

## SHOULD WE RESTRICT THE COTTON CROP?

BY THEODORE H. PRICE

“SHALL we restrict the cotton crop?” To reply to this question by an unprovisional yes or no would be unintelligent. As an economic generalization, production should be encouraged upon the theory that it will lower costs and thereby bring about a corresponding increase in consumption. But when the increase in production is so rapid or so unexpected that it disturbs the economic balance, then a resort to radical methods may be justified.

The present cotton season is a case in point. The latest Government estimate indicates an American crop of 17,918,000 bales. Such a crop, if it is harvested, will follow last year's generous yield of 16,104,000 bales and will come upon the market concurrently with East Indian, Egyptian and Russian crops that also promise to be large. As a result the supply for the twelve months or season ending July 31, 1927, plus the carry-over from the previous season, will probably be equal to the world's consumption for the eighteen months ending January 31, 1928, by which date another world's crop will have been produced. The consequence is that cotton has already fallen to twelve and one-half cents a pound.

No one knows what the cost of production is. It depends upon the weather, the fertility of the soil, and so many other variable factors that even a generalization or average is impossible. But the best opinion or, perhaps it would be more accurate to say, the most intelligent guesses, put the probable cost of this year's American crop at fifteen cents a pound. These guesses are based upon the following tables published by the United States Department of Agriculture:

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1923 COST OF PRODUCING COTTON IN THE UNITED STATES, BY YIELD GROUPS.

Yield groups (lbs. of lint per acre) reports	No. of cotton per farm	Acres in Yield per acre (lbs. of lint)	Cost per acre					Less value of cotton seed per acre		Net cost of lint	
			Prepare and plant	Cultivate	Harvest and market	Miscel. labor	Fertilizer and manure	Ginning	Land rent	Misc. costs	Total
20 lbs. and under	32	55	\$3.69	\$5.25	\$2.11	\$0.70	\$2.94	\$1.14	\$0.22	\$3.52	\$21.09
21 to 60 lbs....	249	69	3.84	5.24	3.98	.79	4.25	.59	4.83	2.69	26.96
61 to 100 lbs....	451	55	3.91	5.73	5.57	.79	3.97	1.16	1.83	4.88	27.91
101 to 140 lbs....	407	54	4.25	6.12	6.69	1.03	3.39	1.24	1.76	4.98	32.52
141 to 180 lbs....	394	70	4.18	5.92	7.60	1.11	3.55	1.22	1.99	5.99	34.50
181 to 220 lbs....	279	51	4.37	6.20	8.74	1.36	4.04	1.18	2.23	6.90	33.77
221 to 260 lbs....	257	63	4.71	6.59	9.85	1.56	5.04	1.40	2.77	7.08	32.33
261 to 300 lbs....	165	30	5.01	7.08	11.13	1.64	6.27	1.54	3.08	8.05	34.44
301 to 340 lbs....	34	56	5.26	8.51	13.39	2.46	9.03	1.64	3.32	9.59	50.29
341 to 380 lbs....	54	33	5.50	7.18	12.13	2.83	8.75	1.48	3.90	9.53	45.65
381 to 420 lbs....	94	31	5.71	8.62	13.74	2.37	10.41	1.51	3.71	8.91	44.37
421 to 460 lbs....	27	31	5.82	8.14	14.87	2.91	9.99	1.59	4.46	12.42	44.76
461 to 500 lbs....	60	26	6.09	7.75	17.71	3.04	9.73	1.55	5.17	10.43	50.23
501 lbs. and over.	16	618	6.34	7.51	28.28	2.79	13.86	1.44	6.92	10.79	49.07
											56.83

1925 COST OF PRODUCING COTTON IN THE UNITED STATES, BY YIELD GROUPS.

Yield groups (lbs. of lint per acre) reports	No. of cotton per farm	Acres in Yield per acre (lbs. of lint)	Cost per acre					Less value of cotton seed per acre		Net cost of lint	
			Prepare and plant	Cultivate	Harvest and market	Miscel. labor	Fertilizer and manure	Ginning	Land rent	Misc. costs	Total
60 lbs. and under	47	52	\$3.94	\$5.46	\$4.06	\$0.53	\$2.96	\$1.24	\$0.56	\$5.43	\$26.30
61 to 100 lbs....	79	60	4.00	5.74	5.34	1.05	4.52	1.21	1.19	4.71	28.58
101 to 140 lbs....	112	43	4.46	5.50	6.54	.58	2.79	1.11	1.68	4.53	29.72
141 to 180 lbs....	207	48	4.47	6.01	7.66	.71	4.62	1.27	1.88	5.15	34.42
181 to 220 lbs....	187	46	4.44	6.32	8.13	.76	5.69	1.24	2.25	5.42	37.35
221 to 260 lbs....	277	52	4.63	6.46	9.78	.88	5.39	1.33	2.73	6.14	40.24
261 to 300 lbs....	158	44	4.70	7.00	10.87	.81	6.38	1.33	3.15	6.06	43.37
301 to 340 lbs....	54	54	4.90	6.96	12.83	.95	6.64	1.47	4.12	8.03	47.55
341 to 380 lbs....	70	44	5.78	8.32	13.40	.64	7.07	1.49	4.16	7.84	52.55
381 to 420 lbs....	79	59	5.61	7.36	14.07	.76	6.61	1.41	4.61	7.76	50.96
421 to 460 lbs....	39	49	6.82	8.08	16.11	1.00	9.59	1.44	5.17	7.96	61.14
461 to 500 lbs....	65	37	5.58	8.16	15.11	.78	7.23	1.36	6.08	8.97	56.00
501 lbs. and over.	31	30	5.81	8.26	17.25	.31	6.38	1.43	6.57	8.69	58.45
											46.91

The latest Government estimate indicates that this year's crop of cotton in the United States will be about 181.4 pounds an acre, and it is upon the expectation of such a yield that the trade has reached the conclusion that its cost (not including land rent) will be about fifteen cents a pound.

As this is a very moderate price as compared with the average of the after-war period, and as less would inflict a heavy loss upon the two million farmers who raise cotton in the South, they are being advised to hold what they can, to market the balance deliberately, and to make a drastic reduction in the acreage to be planted next year.

In view of the emergency this advice seems to be sound, but it *is* emergency advice, and no one ought to endorse it without pointing out that if it were permanently applied ruin would be the result. This is said because there is a widespread tendency in America to assume that the way to cure every economic evil is to advance prices.

That this is a great mistake will be self-evident after a few moments of concentrated and logical thought, and it is time that someone in authority undertook to make it clear that society and the individual are injured by high prices and benefited by the converse, provided values are measured by a money standard that is stable.

The reason for this is obvious. The standard of living is raised by low prices because they enable us to buy more, to enjoy more comforts and to consume more of the products of human labor. Therefore, the true remedy for the present predicament of the cotton farmer is to be found in an increased production at a lower cost.

This statement is likely to provoke a protest. It will be argued that the cost of production cannot be reduced and that he who suggests the contrary is an "enemy of the South".

Let us see. From the tables printed above it appears that the cost of production declines as the acre yield increases, and that when as much as 500 pounds an acre is produced, the cost is about eight or nine cents a pound. It will be answered that a yield of 500 pounds an acre is exceptional and unattainable for most farmers. But is it?

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For the last two or three years *The Dallas News* has been conducting a campaign to encourage the production of "more cotton on fewer acres". Substantial prizes were offered for the largest yield attained. The winner of the first prize this year succeeded in raising more than 1,500 pounds an acre and his record was closely approximated by those who won the second and third prizes as well as by several others. Yields of as much as a bale, or 500 pounds, an acre are not, in fact, uncommon in the South, and while I do not mean to assert that the average of production can be immediately lifted to any such level, I do feel warranted in saying that an intensive cultivation of a smaller acreage will go a long way towards solving the eternal cotton problem. It will reduce the cost of the cotton that is harvested and it will release much of the acreage now planted to cotton for crops that will yield a larger profit.

It is granted that the adoption of such a policy might greatly increase the number of bales produced and that lower prices would be the consequence. But if a fair profit on a reduced cost of production could be realized, would not the South be better off than when it is compelled to sell a high cost crop at a loss?

The experience of the past shows that the consumption of cotton responds to the stimulus of low prices with great promptness, and if this response were accelerated as it should be by advertising, the result would be amazing. The annual consumption of cotton in the United States at present is about thirty-five pounds per capita (linters included). If the consumption throughout the world were brought up to the American standard, more than one hundred million bales of cotton would be used. The world's total production of cotton at present does not exceed twenty-seven or twenty-eight million bales.

These figures need no exposition. They speak for themselves, and they make it clear that the final solution of the cotton problem will be found in intensive agriculture, lower costs of production, and increased consumption brought about by lower prices and intelligent advertising—the greatest force that business now has at its disposal.

# WAR IN THE THIRD DIMENSION

BY MAJOR SHERMAN MILES, U. S. A.

THERE is much talk in these days of new forms of warfare. One hears speculations on the number of airplanes which could effectively bomb or gas New York or Washington. The submarine looms large in the future. New minds with penetrating vision are even announcing the obsolescence of the old science of war, and insisting that all past experience can have little bearing on the rapid and novel struggles of the future—the blows struck from the air and from below the surface of the sea.

It is perhaps natural that so costly a war as the last one, and a war in which the damage to the victors so closely approximated that suffered by the vanquished, should lead to searching criticism of the standard military theories on which it was waged. Particularly is this so because the war itself brought forth two new weapons, gas and tanks, and gave scope for the first time to the third dimension in strategy, submarine and aërial warfare. The game which so many generations have played on a chess board must henceforth be played above it and below it too, and with new pieces introduced among the old familiar ones.

So it is no wonder that even the supposedly immutable bases of strategy should be challenged, military processes of thought derided and totally new forms of warfare predicted. What, says the man of common sense, is the good of the Clausewitzian doctrine of the "Nation in Arms", of the military principle of the defeat of the enemy's main forces, if it all results in a four years' stalemate which nearly wrecks the world, morally and economically? If war comes again it must be fought on different principles, since the old ones produced such lamentable results, and above all it must lead to a far more rapid and definite decision. It must, in short, be pulled out of the mud.

There was a gentleman in the last war rather widely known as "Old Bill". He was, I am afraid, distinctly of the conservative,