

## The Farm Credits Delusion

MR. BERNARD M. BARUCH, a highly successful Wall Street operator, who amassed a large fortune by bold and skillful speculation in stocks, and served with great ability as Chairman of the War Industries Board, has recently been actively engaged in the advocacy of Federal legislation to give the farmers better credit facilities for holding or marketing their crops.

Mr. Baruch sees clearly that agriculture is the most important of all industries, and that there can be no return to permanent prosperity until the farmers are prosperous. He knows that millions of farmers are in sore distress, and that hundreds of thousands of tenant farmers cannot pay the rent exacted from them for the privilege of creating wealth by their toil.

But lacking a knowledge of the elementary principles of economics he sees no further into the problem than its financial aspects, and has therefore no other remedy to offer than the old advice that the farmers should co-operate in marketing their products, and his suggestion for Government aid in establishing a system of loans and credits that would enable the mortgage-ridden farmer to go more deeply into debt.

It is a cause for pity for the blind leaders of the blind when we see a sincere advocate of justice to the farmer hopelessly befogged in the current financial jargon that attributes economic well-being to an abundance of money, capital or credit. Mr. Baruch means well, but he doesn't understand. Probably he never will understand. It may, however, interest him to know that the explanation of the deplorable conditions in our great agricultural industry is very simple. The farmers are poor because they have for many years been systematically robbed of their earnings. They have been robbed by the high protective tariff system, that has added billions of dollars to the cost of everything that they buy. They have been robbed by exorbitant freight rates on all that they produce or consume, in order to pay billions of dollars in dividends on watered railway stocks and bonds. They have been robbed by an unscientific system of local and State taxation that fines the farmer for making improvements on his land. They have been robbed by the exactions of high interest charges, due to a banking system planned chiefly for the advantage of money lenders and the commercial and industrial interests. If the surplus wealth wrung from the soil had been left in the possession of its owners the farmers would all be prosperous today. They would not need the assistance of Wall Street financiers and stock promoters to carry on their industry. Other conditions being equitably adjusted, there would be no reason for the farmers going further into debt in order to make a living.

The credits which Mr. Baruch suggests should be extended to the farmers properly belong to the farmer. Government has no stock of capital or credit. What it may use

is taken from the people in taxation. All that the Government can properly do for the farmers is to lift from them the burden of oppressive tariff and other taxes, and leave them alone to produce and enjoy the fruits of their labor.