. TULAIOV (Moscow)

The writer of this article (not a communist, but a member of the Central Executive Committee) was sent by the Soviet government to the United States to study the agricultural conditions there. Although his conclusions do not altogether correspond to the views held in official circles of Soviet Russia, his report has aroused great interest in Russia.

The great war led to a tremendous extension of the area under wheat cultivation in America—this area was 75 million acres in 1919, an unheard of record in the history of the United States. This enormous extension of wheat cultivation took place chiefly in the north western states: Nebraska, Dakota, Montana, a part of Wyoming, Kansas, and a few others.

At this time the price of wheat rose rapidly, and the government guaranteed the farmer a price of two dollars per bushel.

In the wheat districts of America and Canada there appeared great numbers of people who frequently had had no previous experience in agriculture; these bought sites, set up farms, bought cattle and implements on credit, and began growing the wheat which promised them such large profits. Towns sprang up, houses and roads were built. All this required capital, and this was advanced by the banks.

The years of bad crops in the wheat areas and the rapid sinking in the price of wheat, which, by the end of 1922, fell below post-war prices (about 70 to 80 cents per bushel), completely discouraged the farmer; he lost all hope of finding any way out of this situation. Many, especially among the fresh emigrants, left their farms standing and then, completely ruined, started some new career either in the towns, or in more favorable districts.

The departure of the agricultural population was bound to take its effect on the banks. If the farmers were to be induced to remain, they must be granted some means enabling them to hold out during the years of crisis. The question of granting credits and seed from means provided by the Federal Government was raised, and the credits granted by the provincial banks, which were too short termed to be of aid to the farmers—were, up to November 1922, supplemented by the government by about 350 million dollars. The minister of agriculture, in his report on the year 1922, states that this action saved many thousands of farmers from ruin,

and that it is due to this operation that hundreds of banks in this wheat area escaped bankruptcy.

The general agricultural situation however did not improve in 1922, and the question of credits had to be brought up again. At the November and December sessions of Congress it was resolved to grant another 60 million dollars out of the federal funds, through the agency of 12 of the largest banks in the country. This credit was intended to bring fresh help to the farmers who had suffered great losses by the crisis, and to prevent the farmers from leaving the wheat district.

I had the opportunity of speaking with three members of the Federal Commission on the cause of the wretched position of the farmers, and on the means of alleviation to be adopted. One of these was the chairman of the Commission, Professor Becker. This Commission has already come to a more or less fixed opinion, which may be expressed as follows: The natural properties of that part of the great prairies (Dakota, Nebraska, West-Kansas) where so many immigrants settled during the war, are not particularly favorable for wheat growing, and therefore an artificial aid to the farmers (by credits) would not only be futile but actually harmful, as the emigration of a section of the agricultural population of these districts is inevitable in any event.

The whole of the great prairie district must be reconverted into a cattle-breeding district, as it was before the war, and the farmer must chiefly rely upon this industry. He can and must utilize a part of his land for growing corn and cattle fodder, but this must be regarded as a secondary source of income.

The experience already won in cattle farming in this district shows that the possession of 100 grazing animals suffices to enable a farmer to maintain his normal standard of living. In order to be able to breed grazing cattle in this part of the United States, every farm must have from 1,000 to 2,000 acres at its disposal. The farmer can use about 100 to 200 acres of this for growing wheat, and as much for maize; the wheat straw will also provide him with a valuable winter fodder. Under such conditions the farmer will almost always be able to feed his 100 head of cattle, earn a steady income, and live without his present risks.

In the hilly districts the farmers must each have over 4000 acres of land, as the conditions are less favorable. This signifies that the population of the western parts of the great prairies must be reduced.

The increased development of corn growing in these districts, so little adapted for the purpose, has thus proved a complete failure. It was only possible at a time when the price of corn had been raised by speculation and must now give way to cattle rearing.

In one of Becker's articles he states that, during recent years, the population of the United States has increased more rapidly than the production of agricultural necessities. This is doubtless connected with the increasing shortage of land in the United States, suitable for agriculture.

The minister for agriculture, in his Congress report—and Prof. Becker is of the same opinion—states, that all districts in the United States suitable for agriculture without the aid of artificial irrigation or drainage, or considerable improvements, are already being utilized, so that the population of America is confronted with the question as to how an ever-increasing population, accustomed to a high standard of living, is to be provided with food and clothing. The solution to this problem consists in either cultivating the areas already being utilized much more intensely, or in letting America, like England, become dependent on foreign imports—or, finally, in expending enormous sums from national funds on great irrigation and drainage works. The

first and third solutions are only practicable when the prices of agricultural produce are high, that is, when it is worth while to invest so much capital and labor in agriculture. But this pre-requisite does not exist at present.

The possibility of the second solution depends on the world production of wheat, and on the supply of cheap corn in the markets of the world. If the question of providing the United States with corn can be advantageously settled, and the Americans are relieved from this care, then the United States can make use of the increased population, for increasing industrial production. The natural conditions of the United States render it eminently possible to convert it into an industrial country: the maritime routes for export to the West (to China) and to the East (to Russia), whose markets could be won at the present time with comparative ease, offer cheap means of transport for American industrial products to almost unlimited markets; the coal and naphtha of the eastern districts, and the enormous energy stored in the waterfalls of the western mountains, provide energy for many years; the great mineral wealth of the country, and finally the high level of technique and of working power in industry, all ensure for America the possibility of developing her industry to a very high degree.

The unexampled amount and extremely favorable geographical position of the natural riches of the country, create extraordinary advantageous pre-requisites for the industrial progress of the nation, and in the words of the American economists, Russian Siberia can become that granary from which America can supplement her inland food supplies in the future; in the opinion of these economists, the inland supplies will be fully consumed in about 25 years by the home demands.

The main point of interest for American economists today is, to ascertain when Russia will re-appear in the markets of the world with her corn. The majority are not interested in the question from the standpoint of competition in the Western European markets, but from the standpoint of the necessity of a corresponding, reorganization of the whole of American agriculture. All economists in the United States clearly admit the possibility, that Russia will recapture her former corn markets. The only question which makes them uneasy is with regard to when and how American agriculture is to be so reorganized that a further depression be avoided, a depression which might be greater than that by which America was overwhelmed after the war.

HERE AND NOW.

We have nothing to rejoice over Here and Now, and now that the press men and publicity agents have encountered the festive season there is something decidedly amiss.

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Meanwhile, we record our meagre financial returns with a sigh.

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