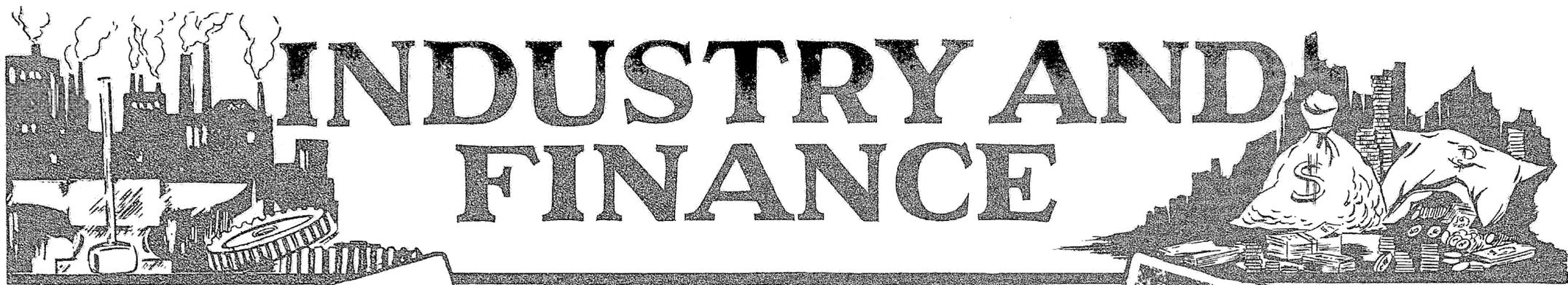
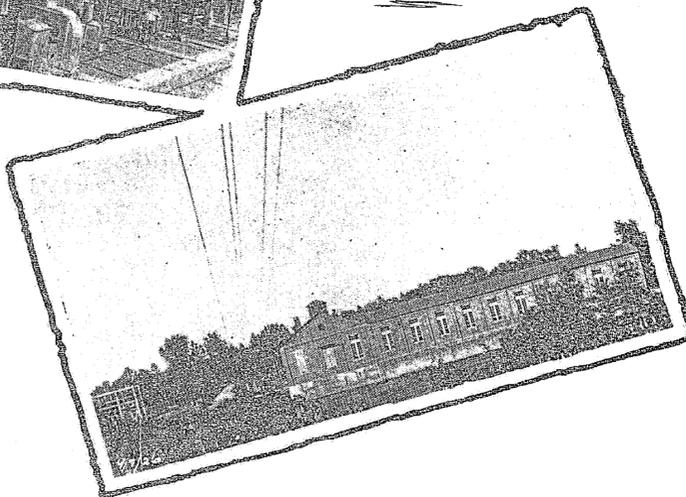
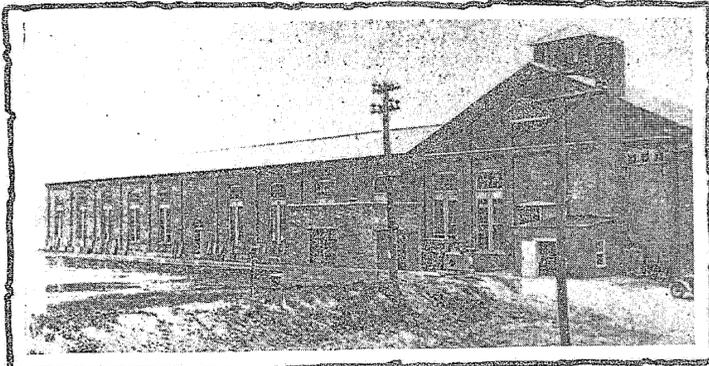
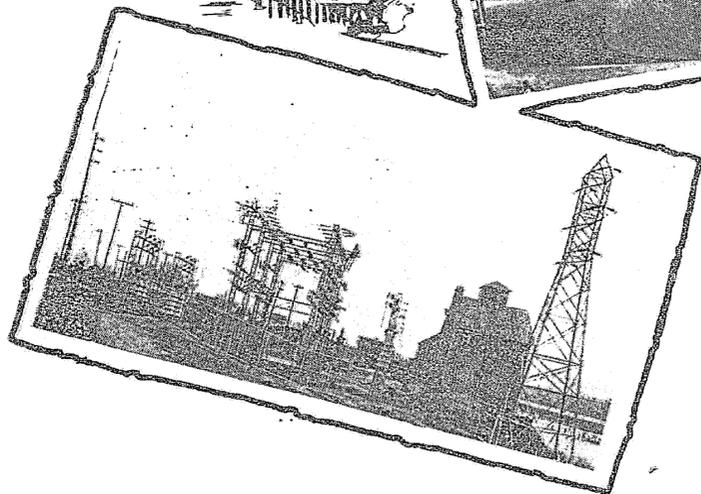
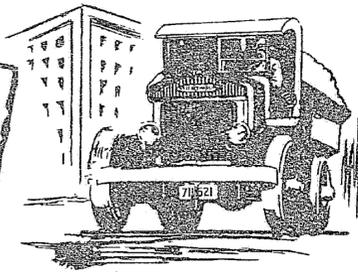
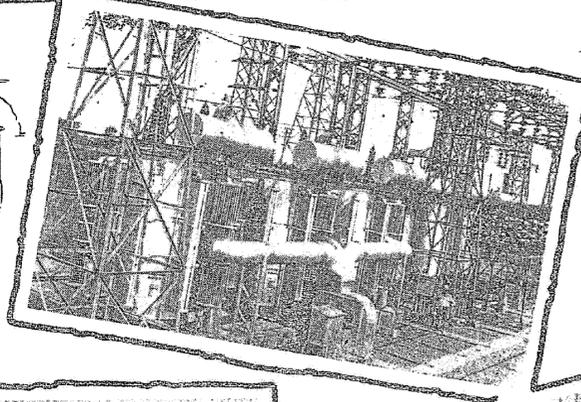
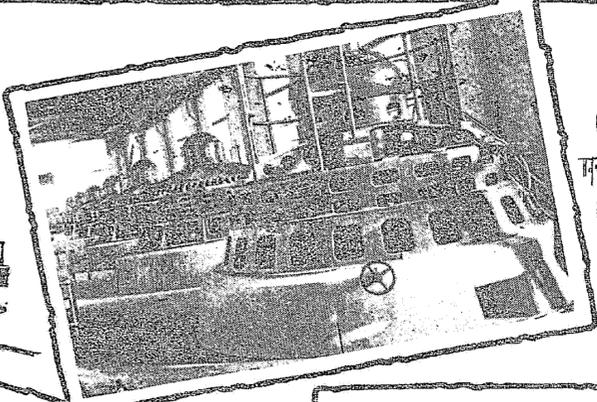
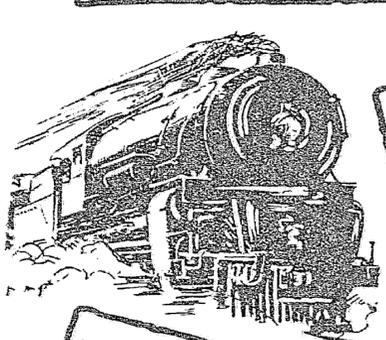
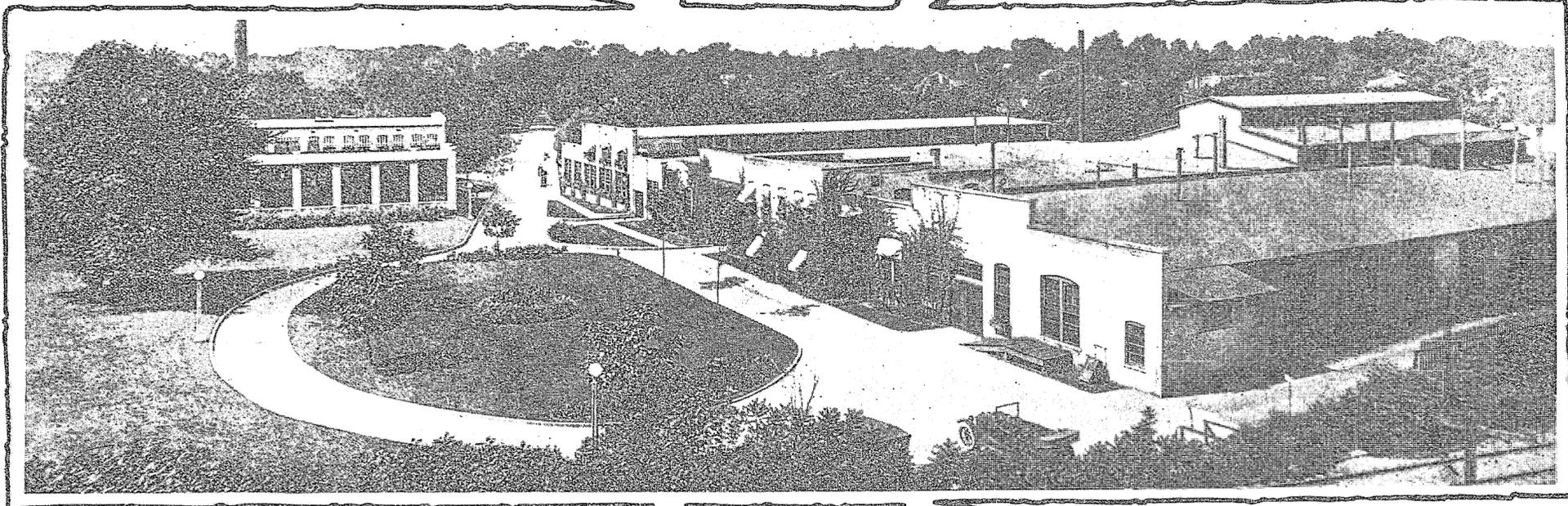
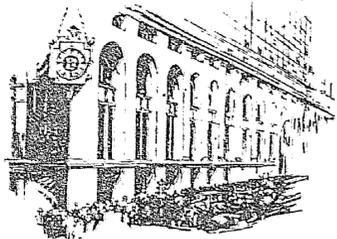
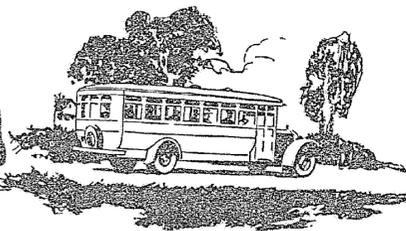
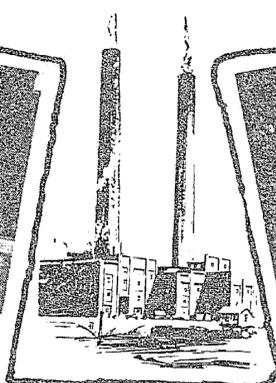
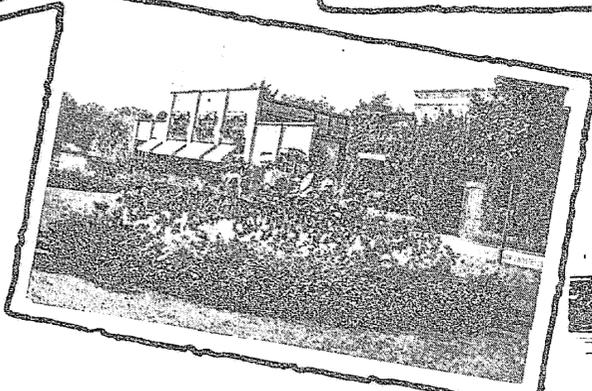
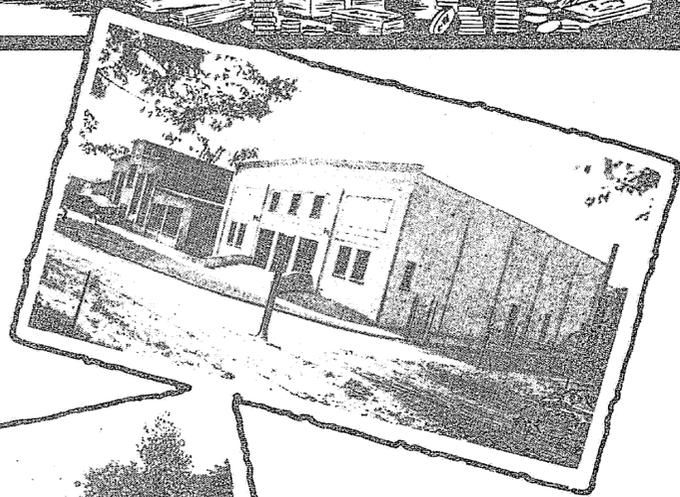
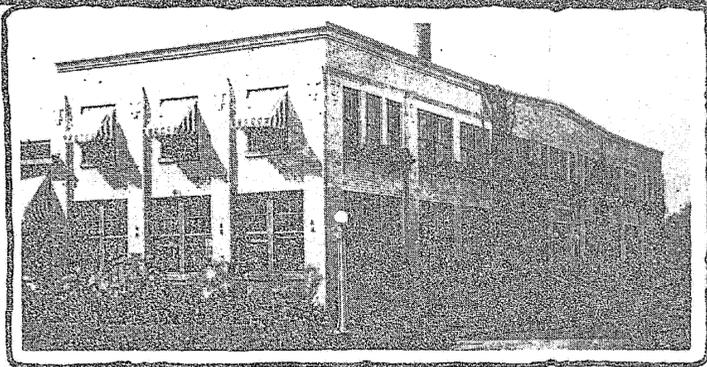
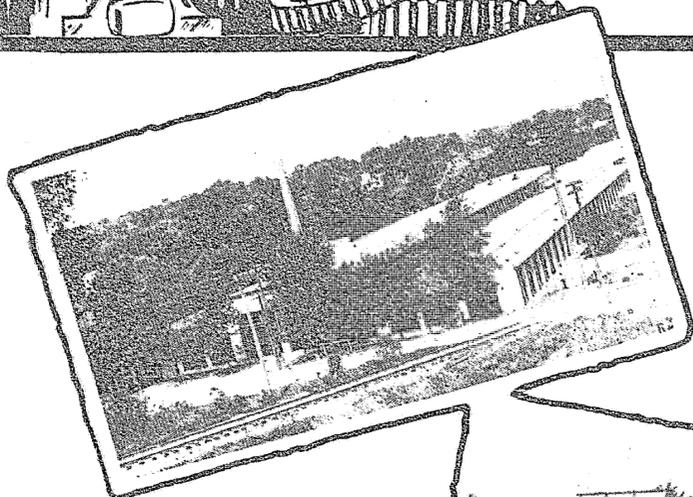


# INDUSTRY AND FINANCE

# SMALL CITY GROWTH RETURNS

## Past Decade Shows Change of Trend

In the past twenty years a lot of things have happened that have caused much alarm amongst those who dearly love the 'old home town.' The foremost apprehension was that the most enterprising and successful merchants and manufacturers were flocking to the metropolis nearby, where there was greater opportunity. The younger generation too, felt this lure, and as a result it was feared that only the old residents would be left. Not only the inhabitants of the smaller cities were thus taken, but likewise the appeal was harkened to by those from the rural districts. This general exodus, brought on a condition where all trade was gradually dying out, necessitated all the live ones to follow for self preservation.

Ten years ago things went from bad to worse. Lecturers, story writers, and play-writers, from the Eastern cities, made a pet issue of the sob story about the country boy who broke home ties, left the home town flat, and went to the big city and became Somebody. What a demoralizing picture they did paint about the decadent life that was in store for those so unfortunate as to still remain. Consequently all the youths felt it an imposition to live in such a place.

About the time the world war began, it appeared that the small town was doomed. They were on the run, no doubt about it. The farmers who drove in, merely passed through on their way to purchase in the more advantageous city markets. Industries in the larger city paid far better wages than any work at home, so the laborer also began folding his tent, and silently slipped away to the city.

The automobile dealt another blow to the battered small town. Good roads all lead to the big city, wherein were better schools, more conveniences, and more recreational diversions. It allowed the farmer to travel 50 miles in the same time it used to take him to cover 10 miles. Hence it was just as easy to take in the sights of the growing county seat, or industrial center. Finally the last straw came with the departing of

the remaining young men that still resided in the town, to join the colors in the war. That marked the 'dark ages' for the small community.

Every 'dark age' is just the winter period that makes the spring time more sure. And the silver lining for the small community was just around the corner. With the war came a tremendous wave of prosperity. Industry boomed on a vast scale. Production doubled and trebled. Every individual shared in this prosperity, and an epidemic of buying swept the country. People became used to luxuries. To increase production, labor saving machinery was installed wherever possible. All industries enlarged the size of their plants. Naturally the big city was the gainer, although the farmer and merchant in the small town received their proportionate share.

Then came the collapse due to over production and over buying. Industry and business had a tremendous problem on its hands. Wages, raw materials, freight rates, etc., were so high that a retrenchment in management was needed. Consequently an entire industrial readjustment was required.

Many found salvation in removing their plants and business to the small towns, wherein the flush of prosperity had not been as great, and wherein better labor, living, and economical conditions would enable them to reorganize. This course has proven to be the wise one.

The last ten years have revolutionized the small town. The boy who left for the city is amazed when he returns. Main street ain't what she used to be. Everything that is needed is there, and practically every advantage that used to be a monopoly of the city, can be found.

While old kinds of business have disappeared, new kinds have come in to take their place. There are the sales agencies for the automobiles and trucks. The main corners have filling stations. Modern machine shops take the place of the blacksmiths. A modern hotel replaces the boarding house. Paved streets make a cleaner, more citified, appearance. Buses, connected with all neighboring points. A modern school, as fine as any in the big city, takes the place of the little red school house. Palatial movie houses bring a metropolitan atmosphere

to the business section. And so, the small town, now is coming back with the last laugh.

In the leading trade journals one finds articles entitled, "Why we moved to the country." They tell the experiences of managers who have taken their industries from the cities to the smaller communities. In every instance their move is justified. They freely predict that the industry of the future will be thus located. Those small cities wherein the housing conditions are most favorable generally receive first consideration.

The automobile, radio, availability of cheap electrical power, is now bringing about a great decentralizing period, when the population again scatters back to the grass roots. Those prophets, who had foretold their doom, have had their croakings thrown back in their face, for the future of the small town is now a bright and rosy hue.

## A Business Remedy for Agriculture

The relation of agriculture to industry is not as simple as it first seems to be. The ordinary idea is that the farmers constitute a large group of consumers for manufactured products, and that when they are prosperous they buy freely so that "business" is favorably affected. In short, it is usually assumed that prosperous agriculture goes along with prosperous business. An examination of past records, however, shows that there is too frequently a divergence between farm prosperity and industrial prosperity to warrant an unqualified acceptance of the foregoing idea.

In the first place, the farmers are producers of raw materials for manufacturing industries. Manufacturers of food products, such as meat packers and flour and feed mills, are dependent upon the price of farm products which they use as raw materials. Cotton and wool mills buy important farm products. Tanneries and shoe manufacturers consume hides, which are a by-product of the live stock raised on farms and ranches. In the second place, the farms produce the food stuffs which are an important item in the cost of living of the industrial population. When the prices of grain, meat, milk, etc., are high, the farmers may be benefitting thereby, while the consumers in cities find their surplus purchasing power reduced by increased bills rendered by their grocers, meat markets, and milk men.

As consumers, the farmers are not now so important an element in the population of the country as was formerly the case. In our early history something like 80 per cent of the population might have been classed as farmers. Probably the number does not now much exceed 25 per cent, and the tendency has been to decrease since the output per farmer has increased and the farm population has drifted into the cities. Nevertheless, farmers and business men in rural communities, who are directly related to the farm situation, form a large consuming group for general merchandise and furnish an important market for clothing, building materials, automobiles, etc.

**Farming Affects Banks**  
The farm situation has an important bearing on financial conditions in two general ways. (1) The credit situation is directly affected by the prosperity and solvency of farmers. During the periods of crop moving, and to some extent of planting, there is a seasonal demand for credit which affects the course of interest rates. For longer periods, the investments of the farmers in live stock, machinery, and lands require credit arrangements. Upon the solvency of farmers depends the solvency of dealers and

(Continued on page 15)

## IS PERMANENT PROSPERITY REALLY POSSIBLE?

By John W. Davis  
Secretary U. S. Department of Labor

One single marvelous machine can make all those big 5-gallon bottles, called carboys, that the United States can use. Just one single machine, mind you; I am not speaking of a type of machine. Not so long ago it required several hundred men to blow the carboys. Some commentators like to dwell gloomily on this displacement of labor. I prefer to rejoice that the distortion of the face and the deterioration of the abused lungs of these glass blowers are no more.

The steel mills are lonesome deserts compared with the swarming hives of toiling and sweating humanity they were when I was a worker in them. Yet, at a great steel plant this very week I witnessed the inauguration of a new sheet-rolling process that makes that department's capacity six times what it was. I am no more alarmed, taking the long view, over the jobs this process will abolish than I am over the former carboy blowers. In the long run, the new steel process will be for the benefit of all.

### Productivity of Industries Being Increased

These two industries—glass and steel—are not exceptional in their increase of actual and potential capacity to the individual

duced by 7 per cent fewer men. With factories roaring and commercial prosperity running high these men are temporarily out of jobs. We thus add to any existing unemployment and we face a problem of willing but idle men in the midst of prosperity. New types of industries—now as always—absorb many of the men released by machines, but the latter have developed too rapidly of late for new industries to keep up with them.

### Will the Machine Bring Poverty?

There seems to be no limit to the gain in efficiency. Are motive power and the automatic machine going to bring chronic and increasing unemployment?

Is the machine that so amazingly piles up wealth, to augment poverty, breed a permanent idle class and plunge us into a sea of social distress and turmoil?

Is prosperity to destroy itself? Have we been all wrong in our deep faith that increased productivity meant material betterment and general social progress?

What if in time to come there shall be a machine in every industry that can supply the entire demand for its particularly product?

same mighty machinery that now terrifies some of our people. I foresee a world in which the vices of industrialism will be eradicated by a further extension of the mechanisms that brought in industrialism. The present stage of industrialism has created our enormous cities. Further improvements of machines will so reduce the massing of laborers that the cities will not attract and hold the workers as at present. Great wide highways, modern auto transportation, a home with lawn and garden having all the conveniences of the city added to the health and vigor of the country, will cause manager and man to accommodate industry to the changed conditions. Industry will gradually decentralize. A comparatively few plants, evenly distributed over the country, will be able to produce all of our manufactured goods. People can go back to the simple life of country homes and broad acres. The machines will produce manufactured goods more cheaply and consequently less work in agricultural, professional, technical and service lines will be required to purchase them.

We must learn to look upon the machine, no matter how powerful, as our slave. Machines are to the modern world what human slaves were to the ancient. Already every man, woman and child in America may consider that he has thirty slaves working for him. At the height of their power, the ancient Greeks were able to command only six human slaves each. I doubt not that each of us will eventually command a hundred iron and steel slaves.

Let us consider what we are living for. The broad answer is to get the most out of life. Are we getting it if we let the machines we have made tyrannize over us? So long as we devote all our time and energy to getting a living we are not much superior to the animal whose whole life is a process of getting and devouring food in order to live. Power and the machine make it possible for us to rise above this condition. They endow us with ability to attain leisure for something else than grasping and devouring food. The mastery of life is in our hands.

**A Delicate Task**  
Because our marvelous machines turn out a surplus is no reason for dismantling them. We need to turn a part of that surplus into leisure. Let us take some of our earnings in more time for living and devote less time to working to live. Rightly used, the machine should emancipate instead of enslave us to endless toil.

But the adjustment of society to its new riches will be a delicate task; our economic life is so complex. If all our goods were made by one organization it would be easy to adjust working hours, so as to declare dividends of leisure as well as of more goods.

**Foreign Outlet**  
It seems to me that there is a way to keep our creative capacity from being oppressive. That way is to turn our attention to foreign outlets for our surplus products. By that I do not mean a rough and selfish intrusion into foreign countries to the restriction of outlets for the industries of other manufacturing countries. I mean to create new markets by creating new demands through offering new goods to the backward countries.

A typical Chinese peasant I am told makes about \$50 a year. If the Chinese standards of living could be improved an immense market could be attained in that populous land to the mutual benefit of the Chinese and the countries that export industrial goods.

If the purchasing power of China could be raised \$10 per capita a market of \$4,000,000,000 a year—about equivalent to the entire volume of our present exports—would be added to the consuming side of the world's balance sheet. Perhaps China is so densely populated that it will be

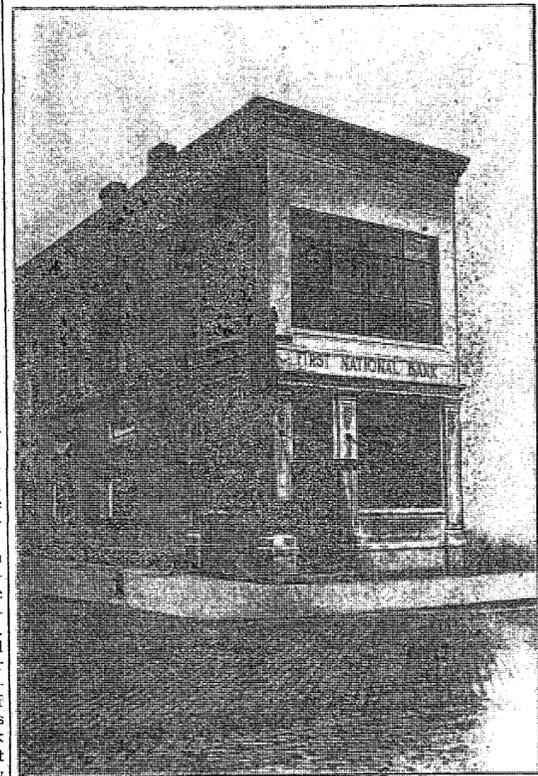
very slow, if not impossible work, to raise the standards of its packed millions.

There are still vast regions of the world that are either thinly peopled by high standard people or are occupied by handfuls of backward people. In the former—Australia and Canada, for example—we may expect a great increase of numbers, and in the latter both higher standards and a still greater density of population. I believe that it is possible for the industrial nations to co-operate peacefully in the beneficent

the world—for it would mean millions of miles of good roads and the manifold advances in better homes and surroundings that are inseparable from the improvement of transportation, along with inestimable consequences in every other industry.

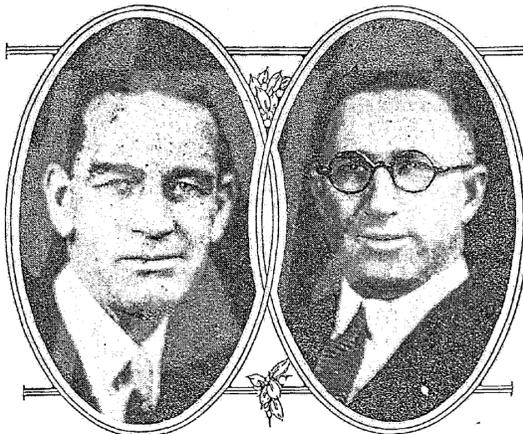
Our automobile industry aims to move the world—and will end by lifting it.

If we could raise standards throughout the world it would be possible long to defer the time when we might be disturbed by



First National Bank

## Chamber of Commerce Officials



Al. W. Charles

Harleigh W. Riley

worker. All American industries are increasing their productivity. Our Bureau of Statistics has found that eleven industries, intensively studied, have increased their average productivity 68 per cent since 1914. We used to think we had reached the climax of mass production twenty years ago. Now we know we had barely started. Our figures show that as a matter of fact most industries almost stood still in unit-productivity from 1899 to 1919. All we gained in twenty years—6 per cent—was but a trifle compared with what we have done in the last seven; in that short period the productivity of the American worker has increased 43 per cent (according to census figures), taking 1899 productivity as 100. The facts of this startling industrial revolution, which may be more truly revolutionary in its consequence than any political revolution since the French, have become generally known during the last year, but the problem that it is raising has had little attention.

If the productivity of the manufacturing worker had remained what it was in 1919 we should now require the services of about 140 men for each 100 then employed, allowing for the increase of population and the corresponding gain in total consumption. Actually with goods being consumed liberally by ten million more people, they are being pro-

Strangely enough our Bureau of Statistics assures me that with increasing productivity and a perceptible fringe of unemployment, working hours are getting longer, contrary to the general belief that they are getting shorter, based on the facts of a few highly unionized industries. If that is so we have two tendencies making for an intolerable situation—more work for the employed and more unemployed.

### Restriction Not the Remedy

I have briefly outlined the problem that confronts us in a striking, even exaggerated way, because I want to get our people to comprehend and realize it. But I have not lost one whit of my faith in the importance of increasing productivity efficiency. We must not turn to restriction of production as the remedy. Capital must not seek the drastic remedy of shutting down its mills after having strained itself to make them productive. Labor must not inculcate idling on the job.

We must not be dismayed and discouraged by the difficulties and problems arising from the dislocation of industrial life that the rapid multiplication of machines and the tremendous extension of their efficiency inevitably, though temporarily, involve. Looking into the future, far beyond the turmoil of readjustment and stabilization, I vision a new and far better industrial world due to the

enterprise of improving living conditions and bettering standards among the backward nations and races. Here in our domestic markets we find some 90 groups of competitors uniting to increase the sum total of demand for their goods, within their respective groups, without thinking of destroying competition among themselves. The more business for the group, the more for the individual.

After all, there is a certain amount of specialization of industry as between nations, and there would be more if perpetual peace were assured. The lurking fear of war encourages self-containment, which means development in some countries of industries that are better suited to others. In this way the division of industry between nations is checked. In Europe they are seeking to offset this lop-sided development by means of cartels or trusts approved by governments; there are some 90 such international cartels already in existence.

### Automobile Industry, As An Example

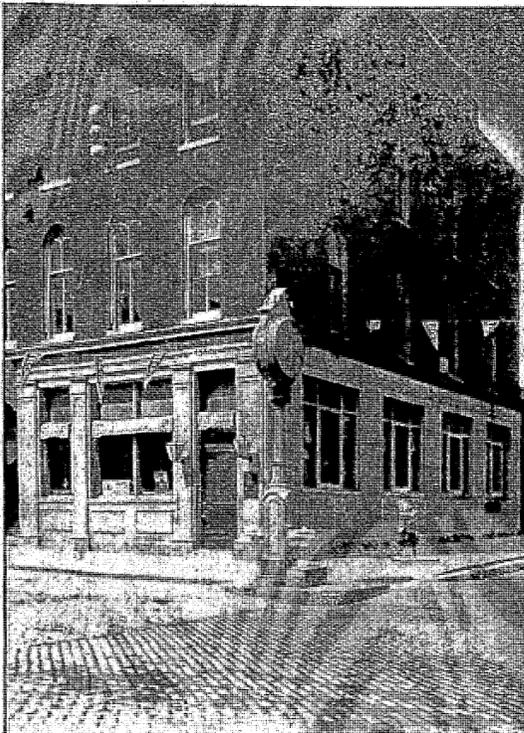
A most interesting experiment in international union to promote consumption is that being tried by our own automobile industry. Although it dominates the export automobile markets of the world, it believes that there will be still more business for it, as well as the automobile industries of other countries, if all the manufacturers were to unite in a continuous campaign to "sell" the desire for automobiles to the countries where transportation is primitive. Our far-sighted manufacturers are, therefore, at this very moment trying to get their gas locomotive brethren of France, England and Italy to join them in world-wide propaganda, direct and indirect, for the extension of automobile use. Of course, it is Utopian to speculate as to the possibility of the whole world coming to our ratio of one car to every six people, but suppose it could be brought up to one in twenty. That would mean 70,000,000 autos in the world as against 25,000,000 now—and the submergence of the "saturation" ghost. If this single united missionary effort should be successful it would measurably raise the standards of living throughout

our advancing productivity. In that event we might prefer to take some of our profits from machines in more consumable goods for everybody rather than in more leisure. Indeed, it would doubtless be better for humanity as a whole if the industrial nations that begin to stand in awe of their machines, could unite in a vast undertaking to raise standards and extend consumption. Say what you will, economic ease is the necessary foundation of great cultures. The Eskimos and the Tibetans enjoy plain living but not much high thinking. Wealth and the climax of culture have come together throughout history. Ancient culture rested on economic ease wrought by slaves. We are attaining greater ease of living with decreasing human toil.

The machine will, however emigrate in the wake of its products. The present industrial nations hold no mortgage on the future. Eventually the whole world will reach the machine stage, when the emphasis will need to be transferred from productivity to the realization of the rounded life that productivity makes possible.

### Room for Progress

But we have a long way to go. Despite our immense productivity, even in America we have our submerged millions. Not a tenth of the world's people have sufficient clothing, myriads are underfed, multitudes live in shacks. Despite the over-production that seems to lurk just around the corner the annual production of wealth is only about a thousand dollars to a person. Our seeming over-production is really only the obverse of under-production in other economic areas. No doubt it is easily possible to swamp the world with carboys beyond all possibility of utilization, but in more widely required goods the trouble is not over-production as against potential consumption, but over-production in some parts of industry as compared with under-production in other. We do not move forward in alignment. We have not found how to balance production and consumption, or say, to spread high productivity over the body economic. Distribution takes too large a toll, and frequently from those who can least endure it. The benefits



Buchanan State Bank

# CLARK EQUIPMENT COMPANY

MANUFACTURERS OF CLARK EQUIPMENT

BEARINGS, DRUMS, & BRAKES

AND CLARK TRUCK AXLES & WHEELS

EUGENE B. CLARK, President  
C. B. ROSS, Vice President  
M. L. HANLEY, Vice President  
E. C. HADSPERD, Vice President  
FRANK HANCOCK, Vice President  
A. S. RONNER, Bookkeeper

Buchanan, Michigan  
November 3, 1927

Chamber of Commerce  
Buchanan, Michigan

Gentlemen:-

The Clark Equipment Company began its operations in Buchanan more than two decades ago. During the time which has intervened the company has prospered and grown greatly. It now employs here a larger force than is usually considered possible to obtain in a community the size of Buchanan. It recruits its force not only from Buchanan but from surrounding territory. At times its needs have been too great for this community to supply and, as a result, it has built plants in other towns.

The Clark Equipment has never sought anything from any community except satisfactory living conditions for its organization. As it has grown the community has grown and the company hopes that its prosperity and growth has benefitted the community. It is not unreasonable to believe that the company will continue to grow, and if so, it naturally will develop where development is easiest. It naturally will develop those of its plants that are in the most favorable communities. The headquarters of the company is at Buchanan and most of its officers live at Buchanan. We all hope that we can develop more at Buchanan than elsewhere.

Buchanan has good schools and a splendid community spirit. It is progressive. Unfortunately, it is true that housing facilities in Buchanan are not quite adequate even to the present demands. Your efforts to increase housing facilities are most opportune. The Clark Equipment Company wishes to you, and to those who are working with you for the good of Buchanan, the utmost success in your efforts.

Yours very truly,

*Eugene B. Clark*  
President

EBC:ER

# CLARK COMPANY AGAIN EXPANDS

## PAST YEAR GREATEST IN HISTORY OF COMPANY

To speak of the Clark Equipment Company is to speak of the influence which, more than any other, has made and is making Buchanan.

Until its arrival in Buchanan the town was known, as so many other Michigan towns are known, as a nice, old, farmer town, made up largely in population of those who had gathered together sufficient in the fruit and general farming industry, to enable them to retire.

Before proceeding further, however, it is only fair to Buchanan to state that there was a time in Buchanan's history when she was regarded as one of the foremost manufacturing centers in Michigan. That was a good many years ago. In those times she had a number of furniture factories and in the very earlier years had a larger wagon business than the Studebakers subsequently developed at South Bend. Indeed, many of the prairie schooners which made the grand trek into the boundless west, were made in Buchanan. So that the name of Buchanan was well known to the earlier settlers of the western country and to the marauding Indians who made it their business to surprise and massacre the Argonauts.

One by one the factories disappeared, some falling a victim to fire, others going into bankruptcy and still others selecting other locations, until all were gone and Buchanan had sunk into a somnolent condition from which it was feared there would be no awakening. And then came the Clarks with an idea and the will to develop it.

Back in 1904 when this company originated, Buchanan had but three industries left. These were the Buchanan Cabinet Co., the Lee and Porter Axle Co., and the Zinc Collar Pad Co.

In 1904, Mr. G. R. Rich came to this city from Chicago. He established a small machine shop in the building on Main St., that formerly housed the Wagon Works. They specialized in steel dies and iron castings. This concern met with a fair success and it was not long before an enlargement was needed.

The company was reorganized and known as the Celfor Tool Co. Here it may not be out of place to explain the meaning of the word "Celfor." It is a combination of the first syllables of two Latin words—"celeritas" (speed) and "fortis" (strength). Mr. Eugene B. Clark purchased in 1907 the Celfor Tool Co. Mr. Clark was graduated from the Engineering College of Cornell University in 1894; entered the employ of the Westinghouse Electric and Manufacturing Co. at Pittsburg, Pa., where he was engaged for two years in engineering work, both inside and outside the plant. While gaining this experience Mr. Clark worked with the men in the shops. In 1896 he entered the employ of the Illinois Steel Co., Chicago, Ill., where were employed 10,000 to 12,000 men. His duties here gave him constant opportunities of gaining knowledge of a workman's viewpoint. At the end of 11 years at the Illinois Steel Co. he resigned his position of assistant manager in order to purchase the Celfor Tool Co. at Buchanan, Mich., and later, in about 1912, he organized the Buchanan Electric Steel Co., which with the Celfor Tool Co., as consolidated on Jan. 1, 1917, became the Clark Equipment Co.

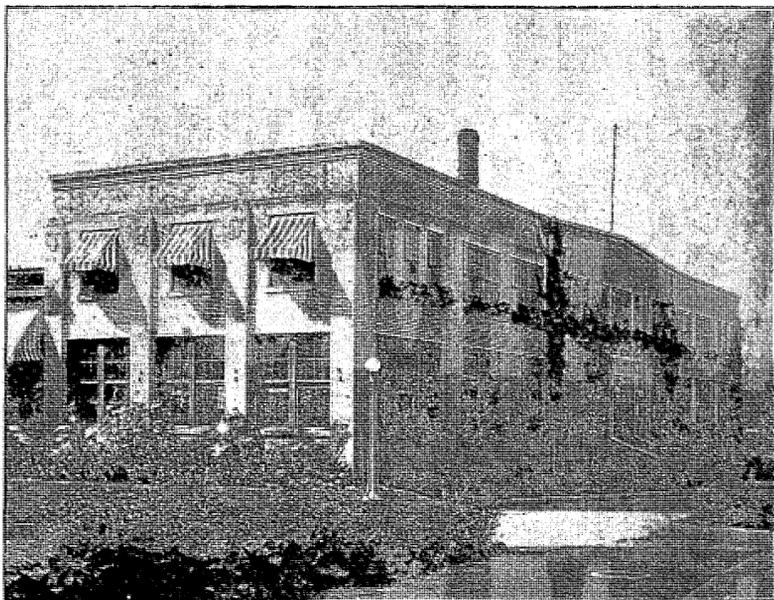
Mr. Clark has many outside activities, some of which are: President of American Sintering Co., Buffalo Sintering Co., American Ore Reclamation Co., director and member of the executive board of Motor and Accessory Manufacturers' Association, of which also are the Clark companies members. The Clark companies are also members of the Iron and Steel Institute, Motor Industries Inc., and leading credit mercantile associations.

In the early days of the Celfor Tool Co., Mr. M. L. Hanlin, late of Chicago and the Illinois Steel Co., came to be works manager. He is now vice-president

of Clark Equipment Co., Clark Tractor Co. and Buchanan Land Co. Later came Miss Nettie M. Carleton to become Clark Equipment Co.'s first secretary treasurer, and all subsidiaries until the time of her resignation in 1923.

### Celfor Tool Co. Forges Ahead

The Celfor Tool Co. quickly forged ahead into a foremost place in the drill business of the nation, being the originators of the twisted drill. It is said that Hanlin took the twist out of tobacco and put it into the Celfor drill. Today the Celfor drill is used in many industrial shops.



General Offices of Clark Equipment Company

in practically all the railroad shops in the country; in fact, in locomotives that are built today there are some 3000 holes to be drilled in each of them, all done by Celfor drills. Mr. Hanlin is in charge of drill sales and production. He has many outside activities that keep him busy. Besides being vice-president of Clark Equipment Co., Clark Tractor Co., Buchanan Land Co., he is also president of Buchanan Board of Education was first president of the Kiwanis Club, has been president innumerable times of village of Buchanan, member of many associations in his line, director and star in Clark Players and father of Harold Hanlin. He is affectionately known as most versatile and as a bar-none extemporaneous public speaker.

### Celfor Axles First Internal Drives

The Celfor axles, as the early Clark axles were called, were the first internal gear drive axles to be manufactured. That the internal gear drive axle has outclassed and superseded the chain-drive is evidenced by the fact that 91 per cent of the truck models manufactured in the United States use the internal gear drive principle.

Mr. R. J. Burrows, who came to Buchanan to act in a managerial capacity for the Lee & Porter Axle Co., became a part of the Celfor organization when the plant of the former was destroyed by fire, never to be rebuilt. From the date of re-organization until the middle part of 1925 Mr. Burrows had been a director and vice-president of Clark Equipment Co., at which time he resigned to become president of Clark Tractor Co., Battle Creek, Mich.

**Buchanan Electric Steel Co.**  
In 1912 there was organized Buchanan Electric Steel Co. (BESCO). The huge electric furnaces, which at that time were among the few in this nation, made the steel that was necessary in the manufacture of Celfor products. The organization of Buchanan Electric Steel Co. brought Mr. Edwin B. Ross. When the company was consolidated with Celfor Tool Co. Mr.

Ross became vice-president of the new company. He is in charge of all axle and wheel sales. Besides, he has many outside activities. Among them, he is president of Clark Hospital Association, has been president of Buchanan village several times, he is a director of Motor Industries, Inc. (a national organization), and is president of Niles-Buchanan Country Club.

Since its organization, Clark Equipment Co. has taken great strides. Many buildings have been added and many new departments created in order to care for the demands of a large company. The plant of the defunct Bu-

to work in other plants. The Clark Tractor is sturdily built for the rough daily usage to which it is put and intended, for with the exception of one (which was torn down for pattern uses), all of the original seven machines are still in daily use with their original purchasers. A separate company was organized in 1919 for the manufacture and sale of Clark Tractors. Today sales and service branches are maintained in all the principal cities. Over 60 per cent of Clark Tractors, Clark Truclift and Clark Duat business consists of repeat orders; many large companies maintain fleets of Clark Tractors. Clark Truclifts and Clark Duats.

### Supervision Is Keen

The Clark policies insist that nothing be done in half-way measure. In the matter of their product all steel that is used in the manufacture of Clark products is examined in a well-equipped, thoroughly modern laboratory, under the personal supervision of

Mr. E. C. Mogford is superintendent of manufacturing. He is an experienced engineer and the inventor of a number of Clark products. As a member of the S. A. E., he is prominently known in automotive and engineering circles.

### Advertising Department Efficient

The advertising department with Mr. Ezra W. Clark, brother of the president, at its head, has placed Clark companies on the top rung. Mr. Clark was a lieutenant in the army during the war, and was formerly connected with metropolitan newspapers. Possibly the greatest, certainly among the great achievements of the department, which aroused nation-wide comment, was "The Spirit of Transportation Paintings." Clark Equipment Co. invited 12 well known artists to dramatize, each in his own manner, "The Spirit of Transportation." Each was paid for his work, and the 12 entered into a friendly competition for a bonus prize of \$1000. The artists who participated were: Max Bohm, George Elmer Browne, R. F. Heinrich, Jonas Lie, Alphonse Mucha, Coles Phillips, Franklin Booth, James Cady Ewell, Frank X. Leyendecker, F. Luis Kora, Maxwell Parrish, William Mark Young.

The jury of award were representative art critics and transportation captains. They were: Judge Elbert H. Gary, chairman of the board, U. S. Steel Corporation; Robert W. DeForest, president Metropolitan Museum of Art, New York City; Charles L. Hutchinson, president Art Institute, Chicago; W. C. Durant, Durant Motors, Inc.; Homer L. Ferguson, president Newport News Ship Building and Dry Dock Co., Newport News, Va.; Frederick D. Underwood, president Erie Railroad Co., New York City.

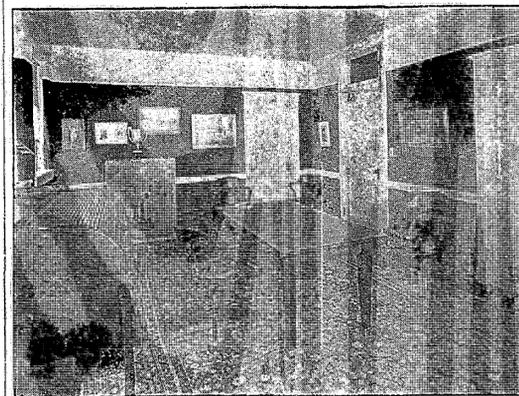
This collection of paintings was exhibited in the Art Institute of Chicago, at the New York and Boston Automobile Shows, Detroit Athletic Club, and under the auspices of the National Auto Dealers' Association has been shown in the principal cities of the West.

Reproductions in colors of the

Mr. J. A. White, experienced chemist and metallurgist. For guesses or approximates are never permitted in Clark metallurgist practice. The Laboratory is called upon by the Purchasing Department to make exhaustive tests to determine if supplies delivered conform in all respects to the rigid specifications written into all purchase orders.

**A Live Purchasing Department**  
The Purchasing Department of the Clark companies is an organization in itself. Adequate storage space facilities reinforce the purchasing power of the agent. The company owns a large concrete and steel warehouse with railway siding and an electrically operated overhead crane. Space is thus provided for a five to eight months' supply of bulk materials. Frank Habicht, a man of broad vision and experience, is purchasing agent for Clark industries. He is active, too, outside the Clark companies, being a director of the Board of Education, for whom he works conscientiously as it purchasing agent and has saved the taxpayers of the village many hundreds of dollars. He is prominent in purchasing agents' circles, being a member of the National Purchasing Agents' Association of America, and a member of the executive committee of Northern Indiana Purchasing Agents' Association. He is also purchasing agent for the Buchanan Land Co.

**Tractor Now Appears**  
The first Clark tractor was built in 1918 by the engineering department of Clark Equipment Co. It was used to haul materials to and from the many departments, because the acreage of the Buchanan plant is large. It had no name then and a colloquial cognomen was given it—"go devil." It was a success. It was given a severe service test—two new machines were built—and because these "go-devils" handled material so quickly and so cheaply five additional machines were put to work in the plant. Visiting officials from various large industrial plants were so impressed by their work, by their novelty (for they were the first gasoline-powered industrial haulage vehicles), that five of the first seven had joined other payrolls



Private Office of President

paintings have been made and are used as Clark literature. For unlike most advertising lore—Clark's is a "thing of beauty." The Constitution of the United States, in the original literal text, with pen sketches by William Mark Young is worthy of a place on the library table or desk of the most fastidious, and is a product of the advertising department. Mr. Clark's advertising is of an aesthetic beauty. In 1920 his department cooperated with the Welfare Department, with Mr. A. H. Kiehn, its then superintendent, in the publication of an employees' newspaper, "Ceco News." Mr. Clark has many outside activities besides being advertising manager for Clark Equipment Co., and Clark Tractor Co. He is chairman Committee of Advertising Managers, Motor and Accessory Manufacturers' Association, president National Advertising Council; member Committee of Show and Allotment, Motor and Accessory Manufacturers' Association, and many others.

A few more factories such as the Clarks have given Buchanan, would soon spell for her an industrial supremacy, that would lead to its becoming the foremost city in South Western Michigan.

## PRODUCTION OFFERS REAL PROBLEM

In 1925 it took 200,000 persons to sell the automobiles that 350,000 workers annually make in the United States. According to the first complete distribution census ever made in the United States, that recently taken in Baltimore, only \$17,500 worth of automobiles are annually sold a year for each person engaged in automobile retailing in that city—ten middle-price cars. The situation is getting worse instead of better. Productive efficiency in the automobile industry has advanced still more within the last two years, but it is taking more people to sell the cars than ever.

The automotive industry is typical of the lag between production and distribution of virtually all modern manufacturing industry in America. Production outruns distribution; over-production can be brought on at almost any time in almost every industry. It is little more than a matter of touching a push-button. And yet the great majority of people are always in a state of under-consumption as measured by their desires and requirements. The very fact that there is what we call over-production proves that there is under-consumption, for it shows that the producers are in the market to buy but can't because nobody, in turn, will take their output.

**The Problem Still Unsolved**  
Seventy-five years ago, in a comparatively simple industrial age, Victor Hugo remarked that man had solved the problem of producing goods, but not that of distributing them. Since that time production has been many fold increased with respect to potential capacity of the human unit, but distributive efficiency has not kept pace. We produce better than ever and sell but little better. We have mass machine production in torrents, but we are still selling by hand. We manufacture by the trainload and sell one at a time.

Perhaps it would be more convincing to say that what we need is mass buying. We do have many amazing organizations that aim at mass selling but somehow mass buying does not result—even in America, which is far ahead of the world in overcoming selling resistance. High-powered selling and "go-getting" are not the solutions of the problem. They beat down sales resistance, at a formidable cost, but they do not breed an intelligent will to buy.

We must find a way to get rid of a situation that builds up distributing costs at last as production costs are lowered. Really we are getting nowhere with low costs in the factory and high costs in distribution—except toward the ditch.

We can't boast much of economic progress when it takes three-fourths of a man to sell the tire made by one man.

The tires are evidently needed—why can't the need be satisfied without paying such a toll?

**Over-Production**  
Notwithstanding its terrific cost, hand-selling fails to do its job. Our modern conveyor sys-

tem, despite the increasing number of salesmen, lashed to their work by "go-getter" sales managers, employed to truck away the goods is continuously hindered, clogged and stopped by the accumulation of its product. And yet there is scarcely an appreciable part of the population who would not gladly receive and utilize more of the potential output if they could get it.

It is, moreover, common knowledge and statistical fact that the productive capacity of most of our industries far exceeds the actual output. The coal industry lies always under the gloomy shadow of over-production. The iron and steel industry has vast unutilized powers of production. Idleness of the textile industry, in whole or part, is chronic because of alleged excess capacity—and yet millions of men buy but one overcoat in ten years and wear frayed shirts all the time. The boot and shoe industry seems always on the ragged edge of ruin, despite the fact that the people haven't enough shoes, because, forsooth, it can produce too many shoes. It is to laugh.

Within the past five years the per capita output of America's industries has increased more than 30 per cent, and the outlook is that the rate of increase can be further accelerated in the next five years. We have no figures to prove it, taking industry as a whole, but nobody doubts that sales per sales-unit are decreasing. At the same time, we are solemnly sermonized that to be saved we must buy less, dutifully accept smaller incomes and generally reduce consumption by lowering our "extravagant" standards of living! It's like advising an underweight man to eat less if he would put on flesh. So heavily does the shadow of ancestral poverty weight on our lives that we can not adjust ourselves to the new world of plenty. Our minds are still attuned to the economics of those wretched ages when mankind was never more than a day or two ahead of starvation, and all his efforts scarcely sufficed to the barest requirements of a stunted existence.

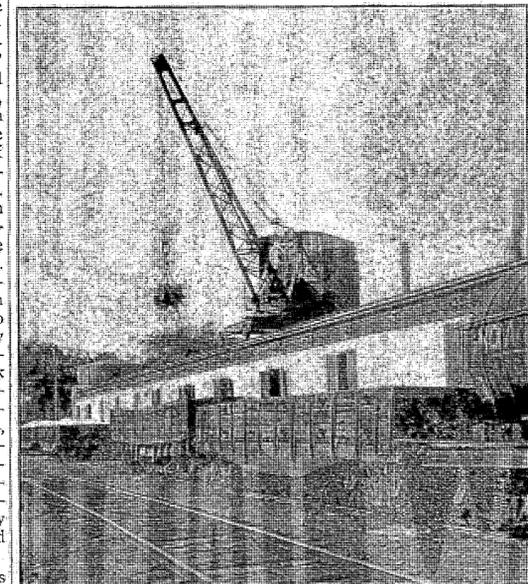
**More Buying Needed**

What we need is not less buying, but more buying, not lower wages, but more wages, not less investment income but more. It is like driving with the brakes on, to apply pressure to selling at the same time that we are propagandizing penury. We don't need more salesmanship of the crashing kind, but a clairvoyant salesmanship that will create "buymanship." We need super-salesmen, but not the kind that struggle mightily against the current. We need salesmanship that will turn the current around; that will so correlate production that every potential producer may produce and, therefore, consume.

If there are to be abundant sales there must be plentiful buying. In considerable part, such a condition as so-called over-production is to be remedied only by more production. It is common experience that the purchasing power of poorer communities may be doubled and trebled by the development within groups of increased productive capacity—capacity to produce and, therefore, wherewithal to buy. It is not so generally realized that the failure of purchasing power generally is related to impairment of productive capacity, often due to the "sale" to the country as a whole of a national industrial program that involves a lop-sided distribution of national income.

If the general industrial program unduly reduces the income of the investing class, there is likely to be a curtailment of capital growth and a promotion of primitive industrial methods.

If the distributive program reduces the income share of the great mass of consumers, markets are congested with consumable goods that cannot be consumed, at the same time that there is an excess of capital entirely out of proportion to the number of workers who can find employment in applying it. Building up an army of salesmen cannot relieve the situation. The real remedy for so-called over-production is effective distribution, with more production where there is too little production. Too much of our present productive capacity is wasted in the over-building of plants and too little of it is being applied to the production of consumable goods, with little



Electromagnet at Work at Clark Plant

# BUCHANAN SCHOOL'S PROGRESS

## SCHOOLS RANK HIGH IN EDUCATIONAL WORK

The first school building in Buchanan that we have knowledge of is the one on Dewey Avenue that is still doing good service, but it has been remodeled several times. Among the first teachers was a Mr. Alvord, then Mr. Barrette with Mrs. Susan Strong as primary teacher. About 1872 the village bought the tract of land on the west side of the town, set out a row of evergreens for a wind break, and other shade trees and erected a fine large building of which the town was justly proud. Mr. L. P. Alexander was the head builder and contractor. The first teachers in the new building were Prof. Laird and Miss Emmy Nash. Afterwards Mrs. Solomon Estes. Superintendents during the years following were Profs. Kent, Wray, Howell, Elshire, Buck, Swain, Ranklin, Merier, Moore, Eggert.

The present school organization is modern and complete, and is organized on the 6-2-4 plan. The following are the teachers in the several departments.

Dewey Avenue Schools—Kindergarten, D. Conant; First grade, M. Voss; Second grade, N. Fishnar; Second grade, M. Wilcox.

High School Building—First grade, M. Russell; Third grade, G. Simmons; Third grade, B. Heim; Fourth grade, R. Eisner; Fifth grade, F. Thomas; Fifth grade, V. Hopkins; Sixth grade, L. Abell; Sixth grade, D. Reams. Junior High—Principal, J. Pennell; Science, C. Wheeler; Mathematics, L. Weaver; History, Marion Peacock.

High School—Principal, E. Ormiston; Science, C. King; English, H. Mills; History, G. Saunders; Mathematics, J. E. Bromley; Languages, A. Moffett; Commercial, K. Minshall;

Agriculture, A. Muir; Manual Training, R. Miller; Domestic Science, J. Robertson; Music, H. Easton.

The High School is of first rank in the state, having been placed on the University list continuously since 1892, and placed on the accredited list of approved schools of the North Central Association in 1923, which is the highest endorsement a High School can receive.

The total enrollment for the year to date is 841, of which 202 are in the Senior High and 123 in the Junior High.

It is the aim of the Board to secure the best teachers both as to educational qualifications and experience—none but college graduates are employed in the High School and Normal graduates in the grades.

**Department of English**  
The aim of the work in the English department is two-fold: first, to teach the basic principles of English composition and to give training in the mechanics of correct English expression by the study of grammar and rhetoric; and second, to stimulate thought, to give breadth to view, to make books and reading attractive, to arouse a love for the best writing of the past and the present thus forming the habit of discriminating reading for the future, through the study of the works of the best authors. Emphasis is placed on the study of the literature itself rather than on its history. Connected with this department are two literary societies: the Velmarian, which is composed of Senior English students and which has for its objects the teaching of Parliamentary Law and the acquiring of proficiency in planning and giving programs; and the Phi Kappa which is especially de-

voted to competitive work in oratory and debating.

**Dept. of Manual Training**  
Buchanan Public Schools are equipped with an up-to-date Manual Training Dept. This department was started three years ago and courses are offered to the Junior high and Senior high pupils. This department is very popular among the pupils and justly so for it teaches the pupils to use their hands as well as their heads. Many things of usefulness are made in this department, and the school profits by this.

**Department of Thrift**  
"The margin between success and failure is measured by a single word—Thrift. On it is built character. The man who saves is the man who will win."  
—Calvin Coolidge.

When public schools were organized it was with the intention of teaching the young people of the country as many of the important things of life as possible. Everyone agrees with that and, accordingly, the three R's are taught in the public schools. But it has only been for the past few years that Thrift has been included in the school curriculum. There is no one who can truthfully say Thrift is not necessary and important in attaining success.

Every Tuesday morning the students in the Buchanan schools are urged to bank. It is regular bank time, and if every student banks at this time, every student will acquire a most desirable habit. The amount deposited is not nearly so important as the fact that something has been deposited. The teachers act as cashiers, and the money is collected each Tuesday, then taken to the banks downtown, where it is deposited and draws interest like any other money.

During October the average per cent of weekly depositors was 71.7 per cent. There is about \$5000 in the School Thrift Fund.

**Dept. of Mathematics**  
The work of the mathematics

department is being carried on in such a way as to fit in with the general program of the school. The aim of the department is to give to every pupil a command of the fundamental principles of mathematics sufficient for the ordinary citizen. It is not within the field of the High School to make mathematicians but there is much included in the work that will prove useful in the vocations. Mathematics is excellent training in logical thought. The knowledge gained along this line will prove invaluable in later life regardless of the occupation that one might take up.

There are four courses offered in mathematics this year. At the present time there are two sections of Elementary Geometry, and one section of Advanced Algebra, Trigonometry will be given during the second semester of this year. The size of the classes, with the exception of Advanced Algebra, runs from twenty-two to twenty-six pupils. There are over one hundred enrolled in the department.

**Department of Science**  
In our work in Physics and Chemistry we attempt to attain two objectives. The first is to prepare the High School student to carry on more advanced courses in the same subjects in college, and second, to give him a practical working knowledge of every day science that he can apply to the things he sees around him.

We learn to do by doing. The boy or girl will soon forget the things he learns in the classroom if he has no opportunity to apply his knowledge to some practical purpose. Consequently, we spend two days out of every five actually performing in the laboratory the experiments involving the principles of the classroom. The student learns there that he can purify water by distilling it, he learns that a body will sink in a liquid if it is heavier than the liquid it displaces. He verifies by experiment, and so increases studies.

Although much of the appar-

atus for experiment must be improvised, the equipment of the Science Department of Buchanan High School is still considered among the best and most complete among the smaller schools of the state. It has been commended by the representative of the State Department, and further improvements which are under consideration should add greatly to the general efficiency of the department.

**Dept. of Language**  
Two years of foreign language work are required for graduation.

There are seventy-seven students enrolled in the Latin department this year, twenty-eight of whom are beginners. Since the aim of that department is "the attainment of the progressive power to read and understand Latin," the mastery of a vocabulary is very important. This is attained through daily vocabulary and from drills. There is abundant practice in translation, both written and oral. Only the essentials of grammar are studied the first year.

The second year students read portions of Caesar's Gallic Wars. In the translation work, special attention is paid to the comparison results of the campaign. One day each week is devoted to composition work.

The French department aims to teach the student to carry on a simple conversation in French and also to read and appreciate the literature of France. As much of the class room work as possible is carried on in French. The advanced class is carrying on a correspondence with some students in France.

**Commercial Department.**  
The commercial department was introduced into high school at the demand of the commercial world. This demand has been so great that the department is growing larger each year, not only in Buchanan High School but in all high schools throughout the state. This department incorporates the following courses: Bookkeeping, Short-

hand, Typewriting, Commercial Law and Commercial Arithmetic. The ideal or objective of these courses is to develop efficient citizenship and this is done to a large extent. Each year several of our graduates take their places in the commercial world winning success and proving that their training in high school has not been in vain. In this department we endeavor to make the work as practical as possible. In our bookkeeping course, we not only study the theory, but we do the actual work. In typewriting and shorthand certain standards are set up and the entire year is given over to the accomplishment of these standards.

**Dept. of Home Economics**

The Home Economics department offers two years of work in the high school and in the junior high school. The seventh grade course aims to teach the fundamental stitches of garment construction and the eighth grade continues this in the making of a cooking uniform preparatory to the study of foods. In the ninth grade, the time is divided equally between foods and clothing. The clothing work includes the study of textiles, the processes of garment construction and the selection of clothing. The foods work covers the source, composition and preparation of healthful foods. The tenth grade work includes home management, the direction of the school cafeteria and advanced clothing in the spring.

The cafeteria which is open from October until April is most interesting. Its entire management is given over to the tenth grade girls, who work in groups of two, each group being responsible for the preparation of one dish. There is a regular rotation of these duties, including manager and cashier. From sixty to seventy-five children and teachers are accommodated daily. The menu includes milk, soup, cocoa, a hot dish, a salad, bread, and a dessert. It is so planned that those who carry a lunch can supplement it at the school, or

they can buy their entire meal there if they wish. The manager plans the menus for the week and does the buying and ordering. A most valuable phase of the work is the experience in large quantity cookery which can be gotten in no other way.

**Department of Agriculture**

The Agricultural department was started in the High School in 1919. Meeting the requirements of the Federal Government as laid down in the Smith-Hughes law of 1917, the department immediately became what is known as a "full federal aid" course. This means that the Federal Government appropriates \$1000 per year for the carrying on of the Agricultural work in this school.

The work consists of four years of Agricultural work which is arranged as follows: ninth grade, botany, 1-2 year and zoology 1-2 year; tenth grade, farm crops 1-2 year and horticulture 1-2 year; eleventh and twelfth grades (combined) 1 year of animal husbandry, then the next year is spent in the study of soils. Laboratory work is required in all of these courses, which gives the boys and girls an opportunity to do the things they study about. This links up the application and the theory, and thus enables them to apply their knowledge at home on the farms.

In addition to this work in the school, each agricultural student has the opportunity to take what is known as a project. These projects are simply ideas, which the student may have developed during his year's work in the school room. Here he takes his idea to the farm, subjects it to the same conditions as his dad's ideas and, after keeping an accurate record of all expenses and incomes, compares his results with those of his dad or neighbor. In this way, our boys and girls learn the truth or falsity of the theories advanced in the class room. All of this project work is carried on under the supervision of the Agricultural instructor, whose duty it is to see that the application of the theory

is correct. Upon the completion of such a project, the student makes a report to the Federal Government, stating his own ideas about his project. No project is legal, unless, the boy or girl carrying on such a project, is enrolled in an agricultural course in the High School.

In addition to this the department offers its services free of charge to anyone who may desire some information or assistance. Our laboratories and equipment are at the service of the public and the farmers. We will gladly assist in carrying on the great work of food production in any way possible. We also take this opportunity to extend an invitation to those who may be interested, to visit our department at any time, so that successful cooperation may become a reality.

### First National County's Oldest National Bank

It is not generally known that Buchanan is distinguished in banking circles through having the oldest national bank in all of Berrien County. It is a fact nevertheless and Buchanan people are very proud of the distinction.

The bank was established in 1888 and thus ante-dates any other bank. It comes into being in the earlier life of Buchanan but at a time when Buchanan had many more industrial plants than she has today. It saw the rise and fall of most of them and took a prominent part in the developing of others. It has also been regarded with favor by the fruit growers and the farmers of the county and has been favored with their accounts for years.



And now that it's all over--

Now that it's all over---and the finished result is in your hands---we want to sit back in an easy-chair a minute and say--- "Thanks Buchanan!"

Thanks to the Chamber of Commerce and its public-spirited citizens, you are reading an edition which is undoubtedly the finest edition ever published as a local community enterprise--and if in some small way the Artcrafters have been of assistance then we have done no more than the job which was assigned us.

So thanks to Frank-and Harleigh-and Al-and Walter and all the rest for inviting us to their party!

# ARTCRAFT ENGRAVING Co.

"DOING THE SAME JOB ~ ~ JUST A LITTLE DIFFERENT"

LeRoy H. Combs  
President.

KALAMAZOO.

Gardner J. Oakes  
Sales Manager.

understanding of the larger aspects of affective distribution.

#### Forward-Planning

It may be, however, that there is no such excess of capital as we commonly assume. It may be that most of our idle capital—idle plants—is out of date and that the prime reason why it is not operating is that its output is of a kind that is not wanted and, therefore, of a kind that does not bring enough to pay the prevailing wages. It may be that our managers are woefully lacking in the zeal, courage, administrative capacity and vision to negotiate such a body of contracts and agreements as would draw the idling elements of the situation into the active round of production and consumption. It may be that in this era of hand-to-mouth procedure business is unequal to the forward thrust of production and distribution; unable to foresee impending conflicts and inadequacies, and to effect the modifications which might avoid idleness and confusion.

Whatever may be the specific reasons, however, for sales resistance, for misdistribution of incomes, for industrial unbalance, for investments that do not pay; for dividends that are not, or are too little; for idleness of capital and labor the remedy must lie largely in the direction of large-scaled forward-planning and mass selling. Machined production can not flourish when chained to hand-selling, to individual persuasion to buy.

The practical beginning of mass selling in its larger aspects is not to multiply chain stores, which are popularly conceived as mass-selling but are already selling too little per unit. We need more spacious brains in selling, not more of the contracted brains of a condition that is dead as the dodo. Manufacturers and sales departments must collectively create buying intelligence and buying intent on the part of the public, rather than create a cloud of vague distrust, fear and hesitation.

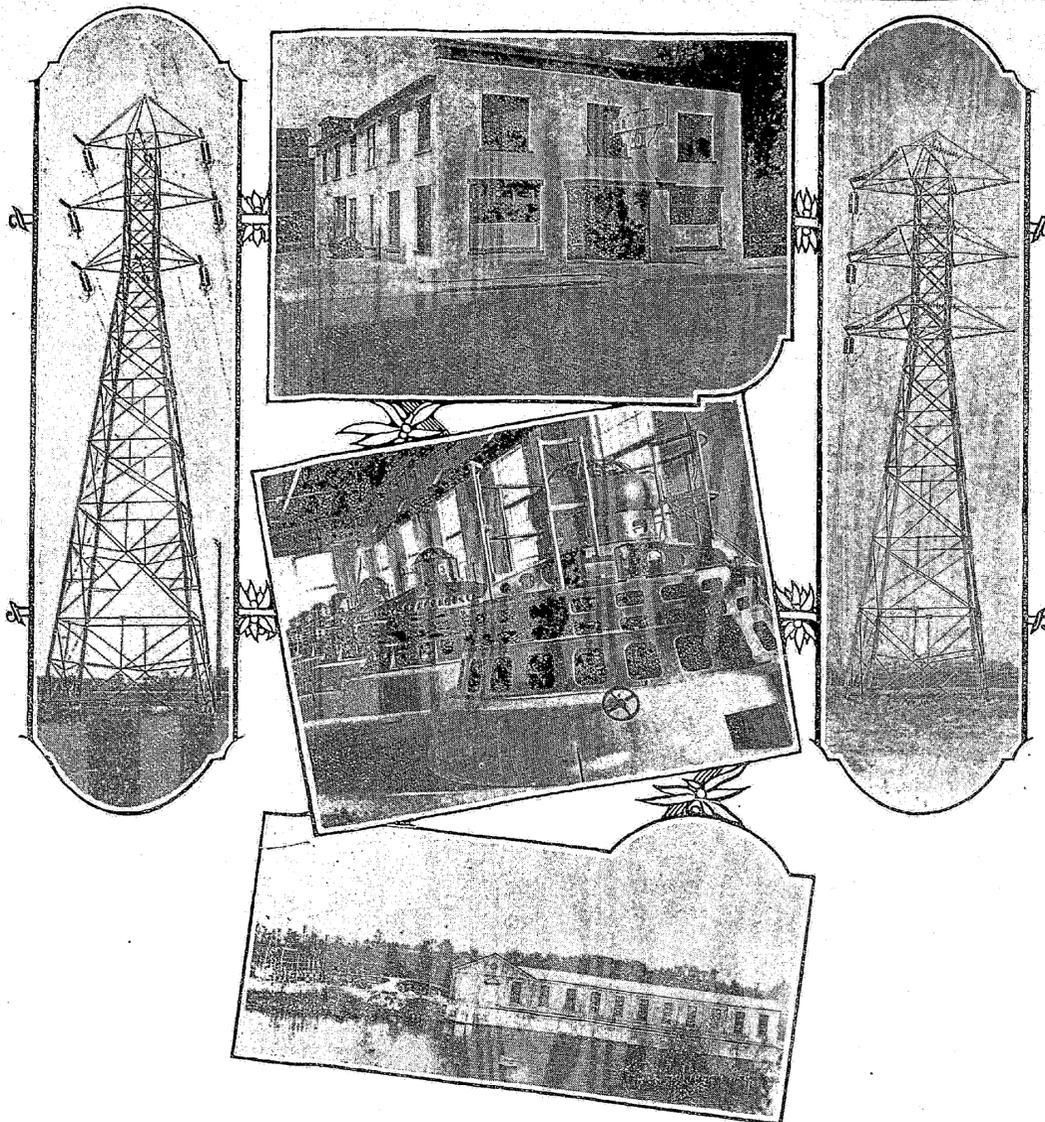
At this point we naturally turn hopefully to advertising, but we find that its tremendous power is not now used collectively and effectively; but, on the contrary,

is largely dissipated in internal combat. We spend much of our advertising appropriation, inferentially, if not directly, in scaring the public out of buying something else in order to get it to buy our particular product, instead of stimulating it to buy more in toto. Advertising, as too often planned today, as viewed in the mass, fails to create all-round buying intelligence and the will to buy, and builds up its own resistance by building up distrust against every commodity but its own.

The boomerang faculty of the extreme form of this sort of advertising, referred to by advertising men as "fear-copy" is now recognized by the more intelligent advertisers. The automobile people are beginning to "cut out" copy that fills the reader with fear of the deadliness of competing machines, because they are finding that the inspired trepidation pulls them down with the other fellows.

Scaring a man out of other cars scares him into the development of a tremendous sales resistance against buying any car. The same principle is involved in all that advertising which tends to create skepticism in the mind of the buyer with respect to competitive products. There is, however, much hope in the rapidly growing group, or co-operative, advertising which seeks to tell the world that a commodity made by many is a desirable commodity, no matter what the brand on the goods. But it, too, still belittles competing commodities in the mass, and seeks merely to create a larger ring in which its own members can pummel each other to a knockout by mutually subversive advertisements.

Negative selling practises, like the struggles of a poor swimmer, create most of the resistance to their own progress. The combined negative effect of all the opposing advertisements in any particular field eventually build up consumer resistance as a whole. A flock of "knocking" salesmen quickly smothers the incipient desire to buy, yet we mobilize a sales army to drive in by personal contact the doubt inspired by conflicting advertising. A tremendous waste of selling



Views of Indiana and Michigan Electric Company Equipment

capital and energy results. The cylinders of the distribution motor kick against each other.

It is the business of advertising and selling to teach "buymanship," to teach the consumer to choose in his purchasing the sort of goods which, in their utilization, will further increase purchasing power. It is the business of advertising and selling to create a "buying atmosphere," and to see to it that the purchasing power of the consumer is duly expended. It is even the duty of the sales department of industry to teach the public that "wise spending is the best possible saving." But of what avail can it be to urge the consumer to spend more than he receives? If the greater part of the public is already contracting to spend all or more than it is scheduled to receive, and if this volume of purchasing power is not sufficient to draw out the productive capacities of American industry, it seems just possible that the first impediment to be overcome in the development of adequate purchasing power must lie in the field of income apportionment, in that zone of selling which controls the major arrangements of national income distribution.

I take it that it is unanimously agreed that without aggressive advertising and selling—despite their loss of power in useless competition—the world during the past few decades could not possibly have made half the progress that actually has been realized in changing and raising standards of living, and in the progressive development of improved powers of production. But when advertising shall be concentrated to "sell" the buying urge to the whole nation, in studied proportion to the country's production capacities, then it will be like the drum-fire of the 5,000 great guns that smashed the way to victory in the Argonne. It will be irresistible.

Besides misdirected advertising and selling that tend to destroy themselves, we have a vicious misdirected economic conception advanced by mass propaganda, recently become quite prevalent, that America can not possibly absorb here, ever increasing potential production, that industry can not keep going at these "abnormal post-war rates" that agriculture cannot hope to receive much man-

ufactured stuff in return for its products unless it curtails crops, that labor cannot hope for a continuation of high wages, that some vague necessity of all-around industrial curtailment and penitential hard times lies not far in the future, and that we are in some manner fatalistically subject to a cycle of depression. Assisted by a host of medicine men of the bourse on the "signs" of the hocus-pocus foremost medicine, we all get ready to take it and presently may give ourselves the dose we dread.

And yet we have it within our power to make times good all the time. American industrial organization does not need to guess and consult the modern wizards of the magic "cycles" regarding what the fates have in store.

In making its own program it determines what is going to be done.

Viewed as a whole, production power authorizes consumption, for we all can afford to consume in accordance with our power to produce. If we don't produce we can't consume. Everybody grasps that idea for the individual, but we don't "get" it for the whole economic body. We preach it to the tramp and vagrant, but we don't preach it to the nation; on the contrary, we keep warning the community that it may overdo production whenever we fear under-consumption. Yet we wouldn't urge a starving man to throw away a chance to earn a handout by tackling the woodpile.

Our whole basis of mass selling is to balance our whole industrial program so that all may be assured of a continuous opportunity to produce and sell, and, therefore, to consume and buy. This means the development of a rational distribution of income as well as balanced production programs.

Then we will have the foundation of confident buying, of a readiness on the part of the great body of consumers to receive eagerly the entire flow of goods.

We are already doing many things that show how easy it is for production programs to shape consumption. The color conferences in certain branches of the apparel industries choose what colors the public will wear next season. Having determined the

This organization is pledged to play its part in the growth of Buchanan through its sound, conservative handling of the community's finances.

Years of successful investments for depositors have builded for this institution a confidence of integrity that has been evidenced through increased deposits.

# First National Bank

colors they proceed to sell the color program to the public by a concert of advertising and display. By a similar, though less conscious process, Paris annually determines in advance the world's styles for women's gowns by making the people of fashion like what it is prepared to provide. Of course, it has meantime prepared to provide what the people are going to want.

Somewhat similarly the railroads of America are contentedly producing more transportation by wisely providing facilities to meet requirements which have been measured in advance. Knowing that transportation will be provided as needed, the shippers' programs are expanding to utilize the facilities that are going to be available. Though the Shippers' Regional Advisory Boards the railroads are budgeting transportation for the nation. They have actually achieved mass selling of transportation. Freight cars no longer rust in Maine because the potato crop fails, and collect at shops in Kansas because the rush of the wheat crop has worn them out. The railroad budgeters tell us that 2 per cent more car loading will be required in the next quarter than in the last, and all shippers tend to buck up 2 per cent. Industrial forecasts and prophecies tend automatically to become programs.

The mass selling of transportation has had a marvelous effect on the railroads, perhaps rescued them from the breakdown which in 1923 seemed to be impending. It is significant that the railway industry has for years been subject to restriction of capital—that is of expansion of its plant. It has climbed out of incompetence by concentrating on mass selling. It may be that the railroads have started mass selling at the heart of our industrial system and that from them it will spread to every extremity.

There is little doubt that if industrial America in all its business conferences, in its advertising and its forward planning, can agree upon a balanced program for 1928 involving even a 25 per cent increase of the total of production, it thereby can make for itself a market adequate to "absorb" that increased output.

But operating against the new faith that production and a proper program of distribution will make a market is a great body of organized unfaith, which tends to disrupt progress by predicting bad times and by sanctioning curtailment in the program of distribution. Fear is as contagious as confidence. We make our own cycle of despair and by bad and unbalanced programs of production and distribution. If we can but get into the habit of believing that we ought to grow steadily and continuously in the volume of consumption, that is, in buying, we shall be able to grow; not miraculously, but because we shall learn community and nation wide planning and lay out programs not of balanced production only, but programs of income distribution calculatedly maintained in balance with the prospective output.

Our economists have been prone to overlook the fact that our national income distribution is predetermined by exactly the same fabric of business contracts which prearranges the national production program.

We already have sales "quotas" galore, but they run into each other head on and reduce their own potentialities. We need an accepted sum-total of complimentary quotas. We must extend the idea of quota-making beyond the realm of single-track "go-getter," high-pressure sales managers, and invite the consumers into consultation on community quotas just as the railroads have done in seeking the advice and guidance of their "consumers"—the Shippers' Region Advisory Boards.

We must apprise the public of the capacity of industry to meet its prospective wants—and income must be distributed so that buying power may keep abreast of the quotas.

We must learn to put the emphasis on wise spending, instead of on curtailment of output.

We must look upon generous payrolls, profits and dividends as the source of buying, we must understand that the diffusion of wealth is the breeder of wealth. If we are to increase next year's production by 25 per cent and "get away with it," then we must at the same time increase incomes to the same extent.

It would be only tiresome, even if space permitted, to dwell on the manifold phases of the difficulties of putting over a general budget of balanced production and consumption, always pointed to-

## PUBLIC OPINION SHOWS CHANGE TOWARD MERGER

### Mergers Today Welcomed As Efficient Aids

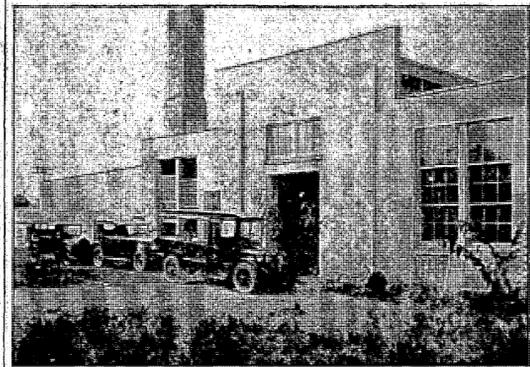
You hear considerable these days about railroad mergers, for which Congress, the President and the Interstate Commerce Commission are openly rooting. What James J. Hill and E. H. Harriman were denounced for attempting earlier in the century, the captains of present day railroading are openly invited to accomplish.

In the public utility field, there has been somewhat less talk about mergers, but considerably more action in this direction.

The history of large scale enterprise really starts with the close of the Civil War. Previously agriculture was the dominant activity and industry was relatively simple in organization. After the war, there was a new burst of economic energy, which was expressed in a generally quickened business development—including numerous industrial promotions, railway building and extensions, and the conquest of new and undeveloped regions in a continent in which the frontier was fast being pushed westward. The will to set up new enterprises and new activities was controlled by no clear understanding of the wants of the people, and there were eras of excessive and misdirected production and alternate waves of acute depression and prosperity. A crude boldness animated pioneering business men between 1865 and 1890, and many of the things they did were neither ethical nor wise, from the standpoint of present day standards.

There were widespread fears that the new business enterprises would pollute politics and thwart the primary democratic aims of the American people. The Interstate Commerce Act of 1887 and the Sherman Anti-Trust Law of 1890 were initial outstanding attempts to control the situation politically. By 1894, twenty-two states had enacted anti-trust legislation to punish anti-ethical acts, and to overcome the evils of reckless competition. In 1890, American corporations carried on about 59 per cent compared with about 90 per cent at present.

And yet big business does not



View of Campbell Transmission Plant

ward larger and freer buying, but we are moving in that direction. There is nowhere else to go unless we choose the alternative of periodical industrial collapse, chronic industrial under-production and inefficiency; or, perhaps, recession to a peasant economy where there is neither mass production nor mass selling, and always chronic misery. I find myself believing that having conquered mass production, we are on the road to master mass selling, and that the time may not be far-off when the two will be consciously knit into an informal, but very real, national industrial program. I see industries of all sorts every day now consciously undertaking to blend their various forward programs into the general program.

I doubt that there is a more important economic function now going by default than that of con-

arouse the apprehension that it did thirty-seven years ago.

In recent years, there has been a tendency to relax the anti-trust measures through new legislation and through Supreme Court decisions.

No generalization about big business would be true, for there are wide varieties of character and efficiency covered by the general term "big business," and the public, which is to an ever-increasing extent becoming financially interested in big business through stock ownership, has recognized that big business, when ably directed, can usually quote lower prices to consumers and pay better wages to labor than small business, which is subject to the higher costs of small unit direction, small unit advertising, small unit utilization of executive talent, small unit buying power and the other handicaps of being only a drop of water in an ocean of economic forces.

Big business, which survives the lives of individuals, has a large and enduring stake in business developments. It can afford to encourage extensive research and experimentation. One enterprise—The American Telephone & Telegraph Company—spends half as much again on research as Harvard University. The General Electric Company also makes huge appropriations to keep scientists perpetually at work to wrest new secrets from nature and to devise new utilities for making human life easier and fuller. The automotive industry is a conspicuous example of economic progressionism; its great progress has been the result of the ceaseless efforts of engineers, working in the laboratories, to overcome the crudities in original horseless wagons.

Although the trend has been toward big business, there has of course not been a disappearance of little business. In numbers, of course, little business still overwhelmingly dominates. There are some business activities, where the individuality of the owner is the chief asset, and which cannot be duplicated into a whole chain of shops. Exclusive millinery parlors, and custom tailors are indicative of what I have in mind. Artistry, individual taste and skill, and a personal touch with customers are factors determining success. Quality, rather than quantity, is the main emphasis.

There is a certain broad economic changes, the most important of which is the effect of deflation, that is, the decline in the general level of commodity prices.

We hear a great deal about the effect of high taxes on railways and manufacturing industry. It is also true that taxes have become increasingly burdensome to the farmer.

Finally, the price of our chief farm products is determined in world markets and the increased production of wheat in Canada, corn in Argentina, etc., during the post war period have worked to the disadvantage of American farmers. Now European agriculture is fast returning to normal, with the result that the foreign demand for our exportable surplus is being reduced.

The restriction of immigration has not been without effect on farmers. Both by reducing the rate of growth in the consuming population and by limiting the supply of farm labor, the restriction has to some extent injured farmers.

This examination of the chief causes of the recent depression of agriculture should throw light on the possibility of remedies. After all, the only sure way to remedy economic ills is much the same as in the case of bodily ills, namely, to remove the cause of the trouble.

Inevitably the stage is being set for a great contest, partly conscious and partly unconscious, for a share in the proceeds of

## What About The Farmer?

The new scheme of things gives increasing power to the men who sit in high places in the business and financial world. The potentates of the modern world are not the political kings, but in a real sense the captains of industry and finance—the men who understand the technique of the money economy.

The power of the great financiers is real and indisputable but they hold their offices during good behavior.

I think that it is desirable to give employees special representation on the board of directors. Apart from the fact that such a proposal seems only just to workers who contribute an indispensable part to the aggregate product in which labor, capital, management and land, are ingredients, labor also becomes more reasonable and understanding when its gets a first hand insight into the problems of management.

(Continued from page 10) country banks (a) Another way in which the farm situation affects financial conditions is found in exports. A large part of the exports of the United States consist of agricultural products, notably cotton and wheat. When the value of such exports is large it tends to create a favorable balance of trade which, in turn, tends to cause gold imports, and these strengthen the basis of bank credit.

Another way in which the farm conditions affect industry lies in the volume of traffic which they furnish. The railways in large sections of the country are vitally dependent on the size of the crops, and this is particularly true of the fruit and wheat crops. Then too, there are a considerable number of persons engaged in handling and trading in farm products, including many brokers and exporters.

Among the farm products, it is probable that wheat has been the most important in its effects on the business situation. It is wheat that furnishes the heaviest tonnage for the railways and the longest haul.

In looking back over the ways in which farming is related to industry, we note that as producers of raw materials and supplies for food stuffs (to say nothing of their credit requirements) the interests of the farmers tend to be opposite to those of the industrial classes in the cities. For example: the recent low prices of cotton have tended to benefit and stimulate the cotton textile industries; and as a rule lower food prices, by reducing the cost of living of city workers, increase their purchasing power and enable them to spend more, for manufactured products. Perhaps this is why we find that depressions in agriculture sometimes attend prosperity in industry. In fact, high and rising agricultural prices often mark the termination of a period of industrial prosperity.

It is probably true that the welfare of the farmers is related to the welfare of business in general, but that one tends to lead the other and the cycles in agriculture and industry do not coincide.

The notable fact about agriculture, which is responsible for a great deal of the troubles of the farmer, is the difficulty of adjusting the agricultural output to the demand. The most important factor determining the size of our chief crops is not that acreage planted, but the conditions affecting the yield per acre, such as weather, insects, etc. It is estimated by the Department of Agriculture that during the past twenty years 90 per cent of the variation in the production of Spring wheat has been due to difference in yields. On the whole, it seems probable that about 75 per cent of the yearly variations in crops production are beyond the farmers' control through control in acreage. Even when the farmer is able to adjust produc-

tion, the changes can only be affected from year to year, and to get the full benefit of an improvement in fertilization and crop rotation, often takes a period of four years or so. Moreover, our chief farm crops are produced by thousands of small units, the producers being ignorant of what their fellows are planning to do and not acting on any agreed plan.

Thus it may be said that during the periods of a year or two, the supply of farm products is more important in affecting the price than the demand. At any given time, the supply is the governing factor.

It follows naturally that the business cycle of the farmer tends to be longer than that of the industrial producer. Students of farm cycles detect a four year cycle in hog prices, and in the case of cattle there appears to be something in the nature of a fourteen year cycle.

Since the great deflationary period, 1920, agriculture has on the whole been in a depressed condition. The qualification "on the whole" is used because naturally not all sections nor all crops are affected by conditions in the same way, no more than would be true of manufacturing.

The more immediate causes of the unfavorable agricultural situation during the recent years may be listed as follows: In the first place there have been a number of important technical changes. Thus, gasoline motors have to a large extent replaced horses. The horse population of the country is said to be five million less than it was ten years ago. This means a reduction in demand for corn, oats, etc., to say nothing of the incidental effects of the demand for hides for harnesses and the direct effect on horse breeders. In much the same way, prohibition has greatly curtailed the demand for grains formerly used in the manufacture of whiskey and beer. Furthermore there have been great improvements in methods of feeding live stock. Formerly it took about eleven bushels of corn to produce a hundred pounds of hog, but now, through the supplementary protein feeds, it is said to require only seven bushels. Also there has been an increase in the yield of corn per acre due to the introduction of new varieties and improvements of soil preparation. The scantiness of clothing styles has materially affected the consumption both of cotton and wool.

Then there are certain broad economic changes, the most important of which is the effect of deflation, that is, the decline in the general level of commodity prices.

We hear a great deal about the effect of high taxes on railways and manufacturing industry. It is also true that taxes have become increasingly burdensome to the farmer.

Finally, the price of our chief farm products is determined in world markets and the increased production of wheat in Canada, corn in Argentina, etc., during the post war period have worked to the disadvantage of American farmers. Now European agriculture is fast returning to normal, with the result that the foreign demand for our exportable surplus is being reduced.

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## Building and Loan Growth Remarkable

The difficulties involved in organizing a new Building and Loan Association or in expanding a relatively small association are due to provision of statutes that require all expenses of any nature to be paid entirely from earnings. Normally, earnings of a Building and Loan Association come from interest earned and collected on outstanding Mortgage Loans. Unless there is a source of earnings to the association aside from the interest earnings on its loans, the association experiences an unsurmountable obstacle in extending its business to any extent, because its finds itself in a vicious circle—it must first, accumulate a sum of money which it loans out on first-mortgages, then, it must wait for interest to accrue on these loans, then collect this interest before it has any money to spend to get the money in in the first place.

There are several ways in which a Building and Loan Association can surmount the difficulties incident to incorporation or an expansion campaign. Both incorporation and expansion require the expenditure of a certain amount of money. In these days it takes money to get business. Whether one is in the manufacturing, or mercantile business, or whether it is a financial institution, in order to develop a new organization or to expand an old organization a considerable amount of time and money is necessary.

In the case of the Building and Loan Association one device that has been used to supply the necessary funds for organization is that of a group of individuals guaranteeing the organization expense. This is often considered the proper function of the Chamber of Commerce. In at least one town in Michigan the individual members of the Chamber of Commerce subscribed for a considerable number of shares in the Building and Loan to be paid in to the Association as fast as it could be loaned out and guaranteed the Association's expense to the sum of several thousand dollars. Such sums as were used for expenses were of course to be returned to the Chamber of Commerce, provided the future business of the Association supplied sufficient earnings, over and above the operating expenses and dividend requirements.

A more practicable expedient has been made use of by a number of Michigan associations. The

device above mentioned actually amounts to the issue of a certain number of shares at a premium which premium is to be repaid in the future by way of dividends.

In Monroe, Michigan on the fifth day of September, 1923, there was incorporated a Building and Loan Association under the name of Peoples Savings and Loan Association. In four years this Association established a record for Michigan associations in cities of this class in growth, accumulating assets in its first four years of existence to the extent of substantially \$1,000,000.00 This association was largely an Exchange Club enterprise. There had been a few years before a Building and Loan Association organized in Monroe that had its charter for several years and had never made a single loan. This rendered the organization of the new association in Monroe doubly difficult, because of the wide-spread idea that although Building and Loan Associations might operate successfully elsewhere, it would not work in Monroe.

The Peoples Savings and Loan Association issued a limited number of shares at a premium of three dollars a share. This premium was an earning for the Association and could be used by the Association for all expenses incident to organization and operation during the early years of its life. In fact through the use of this premium the Association was enabled to commence loaning operations with a surplus and reserve fund established rather than with the incubus of debts that must be paid out of future interest-earnings.

This same expedient was made use of by the Peoples Savings Association of Kalamazoo, which however, presented a slightly different problem. This association had been in existence since 1893 and had less than one quarter of a million in assets. Shares to the par value of over a million dollars were issued for a premium of three per cent, which gave the association actual working capital of over thirty thousand dollars. The issue of this stock was started in the spring of 1924. By the fall of 1927 the Association had grown from one quarter of a million to substantially two million dollars in assets, half of which capital was paid in on these premium or INVESTMENT shares.

## SECOND LIBERTIES PRESENT PROBLEM

In an address before the annual convention of the New York State Bankers Association at Washington, Under Secretary of the Treasury Ogden L. Mills gave his reasons for believing that the outstanding Second Liberty Loan bonds are held in greatest part by original subscribers with extremely small holdings. The two brief paragraphs in which he expounded his belief bristled with statistics, and for that reason probably were completely ignored by the newspaper correspondents. They constituted however, a significant revelation of the latter day history of one of our great Liberty Loans. The vague popular notion has long been held that most Liberty bonds gravitated into the hands of bankers and other big holders at the time of post-war depression, when holders, who subscribed out of patriotism were sometimes forced to sell at a loss.

The startling fact now emerges that the bulk of the outstanding Second Liberty bonds are in the hands of the small holder who in most cases is not experienced in the handling of funds. Redemption of the Second Liberty Loan, therefore, will not be merely a wholesale refunding operation—the shift of a billion and a half dollars from Government bonds to other securities. Instead, it will mean that, on the eve of the holiday trade, upwards of a billion dollars will be dribbled out in minute sums to a vast number of persons scattered over the entire country—persons without any conscious notion of what they will do with the proceeds.

Inevitably the stage is being set for a great contest, partly conscious and partly unconscious, for a share in the proceeds of

the first redemption of a great Liberty Loan. All banks and all the channels of organized thrift are perhaps in the best position to profit by the distribution, as well as to protect the bond holders from the wiles of the fake security salesman. The money will be so widely distributed in small amounts that the sums reinvested in conservative securities are likely to be wholly incommensurate with the volume of redemptions. Many of the holders of Second Liberty bonds invested their savings solely under the stimulus of patriotism and with the fervor of war departed and the holiday season impending, it appears a fair and inevitable conclusion that a great part of the redemption money will go into merchandise. Department stores, mail order houses, the furniture business, the motor industry—all these are likely to be beneficiaries. From the viewpoint of the individual's economy, spending the proceeds of a sound investment may be regrettable, leaving him less protected against financial reverses. From the viewpoint of the nation's economy, the loss is not quite so clear. Aside from the fact that the old-fashioned economist's rigid distinction between capital goods and consumption, goods is now thought dubious, we have come to learn that an increase in the volume of consumption is itself a stimulus to production and to creation of capital surpluses.

Many of the leading motor vehicle manufacturers have become interested in the Campbell transmission and it is firmly believed it will become standard equipment with most of them before many more years. Who knows what good fortune may come to Buchanan through this extraordinary development?

## CAMPBELL TRANSMISSION HAS SHOWN MARKED GROWTH

The Campbell Transmission Company is, unquestionably, bringing Buchanan into the limelight more than any other industry outside of the Clark Equipment Company, since its product is interesting manufacturers all over the country and has been pronounced by them the best transmission on the market without a doubt.

This company came to Buchanan from Chicago ten years ago and established itself with a capital of \$250,000. Within that time it has increased its holding to \$750,000, and there is a likelihood that this will be increased to a cool million within a few short months, certain financial interests having expressed a desire to get into the organization and having expressed a willingness to furnish all the capital necessary for the proper exploitation of the proposition.

The transmission in question was invented by L. L. Campbell and for several years he offered it to Chicago manufacturers and financial experts without success. Manufacturers are wary of taking on new things which will require great engineering experimentation costs, new jigs, new fixtures and new machinery, and which means the junking practically of all their other equipment. Financiers are wary of the new thing; their natural and acquired conservatism suggests the thing which has been proven out. On account of this they frequently lose the opportunity to participate in juicy profits, but they have the satisfaction of knowing that they have not jeopardized the trust funds placed in their charge, and that is a great deal.

All this was gall and wormwood to the Campbells, of course, for by this time two other brothers had become interested in the new transmission. They saw that it was up to themselves to work their way out of the woods and they proceeded to do it. It was mighty poor going at first but they were all workers and gradually they began to see daylight. It was then they became interested in Buchanan and it was then Buchanan citizens became interested in them and subscribed liberally to their stock, to the amount indicated above as their original capital stock.

It is believed that the outcome of the negotiations now being carried on will be the enlargement of the plant here and the putting on of upwards of a thousand men to turn out the transmissions which are already in demand.

Their first shop occupied only 360 square feet, then grew to 1,200 square feet and finally to much greater proportions. But the work that has been done in Buchanan has consisted chiefly of the preliminary engineering, designing and machining of models with a view to greater refinement of construction. The principle has never been changed and probably never will be, for all who have seen it have pronounced it faultless in principle and wonderful as to its simplicity and positiveness.

Many of the leading motor vehicle manufacturers have become interested in the Campbell transmission and it is firmly believed it will become standard equipment with most of them before many more years. Who knows what good fortune may come to Buchanan through this extraordinary development?

L. L. Campbell is the president of the company, W. F. Harrah is the vice president and L. J. Campbell is the secretary. All of these gentlemen are in accord that what Buchanan needs and must have before there can be much more industrial development, is more houses for workmen. It is the greatest handicap Buchanan has today in their opinion.

Given a Community, logically located for transportation of raw and finished materials, with ample power reserve, ably governed, financially stable and normally progressive, and an incentive is offered for the location of industry - - - both large and small.

Our organization is proud to be a part of the Industrial life of Buchanan, and feels that this city has every essential for the making of a bigger and better Community.

**WARD FEDERAL MAIL BOX CO.**

**Buchanan, Michigan**