

CHAPTER XIX

EXPLOITING THE WOULD-BE FARMER

GROWING out of the conditions described in the preceding chapters is a more or less organized system of exploitation or fraud in the sale of land. It is going on all over the country, especially in the West and Southwest. Persons of foreign birth who have accumulated some savings are probably the worst sufferers, partly from their ignorance and partly from their desire to acquire a piece of land they can call their own. The reclamation projects constructed by the Federal Government at great expense in the West, estates which are being broken up and placed upon the market are advertised over the country. The wonderful fertility of the land is portrayed in glowing colors, while easy terms of payment are held out as an inducement to the weary worker to lure him to what in many cases involves a loss of his investment. But the practice is not confined to the West and South. The selling of land at speculative prices on onerous terms and under conditions which involves almost inevitable failure is a common practice all over the country.¹

¹ As Commissioner of Immigration many requests have come to me to direct immigrants to land colonies. I have had conferences with representatives of many of the projects, for it has been my belief that the immigration problem was a land problem; that if

The man who wants to buy a farm has no means of reliable information. He knows nothing of the condition of the soil, of the facilities for marketing, of the kinds of crops to be planted. He is compelled to canvass a wide territory. If he buys at a distance he must depend on the statements of a land agent. There is no such thing as a nationwide clearing-house or bureau of information to which the would-be farmer can go for information on which he can rely.

Thousands of persons are being exploited or at least led into ventures in which they lose all of their accumulated savings every year. They are the victims of more or less unscrupulous promoters and corporations organized for the purpose.

A thorough investigation of the experiences by would-be farmers has been made by the Land-Colony Commission of California. It sent out investigators to secure statements of men who had purchased small holdings and who, in large numbers, had been defrauded by individuals and corporations operating as alleged development companies. The experiences

some means could be found to get the immigrant to the land on easy terms he would quickly absorb our institutions and become a permanent asset to the country. But all of the projects presented were open to suspicion and many of them were thoroughly dishonest. There was little chance of the immigrant making good, and in most cases the land was to be sold at a highly inflated price. Usually there were no advantages in the neighborhood, there was no means of marketing, no schools, and a five-to-one chance that even if the land did produce a living it could not be disposed of. Hundreds of such projects are to be found throughout the Western States. They are speculative enterprises pure and simple.

of these land-hungry people, most of whom had spent a great part of their life in the slow and laborious accumulation of a little money with which to buy a home in the country, are pathetic in the extreme.

One of the reports was from a colony of Russians. They had accumulated \$150,000 for the purchase of a large tract of land. This represented the savings of years. A land company in California induced them to invest their capital in a tract of land which was represented to be very fertile. The first year the colonists obtained but a scanty crop. But they persevered. The second year the crop was no better. Finally they sent to the State university for an expert who, after investigating the land, reported that it was practically worthless. It was unsuited to agriculture.

Reports of hundreds of other cases have been gathered by the commission. Here is the story of an Italian. His age was forty. He had worked as a farm-hand in Nevada. He saved enough money to buy 30 acres of land, for which he paid from \$100 to \$110 an acre. The first year the total value of his crop was \$150. The second year it was \$200. The third year it was \$165. He was unable to make a living. The land was worthless. It had been unloaded on him by one of the many dishonest land-speculation companies which flourish in the State. Describing his experience in a report

to the commission, he said: "The soil is poor hardpan. I sunk in the place more than \$5,000. I could hardly make a living. The land does not produce enough. If I had kept the money in the bank at 4 per cent. interest I would have more now, not figuring my labor."

A second settler was a miner. He had a wife and three children. He bought 10 acres of land at \$100 an acre. In addition he spent \$750 on improvements. The first year the total value of his crop was \$90, the second year \$130, and the third year \$57. In addition he had a cow, two hogs, and some poultry from which he derived a few dollars more. He says that the land he bought is worthless for small farming.

Another settler worked in a logging-camp. He bought 20 acres of land at \$100 an acre. This he had to improve at an expense of \$435. He put his savings into farm implements, a cow, and some other live stock. The first year he realized \$150 from the farm and \$15 from his poultry. "The land produces nothing," he says. "Will work outside and pay up in one or two years. I have paid \$1,500 for the land, which does not produce enough to pay expenses. I now have no money to put in a crop. I was told that the land would produce a volunteer crop the first year, enough for a living and to meet the payments. But the crop hardly paid the cost of harvesting. Ten acres out of the 20 are worth-

less except for pasture. The second year I had no money to put in a crop at all."

This sort of exploitation is organized as a business. Agents of steamship-lines, alleged immigrant banks which have the confidence of the foreign population, circularize and urge the ignorant foreigners to buy land frequently far from their place of residence. The desire to escape from tenancy, the ambition to leave something to their children, the hope of becoming a home-owner leads men to listen too credulously to the dishonest advertisements and statements of land agents and land corporations which have acquired great stretches of land at a low price which they seek to unload upon unsuspecting buyers.

There are no laws for the protection of the would-be farmer from this sort of exploitation. And there are no agencies to which he can go and be guided in his purchase. He buys land at a high price. He is induced to pay down as large a sum as can be squeezed from him. He then has insufficient capital to equip the farm. He is without credit or is forced to pay usurious interest. His annual payments or interest charges use up his surplus income. A bad season or inability to market his crops leaves him a prey to money-lenders. In a year or two he becomes discouraged and throws up his hands when, if he had been aided in his efforts, he would have possibly made a good farmer.

The experience of one man is immediately known to others. The misfortune of one alien is known to the whole colony. The exploitation of a single immigrant deters hundreds from venturing into the country no matter what their hunger for land may be.

This is a subject that should receive immediate congressional action. There is evidence that hundreds of thousands, possibly millions, of foreigners are planning to return to Europe when the war is over. They are going back to Italy, Hungary, Poland, Bohemia, and Russia. They will leave the mines, the munitions factories, and the cities and take with them the savings accumulated during this period of prosperity. Many will undoubtedly return—although the great majority of them plan to remain. And many of them are leaving America because they desire to acquire a farm and believe that land will be cheap in Europe after the war. Many of these aliens, possibly the majority, were farmers in their old homes. Many of them would acquire farms in this country if land could be secured at a reasonable price and colonies could be organized in which persons of the same nationality could live together. For that is the kind of farm life they have been accustomed to at home. But only the government can promote such a project. Only the government can organize colonies, insure protection, cheap credit, and provide marketing

facilities, all of which are essential to the new agricultural programme. This subject will be discussed in a later chapter.¹

¹ See Chapter XXIII, "A New Agricultural Programme."