

## Mark Sullivan Warns of Disastrous Land Boom

In his column appearing in the New York Herald-Tribune, Mark Sullivan states that rising farm prices are a danger signal, and that the present trend might touch off a land boom such as that of 1920, which had disastrous consequences for the entire nation.

"Because of buying or anticipated buying . . . , quotations of farm prices are rising. Economists at

Iowa State College warn that trouble is ahead if Iowa land goes above \$200 an acre.

"For individuals and for the country never did history contain a warning more plain. Twenty-five years ago, following the World War, there was a boom in farm lands. It was set off by the same condition that threatens to set off another boom today. Farmers during the World War had received high prices for their crops. With the money thus derived, and in the delusion that the high prices of crops would continue, a wave of farm buying was touched off. A farmer owning one farm bought another. Renters who had done well during the war used the money they had accumulated as a down payment on a farm of their own. So did farm workers who had received high wages. As the wave spread it went beyond the farmers buying farms in order to farm them; speculators bought for resale at a profit.

"Prices went to fantastic heights. In Iowa \$600 an acre was not uncommon. Turnover took on the rapidity that develops in any boom. A farm could be bought for \$100 an acre, sold in six months for \$150, and sold again in another

six months for \$200.

"Most of the buying was on credit—a small down payment in cash, the rest borrowed on mortgage at high rates of interest. When normal conditions returned, and post-war prices of crops fell, the interest could not be paid, mortgages were foreclosed. The farmer who, owning one farm, had bought a second and had financed the transaction by unwisely putting a mortgage on both, now lost both. Renters became renters again.

"The distress fell not only upon farmers but upon everybody in farm communities. Ultimately, it affected the whole country disastrously. The farm boom and its collapse was the earliest cause and remained a principal cause of the prolonged economic, social and political disturbance which, by 1930, carried the country into peril of revolution.

"For the country the lesson is, avoid a farm boom; and to this earnest persons in the government are giving thought."

### Skyrocketing Farm Land Prices Feared

A wildfire in farm land values is feared unless the flames of dangerous inflation tendencies inherent in the current financial position of agriculture are checked. This was the warning of the Office of War Information which saw hazards in the land-buying spree of persons who apparently are motivated by the belief that the farm boom will last at least two more years.

Farm acreage prices are up 36% over four years ago. While income is governed by parity prices, the huge production of food cannot be continued indefinitely and crop controls can come at any time. Danger signals are also seen in the increased demand for farm land as a result of the loan features of