

FARM RELIEF DOES NOT RELIEVE FARMER

The rise in the price of farm land since 1933 is indicated by comparison of present prices of Joint Stock Land Bank bonds with those of five years ago.

In 1933 the "Emergency Farm Mortgage Act" was passed by Congress, allegedly sympathetic to the farmer. Following the passage of this act, the 12 Federal Land Banks helped farm land speculation by wholesale taking over of Joint Stock Land farm paper. In four years Federal Land Bank loans increased \$1,700,000. The 3 percent bonds of some Joint Stock Land Banks are now selling above 100, as compared to 5 percent bonds selling at 25 to 50 in 1933. The increased "interest" on these bonds is merely rent; the increased market value is merely capitalized rent.

By increasing loans, by adjusting the farmer's mortgage interest rate downward, and his cash income upward, by payments for not producing, by improved commodity prices,

great increases in the price of farm lands were achieved; but a large percentage of working farmers either rent their farms or own the equity behind a farm mortgage. Rising farm land prices did not increase the returns or wages of these mortgaged farmers, and were of still less benefit to the tenant farmers. Rent took the increases.

Recent studies of what the farmer can buy with the higher prices of farm produce indicate that the rise in manufactured goods prices leaves his purchasing power from all this so-called help at a greater disadvantage than when help started in 1933.

—LANCASTER M. GREENE.