

Relief For The Farmer

WHEN will farm relief come, is the question uppermost in the minds of the American farmers. The answer to that question depends entirely upon how long American farmers pin their faith to legislation of the Haugen-McNary type, to tariff laws, to all manner of cooperative schemes and to the present ruinous taxation systems prevailing in most agricultural states, most iniquitous of which exists right here in Ohio and whose chief defenders, strangely enough, are Ohio farmers themselves.

Every economic ill of the farmer traces back directly or indirectly and unerringly to faulty taxation. Either his reason or his instinct, usually the latter, convinces the farmer that he is the most heavily taxed of all producers. The great public utility corporations, real estate boards, and the beneficiaries of federal tariff-socialism have tried to convince him for the last fifty years that this is not true, but in spite of imposing tabulations of figures, he still senses the fact that he is paying the bulk of federal, state and local taxes.

He is, and straight figures showing an exhaustive probe of the whole scheme of taxation will confirm his instinctive feelings in the matter. He knows that capital costs, labor costs, material costs, as well as taxes, have increased enormously during and since the world war and that all are out of proportion to the increase in the price he gets for the products of the farm. These things he knows from his daily experiences in the market place, both as buyer and seller, and all the efficiency experts and high-priced propagandists in the world will not be able to convince him contrary to his experience.

What he does not know and does not seem to sense, is that the one vital factor in the increasing costs of capital, labor and materials for the industrialists is TAXATION. He is beginning to realize that he has all along been getting the worst of the tariff deal, but what is the tariff but a tax? No longer do the tariff beneficiaries try to tell him, as they did forty years ago, that the foreigner pays the tax. The fact now is generally admitted that the consumer pays the tariff tax—as he pays all other taxes—and this admission is a gain in our national economic education.

Statistics show that farmers pay slightly more than 20 per cent. of the cost of government in taxes, a sum out of all proportion to the present earning power of the farmer. What statistics do not show is that as a vendor of raw materials he gets but one profit, but that he buys back his own materials in highly fabricated forms into which from three to five profits and as many taxes are concealed, depending upon the number of processes to which his raw materials have been subjected. Here is where the tax burden lays its deadening hand upon the farmer and the most cruel reflection is that the farmer is in dense ignorance, or at best only dimly conscious, of the

fact that this indirect tax burden is vastly heavier than the direct tax he pays and which he so vociferously denounces.

This unequal tax burden is not only ruining the farmer, but it is ruining the nation's farms. The statement has been made that the natural fertility of the soil of the United States is being depleted thru wasteful methods of cultivation at the rate of \$400,000,000 a year. Murray D. Lincoln explains this by saying that farmers "have not found it profitable to maintain the land in improved farms or under cultivation in face of the net returns," and he also believes that "only a supreme effort on the part of farmers themselves will put agriculture back on its feet."

Back of his explanation is the more basic one of the mounting capitalization of land values which is driving the independent American farmer, the nation's backbone in the past, more and more into tenantry. The old English proverb had it that "the foot of the owner is the best manure." But as tenantry creeps on apace who is there to care whether the fertility of the soils is or is not maintained. "It's not my farm," is the slogan of the tenant cropper, so soil exhaustion goes on and between absentee owner and migrant tenants this dire tendency is more likely to increase than to be checked under our present iniquitous system of levying taxes.

Direct taxes on farm property increased 236 per cent. from the five year period ending in 1914 to the years 1924-25, while the gross agricultural income increased only about 100 per cent. And yet most of our states, and Ohio in particular, are scouring the field looking for new sources of taxation. They are constantly being found and in the end the farmer is bound to be hardest hit of all. Perhaps in time to come our farmers will learn that not new sources of taxation, but fewer, will be their salvation and that if all public revenue were derived from one source, the value of land, of which the farmer has but little, it would do more to make him economically independent and prosperous than all the tawdry scheme-vote seeking politicians are so glibly offering him today.
—Coshocton (Ohio) *Tribune*.

Present Prosperity Basis Analyzed

THE chorus of voices proclaiming that because of high wages we can now look forward to the indefinite continuation of prosperity misses several plain facts, declares the Department of Social Action of the N. C. W. C. in a recent release.

High wages are not nearly so common as is assumed. Great numbers of men are making as low as three and four dollars a day. Great numbers of women are making as low as twelve, thirteen and fourteen dollars a week. Great numbers of both men and women are out of work and are making no money at all.