

# THE CAROLINA UNION FARMER

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## Why Farmers Should Organize and Stay Organized

VI—To Co-Operate in Buying.

By J. Z. GREEN.

In previous articles I have conceded the right of price-making to the *producer*, because by precedent and by all the rules that safeguard business interests and prevent failures and bankruptcies, the *producer* is entitled to that right. The manufacturer must economize in production, even down to the smallest detail, and in making his price he must figure every item of cost to produce and then add his profit to the cost of production. In our co-operative buying it would be folly to attempt to price the manufacturer's products as they come from his manufacturing establishment. But by a practical plan of co-operative buying we can shorten the long, circuitous and expensive route that manufactured products have been travelling to reach consumers, and also get the benefit that always comes in the nature of concessions in prices under big business and big orders. Co-operative buying is only another name for economical buying, and nobody can object to it unless it is somebody who operates an *unnecessary toll gate between producer and consumer*. A class organization of farmers ought, by all means, to maintain a co-operative business system of buying that will enable them to purchase the things which are made *only for the use of farmers* direct from the makers, and the manufacturer of farm wagons, farm implements, etc., should be willing to sell direct to his consumers when by so doing he can economize in the distribution of his products in a way to benefit both himself and the consumers of his products.

With a consolidated Farmers' Union warehouse system of distribution, such as we are building, and must build, we will have a capitalization and rating that will be attractive and that will make our contracts good anywhere, and with a system like this, backed up by the *co-operative patronage* of the organization, we can go behind all the superfluous toll gates and get next to the producer, and in some instances, contract for and take the entire output of his factory, thus relieving him the expense and element of uncertainty that he assumes when he hires men to go out to find a market for his output. That plan of *direct dealing with the consumer* would be mutually beneficial to both the manufacturer and the consumers, and nobody who believes in econ-

omic distribution can reasonably oppose it.

We are living in an age of combinations of capital and "big business." If a dozen stores consolidate and run a big department store and thereby dispense with unnecessary house rents, fixtures, clerk hire, etc., and then undersell the individual merchant, and the consuming world gets the benefit of the economies made possible by combination and big business, where is there anything to kick about? If big department stores and mail order houses can go behind the wholesaler and the jobber and buy direct from the manufacturer, wouldn't a big combination of farmers buying through one channel get equally as good results? With a mammoth warehouse system, supported by the Farmers' Union, we can have *both the capital and the patronage* to do big business—the kind of business that can get along without the jobber and wholesaler and we can with the same system become our own importers.

Under the subject of "Neighborhood Co-Operation" I referred to some results that may be obtained through co-operative buying by a Local Union, on the home markets, and in some localities the saving that has come in that way has aggregated an amount that surprised the membership, but results through that method are limited, and it is at most only a temporary expediency during the formative period of an organization. The only way to get satisfactory results in buying is to reform a system of distribution that puts unnecessary toll gates along the commercial route, and the consumers are the folks who must reform it, if it is reformed. The fellows who keep the toll gates are not going to help reform a system of which they are beneficiaries. And the manufacturers can hardly expect to try to get any closer to the consumer as long as the consumers are willing to pay the jobber and the wholesale man, and then maintain a dozen retail distributing agencies where one could do the work at less expense.

The same system of warehouses that are used in the sale of farm products can be used in co-operative buying. The same capitalization and management can handle both the selling and buying part of the farmers' business. With a five thousand dollar warehouse in each county we would have a half-million dollar corporation and fifty thousand patrons. Can

anybody presume that such a force as that would fail to get in closer business relationship with some manufacturers who would be willing to cut out the jobber and wholesaler and sell direct through our distributing warehouses at a saving that would amount to the expenses of maintaining a force of traveling salesmen, wholesale establishments and jobbers, that now come in between producer and consumer?

When we demonstrate to the business world that we can co-operate and do big business we can bridge the chasm that now stands between us and the manufacturers and shorten the route which their products have been traveling. This will be one of the ultimate and natural results that will come from a successful co-operative warehouse system of selling, for the principle underlying it all is *direct and economic distribution from producer to consumer*.

In our efforts to purchase things at lowest possible prices, we must keep in mind that *our ability to purchase depends upon the price we get for what we have to sell*, and that the selling side of the business of farming is more important than the buying side. When we learn how to limit our marketable crops so as to keep up a strong and healthy demand for them and then sell them gradually and systematically through our own distributing warehouses the buying side will not seem so important. Unless we exercise the intelligence and good business sense to *price our own products*, as we have a right to do, and which every impulse of manhood and loyalty to the interests of our families suggest that we should do, it will be rather tame and futile efforts we will make in the attempt to price *other men's products*. When we succeed in taking care of our own interests by pricing our own products through a system of distributing warehouses, we will have developed business leadership enough to take good care of the buying side of the proposition wherever it needs it.

(Mr. Green's concluding article will appear next week. In it he will discuss reasons *Why We Should Stay Organized*." If you are inclined at times to grow weak-kneed and despondent and feel like surrendering the task, which is indeed a big one, you don't want to miss the next.)