

would give in the little community of which we are members. Bennington would not have to borrow money and saddle future generations for the cost of needed improvements. The land value of this town is ample to provide for all our public activities and some much needed social activities to boot. The partially used or unused land around Bennington would be put to adequate use and the housing conditions of our own operatives in the town greatly improved. A small State like Vermont is ideal for the opportunities it affords men to do their duty in aspiring after this great good.

WHY SHOULD AGRICULTURE BE SO UNPROFITABLE?

AN EXPLANATION OF THE FUNDAMENTAL CAUSES THAT ARE DRIVING LABOR AND CAPITAL OUT OF AGRICULTURE AND DEVASTATING THE RURAL LIFE OF AMERICA—THE REMEDY.

SPEECH DELIVERED BEFORE THE STATE MEETING OF THE NORTH CAROLINA
FARMERS' UNION, AT DURHAM, NOV. 17, 1915, BY R. F. BEASLEY, EDITOR
OF THE MONROE JOURNAL.

In the final analysis every meeting like this one in which farmers come together for consultation, is a signal of distress. Men do not go out of their way to seek redress when no redress is needed. We have all heard of the man who was dead and didn't know it. Perhaps it was because his nominal friends had misled him by saying he looked as if he were enjoying the bloom of health. Agricultural labor in this country is dying and doesn't understand the nature of its disease. It is not dying for want of doctors, many of whom even tell it that it is not even sick, but is in the bloom of health.

You have invited me to contribute to the literature of agricultural therapeutics. Your worthy president, who is a medical doctor as well as an agricultural doctor, even warned me that if I made a diagnosis I should offer a prescription. So, like Mark Anthony, I come neither to praise nor to bury Caesar—I come to tell you what the disease is that is killing the agricultural laborer and to propose a remedy which will remove the cause of the disease and let the patient get well himself.

THE TESTIMONY OF AUTHORITY.

And, lest I be considered an alarmist, I will first introduce the testimony of authority. After the present secretary of agriculture, Dr. D. F. Houston, received his portfolio, he sat down and remained silent in all the known languages for a long time, and refused even to speak in the unknown tongues. Besought by diligent newspaper men to say what his policy would be, he replied that he had to take time to study the conditions before he could de-

cide. After months of investigation, he made his first announcement. In that address he said: "The story that comes from every section is substantially the same; it is a story of increasing tenancy and absentee ownership; of soils depleted and exploited; of inadequate business methods; of chaotic marketing and distribution; of inferior roads; of lack of supervision of public health and sanitation; of isolated and ill organized social activities, and of inferior intellectual provision.

This is a doleful recital of conditions, but as true as heaven. Now, most potent, grave and worthy seigniors, I ask you why should this be true of the most basic of industries on a virgin continent, one of whose States alone is capable of supporting in comfort the entire population? Until you can find a doctor who can give you a logical answer to that question I suggest that you examine the proposed remedies with a view to finding a blue sky proposition.

In his first survey of conditions, Secretary Houston said that of the 935,000,000 acres of arable land within the United States, less than half of it was included in farms, and of that so included less than forty per cent. is reasonably well cultivated, while less than twelve per cent. of it is yielding maximum returns. In connection with this fact, remember that investigation has found that fifty per cent. of the urban population have no continuous guarantee of tomorrow's dinner, and that the rising cost of living is daily lengthening the bread line.

WHY DO LABOR AND CAPITAL RUN?

Now, since the mainspring of human action is the desire to gratify human wants with the least possible exertion, why is that men do not rush into agriculture as the easiest and quickest way of making a living? And why is it that capital, whose first law is to seek investment where the returns are the greatest, does not also flow to the farms? We are frantically calling upon people to stay upon the farms, yet they leave. And capital is so reluctant to seek agriculture that we are imploring the government to provide arbitrary means to drive it there. Eminent quacks who set themselves up as authority on economics will conjure large figures to show that agriculture is the most profitable business of the country, but they ignore the plain fact that some of the great agricultural States have declined in rural population, and in none of them is the increase in rural population keeping up the increase in the urban.

Since urban population is increasing much more rapidly than rural, why is it that the farmer who feeds an ever increasing population should not be getting a larger net return for his labor than he was when he was feeding a less population? If he were getting a return commensurate with the increased production that he is offering, can any living man explain why human nature reverses itself and capital ignores the first principle of its existence when both tend to flow away from instead of toward agriculture? Until you can get your

compass in line with the fundamental facts you can never hope to find a light house to guide you out of the sea of agricultural disaster. You may strike a phosphorescent glint, but you will never reach the shore.

Now and then we hear of a man making money farming, but the case is so rare that it is cited as a fearful example of what might be done. But despite all such isolated cases, the fact remains incontrovertible that if agriculture were profitable, labor and capital would flow towards, not away from it. The solemn truth is that under present conditions agriculture does not offer any reward commensurate with its exactions for either labor or capital.

I defy any man in this hall to take five or ten thousand dollars in his pocket and walk out and find one place in North Carolina where he can invest it in pure agriculture and make it earn six per cent. I defy any other man in this hall to walk out and borrow that sum of money and so use it in agriculture that after paying six per cent. for the use of it and the necessary expense of his operations, he will have anything left in the shape of adequate wages for himself. He may buy land or he may rent land as he chooses, but he cannot make money in either case except in the rarest and most isolated occasions. Hence, neither capital nor labor will seek such an outlet. A great deal of capital does flow to land ownership as a speculative venture, but thus used, it merely retards and in no way helps agriculture. The so-called development schemes with which the South has been infested and the profits of which superficial thinkers and writers call agricultural profits, represent no investment in agriculture whatever, but only increase the amount of watered stock which the worker must pay for when he finally gets to producing. The skeleton, then, in the agricultural closet, is the basic fact that agriculture is not an industry sufficiently profitable to attract and hold labor and capital.

THE MAN WITH THE HOE.

Did you ever notice, my friends, that the figure which inspired the French artist to paint that heartrending picture, *The Man With the Hoe*, and which in turn inspired our own American poet to translate its passion and appeal into verse, was literally a man with a hoe, the agricultural worker in his last extremity? You may think that you are interested in the welfare of the worker, but until the tragedy of that figure is painted upon your own soul you can never dedicate your fullest powers to the work in hand.

Why is it there is reward for neither labor nor capital, and since somebody must do the labor and since the rewards of that labor are not increasing with the exactions put upon it, how long will it be before the men and women who do the actual labor upon farms will be economic slaves, as firmly bound as ever chattel slave was bound?

Every ten years the census record tells the same story of decreasing home owners. We are traveling the road which leads to the house of the man With The Hoe. How long before we reach it?

THE STUPENDOUS FACT.

The stupendous fact which stares us in the face is that agricultural labor, which is always the last in a new country to fall, is now surrendering to the tragic fate to which all other labor has succumbed in the losing fight with labor saving machinery, the advancement of arts and sciences and the consequent increase in production.

And what is the condition of the other workers? Again I quote authority, that of the late investigation of the United States Commission on Industrial Relations:

Half of the wage earning fathers get but five hundred dollars per year. Half of the women workers get less than \$6. per week. Thirty-seven per cent. of the wives and mothers of workers are forced to work out to help the family income. In basic industries workers are unemployed one fifth of the time. Three or more persons occupy every sleeping room in 37 per cent. of the workers homes.

That is the official picture. If the agricultural laborer is not destined to that end, what shall keep him from it?

FALLACIES OF PROPOSED REMEDIES.

In speaking of the rewards of agricultural labor I am now referring to both the tenant and the worker who, though he may own his own farm, works, himself and family, upon it. The man who happens still to own his farm is of course much better off, but the inexorable law to which I shall later refer is cutting the ground from beneath his feet also, and the census reports show how fast he is falling. Such a man can, it is true, by working well, both himself and family, and practicing rigid economy, make a living, but the fact that he is constantly educating his children away from the farm shows that he considers it has no future for them.

A great many remedies are proposed for making agriculture profitable, and most of them contradict each other. Take the United States Department of Agriculture. Don't forget now that I have quoted the very words of the secretary himself as to the universal condition of agriculture in the country. What remedy does he offer? Analyze every one of them and you will find that they advise either an increase in production or a mere facilitation of some of the means of production. And yet, after honeycombing the South with demonstrators telling the farmer how to make cotton, the department in the next breath warns him not to produce too much. Last week the department issued a paper telling the farmers of the South to be sure not to make cotton next year until they had made all they could of other crops. Manifestly, if the southern farmer makes more feed crops the western farmers will find their markets curtailed to that extent. It is good advice to the Southern farmer to make his own food crops instead of buying them from

his Western brothers, but what advice will the department give the Western farmers, since it cannot advise them to invade the province of the cotton farmer?

There are men in this hall who have blindly felt for years that increased production cannot bring a greater average return to the actual workers of the farm. It can and does help the particular individual so long as the increase is not general and widespread enough to affect prices. But that it cannot help upon the whole is demonstrated by every crop of cotton that is grown. It is demonstrated equally as well in the wheat, the meat and the corn crops. If the help is to come from increased production will some one please tell me what cotton would bring next fall if the crop should happen to run to twenty-five million bales, or what it would be worth next, or the next year, so long as such production were kept up?

Now, if the size of the crop fixes the price, all the plans which have for their purpose better marketing, storing or other facilities for production, can result only in greater production, and the benefits will go, as they go now, when too much is made, to others than the worker of the fields. And if this is true, and it is absolutely so, can you tell me what will happen when the traction plow and the machine cotton picker become universal? I can tell you. We will have the Man With the Hoe in full flower.

THE CRUX OF THE MATTER.

Some of you have heard of the honor due the man who makes two blades of grass grow where one grew before. Suppose every man who this year makes a pound of cotton should next year make two in its place, and every man who makes a bushel of wheat, or corn, or oats or a pound of meat, this year, should next year make two in its place, how many of them would get enough from the proceeds to start the following year's efforts on? Yet the people of the world would still have no more clothes or food than they needed. But suppose, instead of the present system of distribution, there were a direct exchange of labor products whereby the man who made cotton could swap with the man who made meat, and the men who made meat and cotton could swap with the men who made clothes and shoes and the other things that were not made upon the various farms. Manifestly, every worker would have twice as many things which he wanted and could use as he had before he doubled his own crop. As it is now all the increase is lost somewhere in the process of distribution. If you will find the suck hole which takes up all the increase you will know why the farmers dare not make too much now. But you must find the whole thing. Merely to discover something which facilitates the cotton farmer in putting his crop upon the market will only add to the bonus which he is giving away. The crux of the whole matter, then, is in the distribution of the product which labor and capital jointly wring from nature year by year.

THE LAWS OF DISTRIBUTION.

By distribution, I do not mean the hauling of a bushel of potatoes to market, nor the selling of a dozen eggs. I mean the final division of the wealth which labor produces from the raw materials of the farm and mines to the highest finished product.

In all wealth production there are three factors and only three. They are land, labor, and capital. And when the wealth is produced it is divided among these three factors. That portion which goes to land, not only farm lands, but all land and natural resources, is called rent. That which goes to reward capital is called interest. That which goes to reward human beings for their personal exertions is called wages. The older a country becomes the more of the joint production goes to land. In new countries, where land is low, wages and interest are always high. In such countries the workers are always comparatively well off. It is only after what we call progress has set in that men become as dogs begging for the crumbs from the masters' table. As population increases land rises in value. As land increases in value poverty deepens and paupers multiply. The enormous increase in the efficiency of labor is swallowed up in the increase in rent. Because labor and capital cannot operate at all without land, the more efficient and anxious they become, the higher goes the price of land. The unquestioned law of rent is that land will always take all the excess of its produce over that which the same application can secure from the least productive land in use. This is why land goes up immediately it becomes more productive or when the price of the product from it goes up.

Land began to rise rapidly in the South when the price of cotton went up and when we began to learn how to farm better. Every improvement of any kind adds to the price of land, and every time land rises in value it becomes impossible for so many more people to buy it. That is why tenancy increases, and it is why the sons of the landowners of today will be tenants tomorrow.

THE SITUATION IN THE SOUTH.

But in a growing country there are two rent lines. One is the line based upon the actual present production, and the other is the speculative line which is the capitalization of the rent that people guess land will return in the future. The speculative value of land is twenty years ahead of its productive value. That is why neither labor nor capital can make anything in agriculture today. Land speculation has discounted twenty years of increased production. When the speculative value goes so far ahead labor and capital are driven away from the farms as is being done today, production is halted, and rural life falls into decay. Land becomes so high that nobody can buy and use it, and the owners, certain to get their price after recovery sets in, refuse to sell for less. Hence we have the regular recurring season

of despondency in which labor and capital pull themselves together and prepare to take less for themselves and give more to land.

While men are holding land with the hope of selling at a great profit at some later time, they are willing to let it be scratched and neglected and run down by tenants too ignorant to pay more rent than enough to about pay the taxes. This class of tenants, who can find land somewhere all the time now while population is sparse in the South, are the prey to the land sharks and time merchants. The productiveness of the land is run down because the owners know that it is not productive value but location value which will sooner or later give them the profit.

Now, in a great country like this, this process could not go on if we made it unprofitable for the people to hold lands and wait for the rise. If they knew that the rise would do them no good no one would buy any more land than he wanted to actually use. Hence there could be no monopoly of land, and we would not have the astounding condition that we have in the country today where more than half the land is unused, and yet tenants are increased like grasshoppers.

THE LOCAL LANDLORD.

But, you say, if a man owns his own land, why cannot he do well farming. He can do better than a tenant, but even the land-owning farmer cannot make interest on his actual investment and a decent living for himself and family. The reason is plain. It is that this same operation of land monopoly has reduced the workers of the city to poverty and thus cut off what should be to the farmer a market always growing with the growth of city population. The great suction takes up the wealth, piles it year by year higher and higher in the cities to be squandered. Mere city population will not help the farmer's market unless he can exchange his produce for the produce of their factories and shops. Thirteen families own one-fifth of Manhattan Island. Ten families own one-half of Chicago, and three families own one-third of Philadelphia. Into their laps as mere land owners, not as producers or capitalists, uncounted millions are poured each year. These millions are squandered in maintaining an army of flunkies and hangers on, who consume the wealth thus wrung from the people and give nothing in return. Until the city is free the farms cannot be free. The same processes work in both. The man who works his own farm must deny himself along with the tenant, until both wake up to the real situation.

THE ABSENTEE LANDLORD.

Only eleven per cent. of the people of New York City own their own homes, and one of the Astors who lives in England is the boss absentee landlord in this country. From him the absentees range all the way down to the retired farmer who worked his children and himself like beasts, and when his wife died of deprivation, moved to town, and rented his land to negroes.

Insurance companies, trust companies, and various other agencies which have sure ways of gathering money, are coming into the landlord class, not because they want to farm, but because they know that as population increases land is bound to rise under the present system. The bare land value rose in North Carolina in ten years 142 per cent. This rise did not add a penny of wealth and it helped production in no way. Think of having to carry on a business whose capitalization doubles automatically without adding anything whatever to the means of doing business. No wonder the backbone of agriculture is broken and must remain broken.

Only thirty per cent of the whole people of this country now own unencumbered homes, and the number gets smaller every year. A change in our tax system would at once wipe out this blot upon our civilization, and in a few years we would again be a nation of home owners. There are now as many white tenants in the South as there were slaves in 1860, and the forces which I have described will inevitably reduce them to economic slavery little less damnable than chattel slavery. The historian Hallam says that the European laborer of the middle ages received more for his labor measured in the produce of his time than he does today. There is an ancient oriental saying that "To whomsoever the soil at any time belongs, to him belongs the fruits of it. White parasols and elephants mad with pride are the flowers of a grant of land." Our system is giving the land to the few faster and faster; we see on every hand the modern symbols of the ancient white parasols and the elephants mad with pride.

MUST RIGHT THE WRONG.

Nothing can eventually do the man who labors any good unless he is first freed. The only way to free him and keep him free is to so change our system that the absentee landlord in all his various forms will fade into thin air. The power which the mere ownership of land has to confiscate the results of labor upon it, is always measured by the market price. We now tax the products of labor and let the land itself either escape or bear a light part. We ought to cease taxing anything that the farmers or other workers make, and put the tax upon the bare land. This would shift the burden from the shoulders of the working farmer to the absentee landlord, and the absentee landlord could in no wise raise the rent, because he is already getting all that labor can pay. This would make it impossible for land speculation to go on, and land would not rise in value except for the actual needs of the population.

The farmers of North Carolina made the greatest mistake in a generation when they failed to vote for the taxation amendment to the State constitution. They will simply have to go back and retrieve that error. This will not be done soon, because nobody will think it necessary. Farmers and their friends will go on making temporary makeshifts to help the farmer keep his nose above water, and he will finally sink, unless he goes back and rights the funda-

mental wrong. Unless that is done you men who are present will see poorer farmers and more tenants ten years hence than now and even a greater proportion twenty years hence. The farmers already own less than ten per cent. of the land values of the country, and they should be the very first to embrace the idea of a change in system. Don't forget that the monopolization of natural resources is the great suction pump which carries away all the profits of increased production, of better farming, of better machinery, of better factories and larger production, and which, while wealth production increases a thousand fold, denies labor any more than its bare subsistence. Don't forget that it has ruined the rural life of every country on earth that allowed it to exist. And don't forget that there is no makeshift that can do any good. Lending money to farmers to buy land would not help the situation in the least, because it would but run up the price of the land and make it harder for the workers to pay for it. Instead of inventing ways to secure money to help speculators to cash in, why will we not embrace the sure, simple and easy way of taxation to knock the bottom out of speculation and keep it out? Nay, it would do no good in the long run to give every man a farm who wanted it, for the same process which has taken the land from them would take it back again. But if you make it forever unprofitable for any man to own land without using it, your remedy would stay put and your children and grandchildren would be safe upon their own acres, while if you let the present system remain they must eventually fall by the wayside and take their places in the ranks of economic slavery. This generation is the guardian of the rights of unborn ones. Will we remain asleep while our seed is being sold into bondage? The worker of the farm is indissolubly connected with the worker in other occupations, for the same force which robs one of the product of his labor robs the other. They must join hands if this country is to remain a nation of freemen.

GOLDEN MAXIMS.

The impelling influences that are helpful are those that come from weakness and arouse our sympathies, while those that come from overmastering power arouse our rebellion.

The gilded bars before a bank cashier's desk limit his freedom as much as the iron bars of a prison restrict the convict.

The world is continually raking over the relics of barbarism in search of excuses for its follies and it calls these excuses "highest authority."

The preachers study God in the book instead of seeing Him in the lives of men or the laws of nature.

All people *observe* the decencies of life if they have money, but without it they cannot even enjoy them.—JAMES BELLANGE.