

No Farm Help? That Heretic!

By Harry Gunnison Brown

When a given class or group of voters want legislation that takes money away from others and gives it to them, they almost invariably present this legislation to their fellow citizens as something intended to benefit the persons who have to pay for it. Thereby they serve two purposes. They preserve their own self respect in a social environment where obvious self-seeking is disapproved; and they gain support for the legislation they seek, even from some who must certainly be the victims of it.

One of the New Deal policies which has been argued on this basis on high—we need not say how very high—New Deal authority, is the policy of farm relief. For on this policy the argument has been that to take money away from city workers—artificially raising prices of farm products whether through the medium of processing taxes or otherwise—and give this money to farmers, makes the city workers more prosperous than if the money were not taken away from them. To take money from (say) the garment workers of Eighth Avenue, New York City, and give it to the farmers of Nebraska for their corn, will, it is supposed, by increasing the demand of the farmers for clothing, increase the employment and prosperity of the garment workers.

It is true that artificially raising the prices which city workers must pay for farm produce may increase the ability of the farmers to buy clothing. But since the cost of food is thus increased to all other city workers, and not just to garment workers, the ability of carpenters, bricklayers, automobile workers, steel workers and coal miners to buy garments is reduced. And how can it be profitable for the garment workers to stimulate an increased demand for the clothing they make, if they must themselves give the purchaser the money to buy it!

Perhaps our good and true New Deal Democrats who claim to believe that this is the way to achieve prosperity do not consider themselves to be the intellectual brothers of the Towns- endites. But the now famous country doctor who undertook to tell us how to straighten out our economic tangles—when will some economist reciprocate by telling the doctors how to cure poliomyelitis?—had the same general theory.

Dr. Townsend did not propose a processing tax, but he did propose a general sales tax. He did not propose taking money from city workers to give to farmers, but he did propose taking money from the young and giving it to the old at the rate of \$200 a month to each person over sixty years of age. It was contended that the expenditure of this money by the aged recipients of it (who were, supposedly, to expend it rapidly, but perhaps many of the young would expend it rapidly, too, if it were not taken from them) would stimulate demand and would thus increase the prosperity of the young who were to pay the tax.

Why should it be supposed that to take hundreds of millions of dollars every year from the persons who have earned it and who would, presumably, like very much to spend it themselves, and transfer it, for spending, to other persons, would increase the demand for goods or the output of goods or in any way promote prosperity? That any such idea should gain such wide and enthusiastic support might perhaps be put down as a problem in the psychology of senility if we did not have evidence that a similar psychology possesses, by turns, the spokesmen of the farmers, including ardent and very prominent New Dealers, the literary intelligentsia,

and hardheaded manufacturers and their apologists.

Let's spend a few moments considering the apologists of the hard-headed manufacturers. This will enable us to see that the general idea we have been discussing did not really originate with the Towns- endites or with New Deal Democ- rats, however eloquently these may have emphasized it. Republican def- enders of the high tariff, apologists for hardheaded manufacturers who wanted such a tariff, long ago used this idea in their arguments.

In this case the contention was that if money were taken away from the wheat farmers and other un- protected producers, in the form of high prices for manufactured goods they must purchase, then those en- gaged in manufacturing would have **more money with** which to purchase the farmers' products. The farmers, it was supposed, would be better off to pay these extra prices, that is, to have money taken away from them, than if the money were not taken away from them.

And now suppose we insert a little story from the children's page.

Haven't you heard, dear little children, of the very, very smart burglar who read up on all the arguments of the very bright and oh, so prominent, New Deal Democrats and of the very clever economist country doctor and of the very hard- headed Old Deal Republicans? So he knew all the right answers to start with! He was for a long time a most successful burglar and was not caught until he had robbed every merchant in town. Finally, indeed, he was apprehended (meaning he was caught, children). But upon being accused of his so-called crimes he asserted in his own defense that he had done no harm at all but only good.

He freely admitted having robbed all the merchants of considerable sums of money. But he pointed out that he had lived in the town, spent money freely and spent all this money buying the merchants' goods, thus making them more prosperous than if he had let them keep their



money in the first place. And because some of the merchants were ardent believers in the New Deal arguments and some were eager Townsendites and some were disgruntled Old Deal Republicans, they all gave him their blessing and the kind old judge told him to go and sin a lot more!

Only one poor lone economist—who was just an economist and not a country doctor—asked whether it wasn't true that at first the merchants had their wares and their money too; whether, after the robberies, it wasn't true that they still had their wares but no longer had their money; and whether, after the burglar had spent the money, it wasn't true that the merchants had the money but no longer had the wares.

But the lone economist wasn't very enthusiastic about taxing the earnings of some people in order to give money to other people. He believed that tariffs stopped trade and prevented specialization and made the people poorer, so that more of them appeared to need special help or relief. He was even more heretical than this, for he held the opinion that a system under which most of the people had to pay a few for permission to live and to work on the earth, in those places where life was reasonably pleasant and work fairly productive, was not an ideal system.

He had the heretical notion that such a system was much like making the many pay the few for permission to sail the seas or breathe the air or enjoy the sunshine. And

he even thought that to draw on community-produced site values for community needs, i.e., to tax land values would be better than to levy sales taxes on the earnings of the workers, a suggestion that was particularly hateful to hardheaded conservatives, and which the literary intelligentsia always ignored as not really worth serious consideration in their columns.

So nobody believed anything he said about anything at all; and all the editorials in the "high-brow" magazines of "liberal" proclivities and all the local New Deal newspapers and the Republican Old Guard publications, vociferously echoed the sentiments of the burglar and the merchants and the kind old judge.

See: "Social Problems," Chapter XX.