

John Z. White's Lecture Dates for March

March 2nd. Chicago, Ill. Bird Memorial Church, 9135 Brandon Ave.

4th. Elgin, Ill. Kiwanis Club.

5th. Chicago, Ill. Community Meeting, 8 P. M. Trumble Park, 104 Bensley Ave.

6th. Chicago, Ill. Community Meeting, 7.30 P. M. Russell Square, Park, 83rd and Coles Ave.

12th. Chicago, Ill. Southside C. of C. Masonic Hall. 91st Street and Exchange.

27th. Chicago, Ill. Central Bryn Mawr Association.

Why Farming Does Not Pay

THE Washington correspondent of the Baltimore *Sun* calls attention to a remarkable report just issued by the Department of Agriculture on the cost of producing heavy crops (wheat, corn and oats) in 1922. The Department made a survey of 4000 representative farms in all parts of the country, and found that the rent of land averages nearly one-fourth of the total cost of production. In the case of wheat, for instance, the cost of land came to twenty-five per cent. of the total, and amounted to more than half of all the labour-costs expended upon the crop. As one result of this, the *Sun* points out that the cost of producing last year's wheat-crop was twelve cents a bushel more than the average price that the farmer got for his wheat; and it remarks further that "economists who have studied the relation of increasing land-values to farm-industry will find in the Department's statement a verification of their contention that the only way the American farmer can make any money is by selling his farm and going out of business." Precisely so; in other words, as this paper has often stated, farming in America is not a business, but a speculation in land values.

It seems to us that the publication of this document was a mighty courageous thing for the Department of Agriculture to do. It has done the same thing before, as our readers may remember, but this report gives evidence of a settled policy of really finding out what ails agriculture, and why. For instance, the Department made an estimate of farm-incomes earlier in the year, based on reports from 6000 average farms; and it showed that after deducting the rent on the value of their land, the reward which the farmer and his family got for their labour came to the munificent average of \$97 for the year. According to the *Sun*, too, the Department's officials state their belief that most of the two million people—what an astounding number!—who left the farms last year, were those who found it impossible to earn rent on their land-values and at the same time make a living. They assert, moreover, that the only reason why many more than two million did not leave the farms was that they could not sell out for enough to return

their investment. The *Sun*, in its excellent analysis of the report, observes in this connexion:

"It has been repeatedly pointed out by economists that land-values are much more inflexible a factor in production costs than any other item. Once increased, either by a few years of high prices, such as occurred during the war, or by speculative buying and selling, which has been going on since the settlement of the country, it is difficult to bring them down.

"Although the real values are fixed by the income, the owners decline to forget the prices they paid by writing down the valuations, but seek of necessity to gain a six or seven per cent. on their return investment. Of course, the farmer always has the alternative of figuring his income as six or seven per cent. on his land-cost and cutting it out of his labour-return, or crediting his income to wages and finding returns on his land little or nothing. But neither method makes him anything but a loser under the prices received last year."

We offer the Department of Agriculture and the Baltimore *Sun* our sincere and grateful felicitations. If they keep up this kind of thing much longer, they will have us believing that governmental bureaux and newspapers may be of some use, after all. If this paper has been profoundly sceptical, as it has been and still is, of all of those persons in public life who are sweating blood over the woes of the farmer, it is because they invariably have nothing to say about the one primary cause of those woes, namely: the private ownership of economic rent. It is for this reason that we never took a penny's worth of stock in the programme of the Non-partisan League, and refrained from throwing our hat in the air over the political triumph, good enough in a negative way, of Mr. Magnus Johnson. It is a commonplace of science that an attempt at eradicating malaria must begin with the mosquito. It is an equally likewise and a commonplace of science that an attempt to restore agriculture to the status of an industry must begin with land-values. Attempts which do not begin with land-values are sheer quackery, on the Department's own showing, and those who promote them are sheer quacks; they are untrustworthy and pestilent pretenders. In support of this view, we earnestly invite general attention to the Department's report. So far, we have not noticed any great amount of comment on it, and we should like to see some; in particular, we should like to know what the "agricultural bloc" at Washington and the agricultural trade-papers of the country can find to say about it.

—*The Freeman*.

IN a rude state of society there are seasons of want, seasons when people starve; but these are seasons when the earth has refused to yield her increases, when the rain has not fallen from the heavens, or when the land has been swept by some foe—not when there is plenty; and yet the peculiar characteristic of this modern poverty of ours is, that it is deepest where wealth most abounds.

—HENRY GEORGE.