

# How to Aid Croppers, Slummies

By Harry Gunnison Brown

Almost four years ago an economist studied the problem of farm tenancy in the South and how it was affected by payment of crop control subsidies, for the Department of Agriculture. He reported that there was widespread evasion of the provision of A.A.A. contracts requiring a division of subsidy payments between landowner and farm cultivator, and urged that the provision be made more binding and that it be stringently enforced. The result? Not an increase in the dole obtained by the share-cropper but a tendency for the farm owner to dismiss his share-croppers and replace them with day laborers. And the reason? The editorial writer in my morning newspaper says:

"The Government specifies that the landowner share the subsidies with the share-cropper, while no such regulation applies to the day laborer. So there has been a general tendency to dismiss the share-cropper families and keep all the Government bonus payments for himself. And as bad as is the plight of the average share-cropper, that of the agricultural laborer is worse."

Well, after all, who but a naive idealist of "intellectual" proclivities could have expected anything else? Indeed, if it were not for the mulish determination of our "intellectuals" never to consider or mention Henry George's brilliant analysis of the land question—while persistently soaking up diluted Marxism at every opportunity—some of our "high-brow" magazines would have been, and our "liberal" newspapers would have been, emphasizing from the beginning that these farm subsidies are primarily subsidies to landowners and that, in the long run, only landowners are likely to profit much from them.

Who could seriously think that landowners would not get rid of their tenants when the law makes it more profitable to do so? Who could seriously conclude that the average owner of land would not, if he consented to have tenants at all, in the

end charge higher rents for the use of the land if the user is entitled to receive a subsidy from the government?

Of course our kind-hearted legislators, who will gladly do everything to help the poor man except what most needs to be done, have arranged a solution. The Bankhead-Jones Farm Tenant Act provides for loans at 3 per cent interest to a limited number of tenants in selected counties, to enable them to buy farms. It is true that, thus far, so little money has been appropriated for this purpose, relatively to the vast number of tenants, that no appreciable effect is likely to be produced.

If, however, available funds should be greatly increased and if many tenants attempted, with such government aid, to buy farms, no one at all familiar with the mental reactions of landowners, and especially, land speculators, can doubt that they would then charge higher prices for their land. Tenants would therefore have to borrow correspondingly more money in order to buy farms, thus assuming a larger mortgage indebtedness. A larger proportion of them would fail and sink back into tenancy. And they must sink back the faster because of the wide variety of taxes on sales and on numerous specific articles of consumption.

A similar difficulty applies to the movement to abolish slums in our cities. Any widespread effort to purchase land for "low-cost" housing must have a tendency to stiffen the price of land. Surely, none of our kind-hearted housing reformers thinks that a demand for land for this purpose makes land cheap in the regions or areas where it is purchased! And past experience does appear to indicate that, ordinarily, when the "model, low-cost" tenements are done, they are too expensive for the class that was supposed to occupy them. And our heavy indirect taxes which are levied on everything poor families must buy, must also tend, along with high land prices, to put decent housing beyond their means.

If Congress really wanted to promote farm ownership by tenant farm-

ers in the country and slum clearance and widespread home ownership in the cities, there is an altogether desirable way of accomplishing this end, but a way which we may be perfectly certain that the present "liberal" Administration and Congress will no more attempt than our previous "conservative" one.

Suppose it were announced that Federal funds would be available, as loans or on some other basis, for the encouragement of slum clearance and of home and farm ownership, but only in states, counties and cities which would seriously attempt to substitute taxation of valuable natural resources and of community-produced site values for sales taxes and other taxes that now rest heavily on the poor.

Suppose a serious statement were issued by the Administration to the effect that there is no use distributing Federal funds to accomplish the desired purpose where all the local conditions as regards taxation are hopelessly adverse, that the Federal government cannot afford to adopt a policy analogous to pouring water into a sieve, and that funds can therefore be provided only in communities adopting a tax policy that discourages land speculation, brings down the sale price of land for would-be builders and owners, and leaves the poor untaxed on the goods they have to buy, and so with some chance to earn their way to ownership!

Such an announcement would go immeasurably far to encourage the local adoption of a tax policy favorable to the end in view, not to mention other ends greatly to be hoped for.

But, of course, no one, not even the most optimistic reader of *The Freeman*, expects any such announcement. Almost all the currents of recent propaganda, along with the powerful influence of a landowning class, run in the opposite direction.

Is it not rather to be expected that the poor will be levied upon by new processing taxes so as to provide more bonuses for landowners, that land prices will therefore become, as

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the years go on, still higher than now, and that the poor, with an even larger part of their incomes taken from them by taxation, will find land-ownership more unattainable than ever?

And that if then we try to subsidize a few of the poor so as to aid them to ownership, we shall do so by still greater taxes on other poor, thus making ownership all the harder to attain by the others so taxed?

See: "Progress and Poverty," pp. 321-327;  
"The Condition of Labor: Open Letter to Pope Leo XIII," Section IV.