

CHAPTER XXI

THE REDEMPTION OF FARMING

Aside from the returning soldier, the redemption of farming and the opening up of the land to would-be farmers is one of the most important problems that confront us.

We must provide for an entirely new type of agriculture. It must differ from the old as the department store differs from the village shop.

We must build anew. Not by chance, not by accident, but by the use of the same kind of intelligence we have used in the building of ships, the erection of houses for munition-workers, and the integration of industrial life for the conduct of the war. There must be a vision of agriculture as a co-operative activity, a means of fuller life. And there must be protection to the farmer from the land speculator, the banks, the middlemen, the distributing agencies. In other words, the farmer as an individual producer cannot face modern

conditions which in other industries have passed into large-scale production with all of the aids of science and invention.

Moreover, the waste of agriculture is colossal. Each farmer is detached. He raises the same things and does the same things. He owns the same machines. He works twelve months a year in order that he may be profitably employed for six or seven. He keeps his horses and cattle for months at a dead loss. He markets alone, and finds his own customer. It is as though every man who made shoes had to find the individual person in the world who wanted his particular shoes. The farmer is still in the bartering age. But he does not barter with an equal chance. He must bargain with a world market and a highly organized system of monopoly that buys what the farmer sells as cheaply as possible and holds within its hands all of the marketing, warehousing, and transportation agencies of the country.

Agriculture cannot prosper under such obsolete conditions. The isolated farmer is an economic survival of the last century. And it is those countries that have recognized these

facts and adjusted agriculture to these changed conditions that are making farming pay.

Conditions of Successful Agriculture.

Agriculture does not differ from other occupations in the conditions that must co-exist to make it profitable. And in the countries in which agriculture is the most efficient and the most productive we find the following factors co-exist:

- (a) Absence of tenancy.
- (b) Adequate, cheap, and well-organized means of distribution and marketing, owned by the state or the farmer.
- (c) Cheap credit.
- (d) Easy access to the land by men of small capital.
- (e) Educational and recreational advantages.

Wherever these conditions prevail agriculture is prosperous. The farmer is reasonably contented. The farm holds its own. There is no great drift to the city. Wherever these conditions do not exist, we find an increasing urban population, a drift away from the farm, and the more or less rapid decadence of agriculture. This is true of England and Scotland;

it is true of the greater part of Germany; it is true of the United States as well.

The encouragement, possibly the saving of agriculture, involves a new policy on the part of the federal and the State governments.

Such a policy involves a wide extension of government aid and co-operation. It involves the greatest freedom and encouragement to the farmers to co-operate.

It should provide for the following:

(1) Suspend the Homestead and Reclamation Laws.

The immediate suspension of the homestead law, and sale of land in fee under the reclamation projects. The remaining public land of all kinds, including forest and mineral, with their titles, should be retained by the government.

Oklahoma was opened up to settlement barely thirty years ago. It is one of the richest States in the West. The land was distributed to settlers under the Homestead Act, and enterprising farmers entered the State from all over the country. To-day there are 104,000 tenant families in Oklahoma, while of the 95,000 farms operated by owners 80 per cent. are mort-

gaged, the first mortgages ranging from 40 to 60 per cent. of the cash value of the land.

These are some of the results of our homestead policy. We have repeated the same mistakes in our reclamation projects. The needless suffering of these settlers is even greater than in the case of the homesteaders. The failures of thousands of pioneers, who have wasted their efforts only to become impoverished, is a standing indictment of the foolish effort to place a man unaided upon unreclaimed land.

On one of the government reclamation projects of the West, 580 out of 898 settlers abandoned their purchases. Such a condition is the rule rather than the exception. Many settlers on the reclamation projects are unable to meet their instalments.

The effort to place settlers on isolated tracts in the mountain or semi-arid regions has also been a failure. Thus, on the west side of the Trinity National Forest, in California, 348 homesteads have been taken. Of these, 252, or 72 per cent., have already been abandoned, and 196, or 28 per cent., of the settlers are leading a precarious existence. In the Florida

National Forest there have been 496 entries obtained under various land settlement laws, representing a total area of 74,371 acres. A census taken in 1914 showed only 900 acres put under actual cultivation on these claims, or an average of 1.8 acres per claim for the entire number of claims.

Professor Elwood Mead, of the University of California, who has made a careful study of agricultural conditions in this country and Australia, and who is the leading advocate of the farm-colony idea, characterizes our land policy in the following words:

“Only a small fraction of the public lands were transferred directly to cultivators. Nearly three-fourths were sold to speculators or granted to corporations and States, which in turn sold them to speculators. The result has been a costly, wasteful, migratory experiment. The nation has been exploited, rather than developed. Great landed estates have been created and ruinously inflated land prices now prevail.

“The consequences of this careless, short-sighted, unsocial policy are coming home to roost. We are beginning to realize that the fortunes made in land speculation came mainly from the pockets of the poor; that our land

policy is not creating an economic democracy, but the reverse."

Probably one-half of the land in a large part of the Central and Western States is supporting two families: one, the family of the landlord; the other, the family of the tenant.

(2) Public Control of Transportation and Marketing.

Transportation agencies, railroads, refrigerator-cars, express and parcel-post service must be organized to aid the farmer in the marketing of his produce. Much of the agricultural prosperity of Australia, Denmark, and Germany is traceable to the close official aid given the farmer by the railroads of the country. In the United States the railroads, working in co-operation with other exploiting agencies, have been an active agent in destroying agriculture.

It is to the interest of the farmer that packing and slaughter houses, cold-storage plants and terminal warehouses should be publicly owned. This is equally true of other wholesale distributive and storage agencies, which should

be operated in close co-operation with the transportation agencies.

The American farmer is forced to sell his cattle, sheep, and hogs to the packing syndicate; his poultry, butter, and eggs to the cold-storage men; his vegetables must be handled through the commission merchants, while the major products of the farm, wheat, rye, barley, and oats, must be marketed through the millers and the warehouses in the grain centres of Chicago and Minneapolis.

The farmer is the only producer who works for an unknown price. He does not know what he will receive for his labor, or his investment. He produces blindfolded. It is to the interest of those speculative agencies that control the market to reduce the prices to the minimum and to extort the highest prices possible from the consumer. This economic helplessness of the farmer has produced the insurgent movements in the West. It lies back of the Non-Partisan movement of the Dakotas, Montana, and the Central West.

(3) **Usury.**

The farmer is also a prey to the banker. Great parts of the West passed from freehold

ownership to tenancy through usury and mortgage foreclosures that were almost incredible. The practices employed in Oklahoma, which only a few years ago was opened up to free homesteading, are described in the annual report of the Comptroller of the Currency for 1915.

Many banks in the West are dominated by the packing syndicates on the one hand, and the millers, commission men, and cold-storage agencies on the other. They make use of their power to compel the farmer to sell when the middlemen desire him to sell. They thus control the price which the farmer receives.

A suggestion of the extent to which the five big packing interests, Wilson, Armour, Swift, Morris, and Cudahy, control the banks of their territories is to be found in the *Summary of the Report of the Federal Trade Commission on the Meat Packing Industry*, published July 3, 1918. This report also shows the extent to which the farmer is dependent on the same agencies for transportation, cold storage, as well as in the marketing of his produce.

There can be no security to the farmer so long as credit, transportation, the packing,

marketing, and distribution of his produce are in private hands.

(4) Land Monopoly.

There is land enough in America to support millions of farmers and feed many millions more in the city. We have only begun to occupy the culturable land of the country. The United States has a population of but 33 to the square mile. Yet land values are as high as, and in many portions of the country are higher than, in any country in Europe.

Compare the situation with other countries. In little Belgium, which feeds herself and, along with Denmark, helps feed England as well, there are 671 persons to the mile. In Denmark, the world's agricultural experiment station, whose farm wealth has increased most rapidly in recent years, the population is 183.56 to the mile. In France, a great agricultural country, there are 191; in the United Kingdom, 379.47; in Austria-Hungary, 197.31, and in Switzerland, 236.97 people to the square mile.

Yet none of these countries has the climate, the soil, the variety of culture, or the natural soil resources of America. Were our lands

cultivated as they are in other countries, were the land opened up to people, and agriculture protected, the United States might have ten times as many farmers as now live upon the soil, while our population might be at least 500,000,000, or, with the density of Great Britain, 1,000,000,000 could find a home with us.

As suggestive of the land that is held out of use, it appears that of our total area enclosed in farms, amounting to 878,798,325 acres, only 478,451,750 acres are reported as improved, while 400,446,575 acres are reported as unimproved. The total area of the country, exclusive of Alaska, is 1,937,144,000 acres. Only about one-fourth of this was in what was classed by the census as improved farms.

(5) **Speculation and Inflated Land Values.**

With the monopoly of the land and its withholding from use speculation began. Land values shot up. They became prohibitive. Men could not buy a farm and make a living from it and pay interest on their mortgage. Fifty years ago land in Iowa, Illinois, Kansas, and the Dakotas was sold at from \$3 to \$5 an acre. To-day, much of it is held at from

\$50 to \$300 an acre. In California, land which a generation ago could be had for the asking is held at from \$500 to \$1,000 an acre.

Farming-land in the United States, with people living at about 33 to the square mile, is held at a higher speculative price than in any country in the world, with the possible exception of such highly developed farming countries as France, Holland, Belgium, and Denmark.

Speculative land values are indicated by the census returns of agricultural land. In 1900 the farming-land of the United States was valued at \$13,000,000,058. In 1910 it had risen to \$28,475,000,000. In ten years' time farming-land increased in value by \$15,000,000,000, or 118.1 per cent. This is not due to the increase in farm acreage, for the increase of acreage during these years was but 4.8 per cent., while the number of persons engaged in agriculture increased but 11 per cent. The increase in the value of agricultural land is a speculative increase. It is due to the fact that the land is all gone, while a hundred million people demanding food and raw materials have created a continuing pressure for its use.

This \$15,000,000,000 of land values, which may have increased to \$25,000,000,000 by 1918, is an unearned increment. It is a social value, due to the necessities of society, and increased population.

Men cannot now buy land, except at a prohibitive price. And they cannot acquire free land as they could two generations ago. Herein is the main obstacle to free farming. It is this that sends the sons of farmers from the land. It is this that explains tenancy. It is this that creates the agricultural laborer.

This is the main reason why we do not have more farms and more food. The land of America is closed against us. It is closed against our children, and the returning soldier as well. America, endowed with the most marvellous resources in the world, has become a nation of landless people. We have sold our birthright for a mess of pottage. For we did not even create a nation of home-owning farmers in the process.

Land monopoly and speculation have erected a wall about the land of America. Men cannot get to it. They can only work for some one else. If they buy they must spend their

lives in paying for land that a few years ago cost little or nothing. A hundred-acre farm at \$100 costs \$10,000. In Iowa, Kansas, Illinois, Oklahoma, and other States it would cost from \$150 to \$350 an acre. That is an initial cost of from \$15,000 to \$35,000 for a farm.

In order to pay for a farm that makes a clear profit of \$1,000 a year a man must work a lifetime, with no reverses, no drouths, and no setbacks. Yet the farmer has no assurance of good years. And few farmers make \$1,000 from their entire crop.

A nation with land enough for 500,000,000 people is confronted with a diminishing food-supply. This is not a fanciful danger, as reference to the continuing falling off in the production of all kinds of foodstuffs in another chapter proves.

(6) Farm Tenancy.

As a result of land monopoly and speculation, America is rapidly becoming a nation of farm-tenants. Yet this is the last country where tenancy would have been believed possible. Modern Europe inherited the feudal

system from mediæval times. The land was divided into great estates, owned by the old nobility. A great part of Prussia, Austria-Hungary, and Great Britain is still owned as it was in the seventeenth century. The farmer is a tenant or agricultural worker. He is a descendant of the feudal serf.

In so far as farm-ownership exists in a great part of Europe, it is the result of revolution, as in France and Russia, or of recent land legislation, as in Ireland, Denmark, and other parts of Europe. Europe is struggling to evolve from feudalism to home-ownership; the United States is evolving from home-ownership to feudalism. For the essence of feudalism is landlordism.

Tenancy increased by 16.3 per cent. during the ten years from 1900 to 1910. In the latter years thirty-seven farmers out of a hundred were tenants, while 2,354,676 farms were operated by others than owners.¹

¹"A recent survey in Iowa, to find out why farm-tenantry was increasing so much more rapidly than farm-ownership, showed that land which twenty years ago could be bought for \$40 an acre now sells for \$200 an acre; that the money formerly needed to buy it outright now pays only about one-fifth the price. It showed that young men who attempt to buy farms without cap-

In the Southwestern, Central, and Southern States tenancy is much more common. Fifty-three per cent. of the farms in Texas are operated by tenants, whose total number in 1910 was 219,571. In Oklahoma and other Middle and Southern States tenancy is quite as common, in some districts rising to 80 per cent. of the total. Tenancy in these States is destructive of the qualities which we attribute to free America. It leads to ignorance, improvidence, and the decay of agriculture. The tenant loses ambition. He permits the land to depreciate. He does not fertilize it. He does not rotate the crops. He makes no improvements that he can possibly avoid. He buys no machinery. In most instances he cannot.

The social conditions that inhere in the tenant system are even worse. The tenant is ignorant. He does not send his children to school. He uses them on the farm. Frequently he has to use them, for he cannot employ outside labor.

ital need, on an average, fifty years in which to earn the money to complete the payments for their land; that as a rule they do not attempt to begin as farm-owners, but work first as laborers, then as tenants, and that in about fifteen years they are able to accumulate enough money to make the first payment."

The tenant has little hope. The improvements made by him go to the landlord. They are made an excuse for an increase in the rent. It is these economic conditions that make tenancy a grave menace to agricultural production on the one hand, and to the development of self-respecting citizenship on the other. For the tenant is in fear. He fears the landlord and the banker. He fears taxes and improvements. He cares little or nothing for education. For they all threaten his ability to make a living or to improve his condition.

The whole subject of agricultural tenancy was examined by the Industrial Relations Commission, and a volume of testimony was taken on the subject. The testimony and findings of conditions read like a chapter from Ireland in the middle of the last century.¹

(7) *The Cost of Our Land Policy.*

We endeavored to create a nation of home-owning farmers by giving away lands to the first comers. It resulted in the appropriation of a continent capable of maintaining 500,-

¹See chapter I of *Report of Commission on Industrial Relations.*

000,000 people in comfort by those who got there first. We divided great commonwealths as big as France into feudal holdings which are worked now by Mexicans, by farm drudges, by tenant-farmers. Great States like Texas, Oklahoma, California, Iowa, and Eastern States as well, have passed in large part from freehold-ownership to tenancy. Unbridled middlemen have engaged in usury through the control of our banking agencies, and have still further increased landlordism through mortgage foreclosures. America should be the granary of the world. It should feed its people at a negligible cost; yet the amount of food being produced is falling in quantity and rising in price.

The old order has broken down. Homesteading proved a failure. The reclamation projects lured many men who wanted to be farmers. In many cases they were broken by adverse conditions. They lost their investment and savings and the hope of their lives as well. Settlements on forest-preserves have been scarcely less calamitous. The Southern States have been carved into plantations, while farms in the Northern States have been deserted by men whose traditions are those of

the soil but who have been driven into the city by the false foundations upon which we have endeavored to erect an agricultural polity.

(8) The Basic Reform of Democracy.

Back of all other reforms is some means of freeing the land and resources of the earth so that men can use them. Slacker acres are the obstacles to real freedom in any nation. Junkerdom in Germany was based not on hereditary titles but on the feudal ownership of the land by the nobility. It was landlordism that impoverished Ireland. Great Britain is physically undermined by the persistence of a mediæval system of land-tenure under which the land is held in huge estates. These estates are kept intact by entail and primogeniture and freedom from taxation.

America, too, is divided into great baronial holdings and estates held out of use by speculators who distort our civilization and drive men to the city by prohibitive prices for the land which they do not use themselves and prevent others from using.

Land-value taxation is a basic reform. It will end speculation. It will break up great

estates. It will open up opportunities to labor. It will cheapen land. It will do this by compelling men to use or sell. Taxation will free land. It will also free labor. It will make it possible for men to become owners rather than tenants, and will offer to the agricultural worker a farm of his own.

(9) America and the New Agriculture.

Professor Elwood Mead, of the University of California, referred to in other chapters, makes the following comment on the new conception of farming. He says:

“Only those who live under their own vine and fig-tree realize the full value of rural life. The most satisfactory social progress and the greatest advances in agriculture are found where patriotism has its roots in the soil. Several of the leading countries of the world have realized this fact. In order to check political unrest, to lessen the economic loss by migration to other countries and lessen the movement from the country into the cities, Denmark, Ireland, New Zealand, the Australian Commonwealth, Germany, and to a lesser degree a number of other countries, have inaugurated a plan of rural development in which the land is bought in large areas, subdivided into farms and farm-laborers' allotments, and then

sold to actual settlers on long-time payments. The buyers are aided in improving and cultivating these farms by a competent organization, adequately financed by the government. They are given the benefit of expert advice, not only in their agricultural operations but in forming buying and selling organizations. In other words, these countries are creating an organized community development.

"This plan of rural development is the greatest agrarian reform of the last century. It is enabling discontented tenantry and poor laborers to enjoy landed independence, to live in better houses, to have more and better live stock, to educate their children and to have a deeper love for their country for what it is doing for them. A new and better civilization is being born.

"The adoption of this policy by the United States will not, therefore, be an experiment. It has been a financial and economic success in the thickly populated countries of Europe, and in the sparsely populated countries of Australia and New Zealand. The need for it in the United States is far more acute than this optimistic nation realizes. In the ten years before the beginning of the present war 900,000 people left the United States to take farms in Canada. They took with them millions of capital and an energy, ability, and experience that we can not afford to lose. In the year preceding the war one of the Brazilian states had 1,600 applications for farms from

the single city of San Francisco. In the stress of this war the Commonwealth of Australia has appropriated \$100,000,000 to be spent in buying and subdividing land and making farms ready for cultivation for the returning soldiers. England is preparing homes for the empire's returning soldiers. Germany has a complete set of plans for the agricultural development of Poland. Our young men will return home filled with enterprise, looking at the world in a new way; and unless we make provision in advance for enabling them to enjoy landed independence without undergoing the privation, hardship, and anxiety of the purchase of land under the conditions imposed by private colonization agencies, they will not remain here. They will embrace the broader opportunities afforded by the state aided and directed development of other countries."¹

¹ Professor Elwood Mead's pamphlet on *State Aid and Direction in Land Settlement*, p. 5.