

FAS and the Sharecroppers

The following study of the efforts of one Government agency to alleviate the condition of the Southern sharecropper is by RAYMOND HAMMOND, whose "Challenge to Georgism" was one of the leading articles in THE FREEMAN for June. As an employee of a cotton buyer and shipper in a typical Southern town, Jackson, Tennessee, Mr. Hammond possesses extensive first-hand knowledge of his subject. In addition, the author acknowledges his indebtedness to the "Memphis Press-Scimitar" for many of the figures and other statistical data appearing in this article. The "Press Scimitar," one of the leading newspapers of the South, conducted a thorough survey of the situation early this year. The results were set forth in a series of articles appearing in that newspaper April 15-20.

★ U. S. HIGHWAY 70, the Broadway of America, crosses the Mississippi River at Memphis and for 46 miles an arrow-straight ribbon of concrete stretches out to Forrest City, Arkansas. This is the simon-pure sharecropper country, the Mississippi Delta—richest and ugliest region of America.

From the minute you leave West Memphis, Ark., just beyond the flood line of the Mississippi on the Arkansas side, until you reach Crowley's Ridge, bounding the west side of the Delta, you will find nothing but cotton on one side, corn on the other, and always in the distance a fringe of scrubby second growth timber.

Occasionally this fringe of timber comes close to the highway and the smell of burning wood drifts in through the car windows. Some cropper is clearing a patch of "new groun'." The croppers, grandsons of the men who cleared the wilderness, seem to retain this urge to clear off and burn up timber even when cleared land is lying idle. The aroma of burning wood is perfume in their nostrils. Perhaps the custom of giving the cropper all the ground he clears rent-free for three years has something to do with it.

The town of West Memphis is a curious urban reflection of the suffering land—hot, flat, raw. It is a sprawling litter of gas pumps and liquor stores where Memphis landlords tank up before driving out to their holdings. It seems to epitomize the Delta civilization, the object of which is to turn everything—timber, land, men—into cash in as short a time as possible.

This is the land where the New Deal is trying to solve the problem of poverty amid wealth through an agency known as the Farm Security Administration.

This agency may be abolished by the time this article appears in print as it is now under fire in Congress, being opposed by the powerful farm bloc. The plan of attack seems to be to dismember it by cutting off appropriations for its various functions, item by item, as they are requested.

Regardless of whether the agency is alive or dead, its operation is of interest to all who are interested in the problem it is attacking.

To begin with, its general objective—the alleviation of poverty—must be viewed with sympathy. As to its methods, that is something else.

Like most New Deal projects the main function of the agency is the lending and spending of money. It operates something like this: The busy bureaucrats come into a section such as described. They buy up some large holding, build model homes, find tenants to occupy them and try to start a model farm community. What happens next does not follow a routine pattern. If the colony is blessed with good supervisors, above-average tenants, and good land, a measure of success is possible. Usually, however, a painful period of adjustment must be undergone as the plans of the bureaucrats crack up on the hard rocks of reality. This calls for more subsidies until in some cases the investment per project house runs as high as \$20,000. The planners begin to realize the truth that Henry George wrote down sixty years ago: "Society is an organism, not a machine."

When we recognize that this process, viewed against the immensity of the whole problem, is an attempt to kill the dragon of poverty with a pea-shooter, it is amazing to see the consternation that it creates in the ranks of the landowners. No doubt they know that such efforts will never slay the dragon—what they really fear is that they will awaken it. In other words, they are afraid that the 'cropper will become dissatisfied with continual poverty. Above all they fear the spectre of communism which they sense in the collectivist economies of such projects as the Dyess Colony in Arkansas.

The FSA does not deal only with the project type of rehabilitation. It has funds for loans to private individuals who want to buy a farm but cannot secure the money from a bank. Before releasing the money, however, the officials require that the borrower sign a contract giving the FSA supervision over the manner in which the money is spent. This is to insure repayment of the loan and to disseminate progressive farming information.

This part of the program, at least, appears to be meeting a real need in a realistic manner. Although the paternalistic nature of these loans cannot be approved, in actual practice they are a step up the ladder of independence for the sharecropper, who is trying to escape the extreme paternalism of the old landlord-cropper system. In a fumbling bureaucratic manner they are

giving labor access to land. They are doing this through the medium of loans at low interest rates to poor credit risks. Thus they are fulfilling the Georgist axiom for the production of wealth by uniting land and labor.

On the other hand, there is no reason to suppose that this bureau behaves any differently than does the typical government agency. Its first aim, without a doubt, is self-preservation. According to the findings of the Byrd committee on non-essential federal expenditures, FSA administrative personnel increased from 9,786 in the 1937-38 farm year, to 13,235 the following year. The number climbed to 15,467 the next year; then to 17,281 and it was estimated at 20,452 for the 1941-42 year just closed.

No doubt it is wasteful. In the period April 8, 1935 to December 31, 1941, FSA and its predecessor agencies spent a cool billion dollars, over a quarter of which went for administrative expense. The Byrd committee noted that *it cost roughly 50 cents to lend a dollar.*

However, it is not so much the maladministration of the agency, but the principles on which it is based, that makes it unacceptable. The path of social salvation does not lie in the direction of governmental supervision and interference. The arguments which Henry George set forth still hold good and they apply to the FSA as though they were written but yesterday. The FSA planners based their hopes for a solution to the problem of rural poverty on: 1. A more general distribution of

land. 2. Cooperation. 3. Governmental direction. One must doubt that they would have been so optimistic had they read George's criticism of these three identical remedies.

Still, there is hope in this agency notwithstanding that its end is being sought by the "farm bloc," the Farm Bureau, and, in general, the old line reactionaries and defenders of the "good old days," such as Senator K. D. McKellar of Tennessee. At least it is operating where the need is greatest and does not, like the AAA, scatter benefits indiscriminately on anything which bears the title "Farmer," (including the Metropolitan Life Insurance Co. which received over a million dollars in subsidies in one farm year).

One of the functions of the FSA is education and that is what gives cause for hope. It is just possible that this education may work both ways. FSA officials were amazed at the record of 95% repayment of loans. They had made what one newspaper investigator termed "the outstanding discovery of the New Deal"—namely, that the average down and out, ever-broke, shiftless, dirt farmer is an honest man at heart. Which proves that even a bureaucrat can learn.

Perhaps it is not too much to expect that this education will continue until it is discovered that all that these farmers really want is land—the plans and projects so dear to the bureaucratic heart are merely unnecessary trimmings.