

## ▶▶ The Country Store Survives ◀◀

**T**OM GOOD has kept a cross-road store at Prosperity, Arkansas, for forty-four years. You probably couldn't find Prosperity on a map, but Prosperity is, nevertheless, a reality. Tom Good conceived the name when he first started the store.

We seated ourselves on the counter beneath an overhanging stock of assorted lamp chimneys, baking soda and axe handles.

"You know what?" Tom asked.

We didn't. But we looked on the query as significant, since it indicated that Tom Good was in the mood for talking business, which for him is rare.

"People keep saying that the country store is dying. If they'd ask me, I would say that the country store is just now commencing to live."

Tom then referred to some published results of the new occupation census.

Serving the six and a half million farm families of the United States are about two hundred thousand singly operated merchandising establishments which may rightfully be called country stores. Of the nation's total return from farm crop, which in a normal year is estimated at about twelve billion dollars, fully half passes through the country store. The total number of rural merchandising establishments has remained virtually staple for the last five years, decreasing slightly in New England and the corn belt, but increasing in the South and the Pacific Coast area. Noting this rather surprising survival, one naturally begins to reckon on hows and wherefores. What particular advantages does the country merchant have over the town merchant or chain store that it can so survive through this vicious battle of modernity? Tom Good took real pleasure in answering that one:

"In the first place, the country store has the advantage of directness—intimacy between merchant and customer, close understanding of the regular and seasonable

By CHARLES MORROW WILSON

needs of a given farm community. Country storekeepers are usually home folks, bred to the ways and views of their neighborhood. In competition with the town merchant, the country storekeeper should have the advantage of cheapness of rent and overhead, plus the human element of personal proprietorship. The country merchant can sell a mighty big range of goods at a profit. Here in this little shop I carry in stock better than five hundred articles. Mighty few chain or department stores in towns, say of ten to twenty-five thousand people, would have a wider list.

"The country store has natural history on its side. A farming community needs a trade center now the same as it always did. Fine highways and cheap automobiles have taken most of the time and labor out of going to market; they haven't done away with the expense of travel—not by a whole lot.

"The farmer of today spends a bigger portion of his income for merchandise than he did ten years ago. In making out its index figures, taking the years between 1910 and 1914 as 100, the Department of Agriculture estimates

now that the farmer receives for his produce 133 and pays out for necessary merchandise 154. All of which is a little sad for the farmer, but it should be in the storekeeper's favor. I believe it is, more often than not.

"Another big advantage lies in the possibilities for barter trade. At least a third of my business is done in barter. I take herbs, hides, poultry, eggs, cream and butter, and sometimes strawberries, potatoes, fruit and corn in exchange for store goods. That gives a double profit, a little profit on the produce, plus the regular profit on the merchandise. That means I can whittle both profits down to the very bone and still stay in business.

"Available side-lines provide another chance for survival. A good many country stores still house post offices. That helps hold the trade and provides reasonable pay for time and trouble. If he sees fit, a country storekeeper can equip himself to practice pharmacy. In the old days lots of country storekeepers turned barber on Saturday afternoons. A few of them do still. Or one can equip himself to do leather mending, milk testing, egg candling, tire repairing or auto servicing, or even blacksmith work, if he has a bend for it. There are plenty

of outlets for initiative.

"A country merchant ought to have the advantage of countryside friendship. His store should be a handy gathering place for neighboring people; a center where farm folks can come to spend an off afternoon or a rainy day; where they can talk things over and come to a better understanding of farming ways and crops and each other."

There was a pause, during which we helped ourselves to a handful of soda crackers and several slivers of cheese. Then as we gazed out the door towards myriad acres of sunflooded farm lands, a lean-chested hound strolled in to beg a morsel of the cheese. When we had complied, the animal trotted on his way, leaving behind a faint



Ewing Galloway

**THE COUNTRY STORE—200,000 STILL SURVIVE**  
Neither the automobile nor chains have been able to drive them out. Here is an old-time store

aroma of sylvan hollows and vanquished polecats.

"Are methods in farm merchandise changing much?"

Tom Good ran a brown hand through his bristling gray hair, took out his pipe, crammed it with good tobacco, struck a match on his breeches leg and lighted up.

"Sure the business is changing. If it weren't the game wouldn't have lasted this long. And it certainly wouldn't have the future that it does. Why let me tell you—"

Here is part of what he told:

Nowadays farm trade is coming to be advertised trade. It is calling for quality goods at big production prices in place of the medium or low medium stock which it dispensed twenty, or even ten years ago. Even in

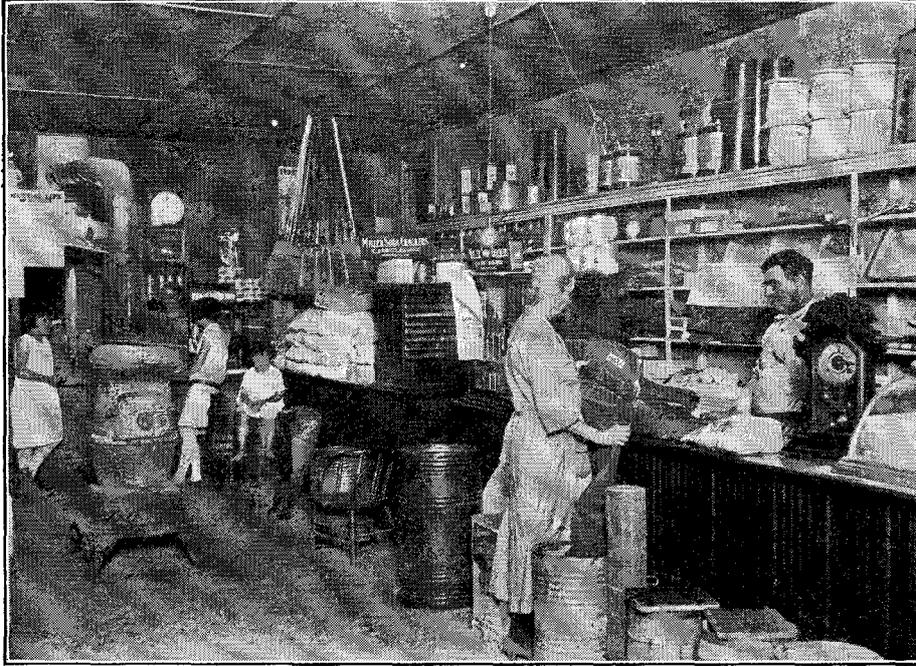
the remotest of farm areas you will find the successful country store stocked with products of nationally established quality; widely advertised brands of good tobacco, candy, coffee, flour, canned goods, clothing, shoes, hats, cooking utensils and farm machinery, all effectively displayed. The run of country stores are cleaner and better equipped today than they were ten years ago. Screens and awnings and glass showcases are becoming the rule rather than the exception. Cash registers are greatly on the increase.

Tom Good has noticed a number of more specific changes. One is that the lure of coupons is waning. Inferior coffees and soaps no longer sell merely through virtue of coupon prizes. Cheap candies and petrol sweets have gone the way of spring buggies. For country people, regular consumers of sweets, have definitely acquired greater respect for the palate and the welfare of the digestive tract. Chewing gum remains consistently popular with the rural trade. Canned goods, potted meat, fine teas and coffee are of increasing use. Cigarettes hold consistent patronage, but at present Dame Nicotine appears

to reign most forcefully in pipe tobaccos of good quality. During the last three or four years breakfast foods and cereals have come into consistent demand, a further evidence that the farm table is improving in quality and digestibility.

Ready-made wearing apparel of good

and earth gather to re-live old times. Old wives come for a speculative hour of barter, and look serenely upon the world which they no longer have cause to fear. Countryside sages in faded overalls ponder over lost causes and impossible allegiances. There are sun-



Ewing Galloway

#### THE COUNTRY STORE CARRIES 500 ITEMS

*It may be a pharmacy as well as a forum, and occasionally a blacksmith shop*

style and quality is selling consistently both to men and women. Silk stockings have come to be a requisite stock. Tom Good finds that in his own trade they outsell the cotton hosiery at least four to one. Shoes are becoming more comfortable and better looking. Farm women are calling for pumps that are dainty as well as wearable. For men, hats are generally replacing caps. For women hats have superseded their sunbonnets.

Traditional farm credit is fast being replaced by the more expedient philosophy of cash and carry, although country trade remains, as it has always been, a traditionally honest trade. Tom Good's bad accounts represent less than one per cent of his total volume of business.

But in one very basic respect, the country store stays the same. It remains an exchange center for dollars and goods, for ideas and farm philosophy, for companionship and conversation and day dreaming. Its company encompasses the entire scope of rural humanity, young and old, landed and landless, ragged and replete. Old country men who have spent their hearty years testing out the glamorous fecundity of flesh

cases; itinerant lawyers, gregarious politicians who dispense good advice and bad cigars. Tramp printers come, medicine men, faith doctors, dime photographers, union artists and sellers of Bibles—humanity in a commonplace but colorful parade.

Romances begin at country stores. Picnics and play-parties are organized and invitations are set broadcast. Home-painted signs with twisted S's and non-descript E's still point the way to many a citadel of rural trade. Battered doors and weather-grayed walls continue to hold notices of auction sales and assessor dates, Blood Hound Chewing Tobacco, Iron Blood Tonics, circuses and speakings, and in time of war, casualties and conscriptions.

But Tom Good was speaking further of points in modernity.

"Look about for the things country trade calls for now that it virtually hadn't heard of five years ago. See that stock of cereals yonder—five hundred dollars' worth of it. All selling, too, and every bit of it has been recently introduced to farm trade through national advertising. Ten years ago I stocked

(Please Turn to Page 157)

## ⇒ What About Wages? ⇐

By WILLIAM O. SCROGGS

**T**HERE are many indications that in coming months the wage question is going to receive an increasing amount of attention. Until very recently most industrialists and business leaders have been loath to discuss the possibility of lower wage-scales. They have hoped that the high wages which have been associated with our prosperity might be retained, and that business conditions might soon improve sufficiently to eliminate any need of considering wage readjustments as part of the process of getting back to normal.

As yet there is no pronounced change of opinion in this respect, but with the continuance of subnormal activity in trade and industry faith in the efficacy of high wages is beginning to be shaken, and the doubting Thomases are voicing their skepticism. The recent comment of Albert H. Wiggin, Chairman of the Chase National Bank, in his annual report to the stockholders is significant. After declaring that high wages do not make prosperity, but that prosperity makes high wages, he added: "When wages are kept higher than the market situation justifies, employment and the buying power of labor fall off. American business has proved its good will in dealing with labor on this point in the past year, and in many industries may reasonably ask labor to accept a moderate reduction of wages designed to reduce costs and to increase both employment and the buying power of labor."

In making this statement the head of the world's largest bank had evidently weighed his words carefully and was not reflecting merely his individual opinion but that of an influential section of the business community. This view is not to be confused with that of the hard-boiled employer who insists that all our present troubles are due to the fact that high wages have forced the mechanization of industry and thus brought overproduction and unemployment.

The more conservative view of the wage problem, as voiced by Mr. Wiggin and others, suggests a readjustment which shall not lower the wage-earner's standard of living. The idea is to bring retail prices, rentals and wages into line with the new price level of raw materials. The worker's money income would be somewhat reduced, but with his living costs lowered he would suffer no loss of purchasing power.

It is argued further that unless wages are readjusted in this manner it will be impossible to bring down retail prices sufficiently to stimulate the consumption of surplus stocks of finished goods. Once retail prices are brought into line, consumer buying power will improve, production will pick up, the demand for labor will increase and business will be able at last to extricate itself from the vicious circle into which it fell in 1930.

This new attitude toward wages is due in large measure to the persistence of the industrial depression and to the growing belief that a business revival can come only by a reduction of costs and the gaining of wider markets. The same view has gained wide acceptance in Germany and Italy, and it appears to be gaining ground in Great Britain.

In Germany the government has adopted a definite program for bringing down prices in order to win new markets for German goods, and its program includes an adjustment of wages to the lower price level without actually reducing real wages. The German Minister of Finance, Dr. Dietrich, has recently advocated the abolition of doles for the unemployed, which now amount to about \$750,000,000 per year, and the use of this fund to stimulate industry, so that the workers may obtain jobs instead of doles.

In England the case for a wage readjustment has found an advocate in Henry Clay, a noted economist who is serving on a commission investigating the British system of unemployment insurance. Mr. Clay is convinced that the loss of foreign markets is the chief source of Britain's woes. He finds also that British producers have failed to adjust their costs to the world level, and he concludes that if they regain their foreign business they must offer their goods at prices which will attract buyers. Britain thus faces three possible courses: it must find new modes of economic activity, or accept lower levels of remuneration, or keep prices high with restricted production.

These European diagnoses are of considerable interest in the United States. Here we have undertaken deliberately to maintain a price level above that of the world markets. Some of our political leaders have an idea that if we can make prices high enough and trade only with

ourselves our prosperity cannot be shaken. The Federal Farm Board's experiments with wheat and cotton are an outgrowth of such a notion. Many private industries have likewise sought to maintain prices at an artificial level, usually with unfortunate results, as shown, for example, by the experience last year of the copper industry.

Our huge surplus stocks of raw materials and our millions of unemployed attest the need of more buying. Some people have undertaken to spread the gospel of spending. If everybody will only turn loose a little of his savings, they say, prosperity will come back with a rush. If this happened, it would be the first time in history that prosperity has been made to order. It would be the first time also that it has been developed by consumers going deliberately counter to their instincts.

There is another way to stimulate spending which is urged by some observers of the economic scene as being more natural and therefore more likely to succeed: instead of asking people to buy from a sense of duty, entice them with lower prices. The way to increase buying power is to bring retail prices within reach of the buyers. But how? The proponents of this idea point to the elimination of waste as one means. Some of them go further, as we have seen, and propose a moderate reduction of money wages.

If it is objected that this means "taking it out of labor" and that lower wages cannot possibly mean greater buying, they answer that the placing of part-time workers on full time and providing work for the four or five million now unemployed will actually bring a substantial increase in the workers' purchasing power.

So far the number of wage reductions has been surprisingly small. Reports to the United States Department of Labor indicate that only about 5 per cent of the factories in this country reduced wages in 1930, although the laying off of workers and the resort to part-time were quite general. In spite of the growing talk of readjustments, employers as a class are disposed to make no immediate move toward this end. Many of them look for better prices, and if these come wage-scales are likely to hold firm for the industries concerned. But if prices are stabilized near their present levels the story may be different.