Do Folks Come to Your Front Door?

OFTENTIMES it's the little things of life that rub folks the wrong way. Take the matter of calling on the neighbors for instance. Do you go to the front door, or the side door, if there is one, or to the back door. And when people call on you where do you want them to come?

We don't know just how the likes and dislikes on this subject would shape up percentage-wise here in Montana, although we know that the more informal back door still holds considerable favor. But in Iowa, at least, some facts are available.

The home management department of Iowa State college recently made a survey of a sizeable cross-section of farm women. And here's what they found:

In 65 percent of the farm homes, callers usually come to the back door.

In 25 percent, callers come to the front door.

In 10 percent, they come to the side door.

Although that's what callers do, most of the farm women (in Iowa) don't like it. The returned questionnaires showed that:

Sixty percent wanted callers to use the front door.

Twenty-five percent wanted them to use the back door.

Fifteen percent wanted visitors to use the side door.

If visitors don't come to the door you want them to there's a subtle and "psychologically correct" way to get them to do so. Arrange the driveway so that it leads naturally to the door you want used. And you can sometimes tactfully "hint" traffic away from the door you don't want used with a bit of well-placed lattice fence, or a short hedge.

All of which may strike you as "much ado about nothing." But to a growing number of farm and ranch women this question of where folks come is getting to be more and more important. With its numerous pieces of modern equipment the kitchen is getting to be a pretty snug affair. And what's the use of an attractive well furnished living room at the front of the house if you can't show it off once in a while?

Livestock as Capital Assets

THERE are still some "ifs" in the bureau of internal revenue ruling with respect to classification of income from the sale of draft or dairy animals, and other breeding stock, as capital assets. And there will probably be further test cases in the courts, and perhaps congressional legislation, before this question is completely settled.

In its recent announcement the bureau states that if the animal is used for draft or dairy purposes—or in the case of breeding stock, if the practice of the taxpayer is to hold such animals for substantially their full period of usefulness—the animals will be regarded as used in the business of the taxpayer for the purposes of the tax relief provided in Section 117J of the revenue act. In other words, such animals are considered as capital assets (if they have been held for six months or more) and only 50 percent of the profits derived from their sale need be considered as taxable income.

The meaning of this ruling seems quite clear in the case of draft horses or mules, and dairy stock. But to benefit from capital assets treatment owners of beef animals, brood sows and ewes held for breeding purposes must keep the animals for "substantially their full period of usefulness." Pending further clarification of this formula by the tax commissioner it would appear that a beef cattle producer could not take advantage of the half-rate tax on profit from the sale of a bull or cow used for only a year or two. Or from a sow that was kept for one litter of pigs, regardless of the fact that in the Albright case the court ruled that sows that had raised one litter should be classed as capital assets and thus given the benefit of the half tax rate.

So, until congress enacts legislation which clearly outlines the rules to be followed with respect to what livestock can be classed as capital assets and what cannot, it seems likely that there will continue to be a considerable degree of confusion and inequity in applying the capital assets provision to breeding stock.

It appears to Montana Farmer-Stockman that whether an animal has been kept for breeding purposes for one season or for several years it is "property used in the trade or business" under the meaning of the income tax law and should be classed as "capital assets." Since there is a difference of official opinion on the subject congress should settle the question promptly and completely.

Costs of Water Development

IN OUTLINING the water use program advocated by the national water resources policy commission of which he is a member, Dr. R. R. Renne, president of Montana State college, points out that the federal government stands to get back much more from river basin development in the west than such development costs.

Speaking before the joint session of the Missouri and Columbia basin interagency committees at Bozeman last week, Dr. Renne said he "is convinced that the measurement of direct benefits and costs in dollars is a basically useful tool in evaluation and selection of projects, but that it must be supplemented by other measures if sound decisions are to be reached in the public interest."

With reference to hydroelectric power resulting from the development of federal multi-purpose projects, Dr. Renne explained that the commission recommends that prices charged for such power should at least cover costs, including amortization of the investment with interest and payments in lieu of state and local taxes. And that the irrigation farmers who are the primary beneficiaries of the reclamation development should "repay without interest an amount assessed according to their ability to pay, based upon annual net income which the farmers derive from the project under a formula adjusting repayment to production and marketing conditions, this amount to include the full cost of operation and maintenance of facilities."

The commission feels that "an agreed portion of the remaining investment cost allocated to reclamation should be assumed by local communities, conservation districts, or interests receiving secondary benefits from the projects under arrangements with the state or states in which the projects are located."

Justification for distinguishing between costs assessable against power sold at a fixed rate and those assessed against agriculture lies in the fact that farm products are sold at prices not fixed by the producer. The consensus of opinion was that interest should be charged on the former, while the latter should be interest free.

William E. Warne, assistant secretary of the interior, also addressed the joint session and conceded that the federal government may be contributing much too little toward basic development when the long-range returns are taken into consideration. He agreed that many tangible and intangible benefits accrue to community, state, region and nation from federal multi-purpose projects. Towns spring up, attracting new business and industrial enterprises from which the federal government derives new and continuing tax revenue.

The sound reasons for a more equitable distribution of the costs of western project development cannot be emphasized too often. There has been too much inclination in the past to place an unreasonably large proportion of such costs upon the farmers and other primary beneficiaries of water development with too little consideration to the secondary but substantial benefits enjoyed by the other interests including the federal government.

"This is a time for action. For some Americans it is a time that calls for heroic action. For others of us, it calls for homely, less dramatic digging away at the daily chores. It takes corn as well as cannon. The denim-clad patriot on the tractor, as well as the khaki-clothed soldier in the tank, serves his nation and his fellow man in the cause of peace and freedom."—Charles F. Brannan, Secretary of Agriculture.

* * *

Meat animals on farms and ranches of the U. S. have increased 9,415,000 since January, 1950, according to USDA estimates. There are 4,127,000 more cattle than a year ago, 4,526,000 more hogs and 762,000 more sheep and lambs.

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