

## Not Back to the Farm But Back to the Factory

In making the carrying on of industry more expensive, we restrict demand for the goods produced. Unless we come to learn what these obstacles are and take steps to remove them, little can be done towards creating more productive employment, or in putting national scarcity behind us. We are only making matters worse when we try to encourage more people to go back to the farm. What we need is not a back-to-the-farm movement but a back-to-the-factory movement.

Our government can do much either to retard this back-to-the-factory movement or to assist it. Needless to say, much of what it has done and is still doing is of such a nature as to retard greatly this movement. It is because of this that our industrial plant is not big enough to supply employment to all our workers and is not turning out enough wealth to supply fully our needs as a nation. Unable to realize what the trouble is, we fight over what little is being produced and pass laws to force those who have to divide with those who haven't, and we call this good politics and sound economics. Because of our stupidity as a nation, we suffer from scarcity in a land of potential plenty. While industrial progress has steadily worked to give us more wealth, our deluded law makers continue to make laws which discourage and check production, and the end is not yet in sight.

## Legislating Prosperity for the Farmer and The Back-to-the-Farm Panacea

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- "The Problem of Unemployment"
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## FOREWORD

So much has been said and written concerning the so-called farm problem, and schemes for ameliorating the unemployment situation through the creation of more farmers, that it might appear that little has been left unsaid. To the contrary much has been left unsaid that might throw light on these pressing questions which are so perplexing to most of us. Thus far we have only been groping in the dark, following blind leaders up blind alleys.

If the arguments presented in the following pages can in any way help us to get a clearer understanding of these problems and induce us to return to at least some semblance of sanity in our efforts to accomplish something worthwhile, the writer will feel that his efforts have not been entirely in vain.

Don L. Thompson  
Spokane, Washington  
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## Legislating Prosperity for the Farmer

### SHOULD WE SUBSIDIZE FARMING?

Up to now, practically all of the legislative measures taken by our Federal government to assist agriculture have been in the nature of subsidy legislation. This is especially true of the Agricultural Adjustment Act. The effect of such legislation is to make the farmer the beneficiary of public relief rather than to increase his opportunities for helping himself.

In the last analysis, this latest federal farm policy is but another species of class legislation, a political scheme for redistributing the nation's wealth by taking from some to give to others. It is not designed to help all farmers but only those engaged in the production of certain kinds of farm products. It, therefore, follows that not only are urban workers called upon to foot the bill, but a very large percentage of our farmers as well.

### Farmers Not Entitled to Special Privilege Legislation

Starting out as an emergency measure to tide indigent farmers over the acute stage of the present depression, this latest attempt to create farm prosperity by fiat has apparently developed into a permanent plan for subsidizing certain kinds of farming and farm land investments regardless of the individual needs of those benefited. It is an attempt on the part of the government to do for certain farmers and farm land investors by direct means what for years it has been doing by indirect means for certain industrial interests through our protective tariff racket. It is what the great democrat, Thomas Jefferson, would call special privilege legislation.

### Redistribution of Wealth No Remedy

It is quite obvious that it is not necessary to subsidize farming in order to perpetuate the industry. Nor is it necessary to resort to this policy so that our farmers may become more prosperous. It can be shown that it is quite possible to increase farm earnings without doing it at the expense of other producers. Any scheme of raising the earnings of one group of producers at the expense of other groups cannot be justified on moral grounds. Most of the proposed schemes for improving the economic conditions of the lower earning groups of workers are of this nature. It is because of this that they are so objectionable. They are attempts to lift up those who are down by pulling down those who are up. Any public policy which has for its purpose the redistribution or dividing up of the nation's wealth supply is not only destructive of individual initiative but it is also a denial of the rights of property. The

socialists and communists have been accused of advocating exactly the same policy.

Our farming industry is just as capable of standing on its own feet as any other industry. If it is suffering from too much competition, which we know to be the case, then it is obvious that we are not going to remedy this evil by subsidizing it, as the only effect of such a policy is to attract still more people into this industry, which means still keener competition and more farm products. This is most certain to be the effect so long as opportunities in other lines of enterprise are so limited and earnings so uncertain.

#### **Taxing Thrift to Reward Indolence**

Does any one really believe that it is good public policy to subsidize the farmer who has been unable to get ahead financially mainly because he has been lacking in industry and frugality? We hardly think so, yet thousands of such farmers are now being helped at the expense of the balance of the community. It is most apparent that the more the government does for such people, be they farmers or urban workers, the more it will have to do for them. Such a paternalistic policy can only result in the stifling of initiative and the weakening of individual responsibility, which are so necessary to the success of our national life. It will fast make of us a nation of leaners. No one can honestly contend that it is right to penalize thrift and reward indolence, yet this is exactly what we are doing when we tax one class of our citizens to help another class. We are going to find that it is a very poor way to encourage thrift and enterprise.

#### **Farming Industry Already Overcrowded**

It is admitted by even the sponsors and directors of this legislative farm program that we have many more farmers than are needed to supply the markets with farm products. The former Secretary of Agriculture, the Honorable Henry A. Wallace, as well as his able economic advisor, Mr. Mordica Ezekial, have both admitted this from time to time and have even supplied us with figures to prove it. How then do they expect to remedy this evil and advocate policies which offer inducements to stay on the farm and encourage still others to take up farming? It is quite obvious that we cannot make farming more attractive by subsidizing it and make any headway in overcoming the overcrowded condition of this particular industry, especially so long as the opportunities for engaging in other lines of enterprise are so restricted and the danger of failure is so great.

#### **The Marginal Land Farmer**

Let us now consider the farmer who is wasting much of his time trying to make a living on marginal land. Is there anyone who believes that it is good business, or good public policy to encourage the farming of unproductive land that, even with the best of farming, cannot be made to yield the farmer a decent living? We hardly think so. Yet there are districts that are being farmed today that would not be farmed in the absence of this farm subsidy legislation. It is the government bonuses paid farmers that gives encouragement to the farming of such lands. Marginal land farming is not an asset, but a liability to the nation. It is a waste of labor which can be better utilized in producing other kinds of products of which there is still a scarcity, measured by human needs. Incidentally, this encouragement of marginal land farming tends to make for greater farm surpluses during good crop years, which is what the government is trying to avoid. The resting of land that is retired from production and the soil erosion program, have a similar effect, once the soil so treated comes back into production again. We thus see that, while one of the purposes of this farm program is to reduce farm output, it likely increases it as much as it decreases it.

#### **The Government Helps to Boost Rents and Land Prices**

What the government actually does in the case of the soil erosion program is to use the taxpayers' money to build up the fertility of farms which have been neglected by their owners, thus making them more productive—hence, more valuable. This enables landlords to secure higher rentals from their farm tenants and land owners to obtain higher farm-land prices when they come to sell. If such a policy is right, then our urban home owners have a right to expect that the government extend this policy so as to include the rehabilitation of their neglected and run-down dwellings, and without cost to them. As long as the profits derived from this soil erosion program are going into private pockets, the government has no moral right to ask anyone except the land owners benefited to bear the expense of it.

#### **Relief for Wealthy Farmers**

If our national farm program was limited to actual "dirt" farmers and to those actually in distress, it might not be quite so objectionable; but this is not the case. On the contrary, it makes it possible for large numbers of farm land owners to get their noses into the public trough whether

they are farmers or not and regardless of their needs for help. Do the sponsors of this program really believe that the urban consumers of farm products should be called upon to go down into their pockets in order to increase the profits of wealthy farmers who spend most of their winters in Florida or California? Many of these farmers, because of their extensive farm-land holdings, have been making money despite the depression. They drive the best of automobiles, and they send their sons and daughters away to college on the hard-earned money which other farmers and urban workers are forced to contribute to their support through this government subsidy program. It goes without saying that such people are not entitled to government relief.

#### Helping Out the Landlord Class

Then we have the investors in farm land who take no active part whatsoever in farming. They make up our landlord class. Most of these people are well-to-do business men who find farm land a safer place to invest their earnings; which, by the way, does not indicate that farming is so unprofitable. Does anyone really believe that these wealthy landlords are entitled to have our dear old generous, but gullible, Uncle Sam play Santa Claus to them? While this class of farm land owners may not be in the majority, they, nevertheless, own a very large percentage of the farm land of the country as the records show. This gives them a big share in the public funds set aside for farm relief. In extending this help to them, we are only enabling them to buy up more farm land, thereby giving us more tenant farmers.

#### Helping Out the Land Speculator

We now come to the farmers who have been having a hard time to keep their heads above water, mainly because their optimism led them to go in debt to either buy too much land or pay prices for it that have not been justified by the average price of farm products over a period of years. There are thousands of such cases. Such farmers failed to heed sound advice with the result that they became hopelessly in debt during the boom days leading up to the present depression. Like thousands of other people who speculated in stocks during that period, these farmers speculated in land and lost heavily when the boom collapsed. Now, the question arises, is it up to the balance of the community to help make good their losses? Is it also the duty of urban consumers of farm products to come to the aid of the sellers of farm land with their money, so as to enable them to collect balances due them from

the very profitable sale of their farms? If it is the duty of the government to do these things, then it is its duty to act as collector for all creditors and help out all debtors who made speculative investments during the boom days, only to find themselves holding the sack when the boom collapsed.

#### Farmers No Worse Off than Other Producers

Farmers who were not in debt when the depression started have not suffered any worse financially, if as much, as thousands of other people who are engaged in other lines of activity. While it is true that the price of farm products has gone down, so has the price of most industrial products which they have had to buy. It cannot be shown that the buying power of the average farmer has declined any more than that of the average urban worker. It therefore follows that they are no more entitled to government financial support. The trouble is that too many of them are paying for "dead horses" contracted for during the boom days. While we all know that the earnings of the average farmer aren't what they should be, it is very evident that farmers, as a class, are just as well off as are industrial workers as a class. If this were not the case, the demand for farm land would not have increased as it has during the present depression, and farm land prices would not be advancing so rapidly.

Average farm income as tabulated by the government by no means gives us a true picture of the earnings of a very large percentage of our farmers who are industrious and who are farming good land. It is the small income of the marginal land farmer, the average southern "sharecropper," as he is called, who is more or less shiftless, and the very liberal construction placed upon the word "farmer" by the government for census purposes, that leads to the belief that farmers are so much worse off than other producers. The very high rate of business failures each year, which was true even during so-called normal times, indicates that farmers are not the only ones who have suffered from our economic maladjustments.

#### The Farm Problem and Industrial Problem

We hear much about the farm problem; yet, the truth is, there is no such thing as a farm problem in the sense that it is a separate and distinct problem confronting only farmers. What is consid-

\*Farmers for census purposes include even the part-time farmer who has income other than that derived from the farm.

ered as being the farm problem is but a phase of a more general and deepseated economic problem which confronts all producers. Much of what many call the farm problem lies right in our industrial centers. The failure of our farmers as a class to enjoy a decent standard of living is, to a large extent, an industrial problem growing out of a lack of what the economists term "industrial" production. This lack of industrial production, by creating unemployment, has not only forced more people to engage in farming than has been necessary to supply the market with farm products, but it has also greatly curtailed the market for such products. Buyers of farm products have found their buying power greatly curtailed as a result of this lack of industrial production. We must not overlook the fact that it is production that gives rise to buying power. If we only had the good sense to bring about an expansion of industrial production, which is so necessary if human wants are to be adequately supplied, there would not only be ample productive employment to supply the many millions of urban workers which are now idle, but for the many thousands of surplus farmers as well. As this industrial expansion would also add greatly to the buying power of our urban population and would at the same time make for less competition in farming, it is obvious that markets for agricultural products would greatly expand, thereby enabling the remaining farmers to secure a fair price for their products.

#### The Part Played by Land Speculation

This, however, isn't the only remedy for the so-called farm problem by any means. As long as our farmers are forced to pay excessive speculative prices for farm land, which is always the case during cycles of inflation, many of them are going to suffer severe losses when these speculative booms collapse. Nothing can prevent this as long as we tolerate these national gambling games which invariably milk the country dry and check industrial production. Cycles of inflation always give way to periods of deflation sooner or later. Simply because we haven't the good common horse sense to prevent these speculative booms for which our farmers are as much responsible as any other class, is no excuse for charging the losses of farmers which result from them, up to the balance of the community. If the government is so anxious to help the farmer, why doesn't it tackle this land speculation evil? The answer is, it wouldn't be popular. It would not be a vote-getter for the political party sponsoring such a program. On the other hand, very little

can be accomplished towards helping the farmer to help himself until this evil is curbed.

If anyone has any doubt as to the part land speculation plays in impoverishing farmers, let him go to Iowa, the richest and most productive farm state in the Union, and learn what happened to its farmers following the collapse of the last major boom. It stands to reason that in this particular state there should be less of a farm problem, as nature has done much for the Iowa farmer that it has not done for the farmers of the less fertile farming states of the Union. Now, strange as it may seem, despite the greater productiveness of Iowa's soil, it was here that the so-called farm problem was more acute, following the collapse of the boom. It was here that farms carried the highest mortgages, and it was also here that land prices were the highest. They had gone up by leaps and bounds. It was utterly impossible for Iowa farmers to go in debt to buy land at such inflated prices and pay for it and sell their farm products at prices in keeping with consumers' reduced buying power following the collapse of the business boom. When our Secretary of Agriculture, Mr. Wallace, Congressman Lemke, and other champions of farm subsidies shut their eyes to this land speculation evil, it doesn't speak well for their understanding of our economic problems. They simply cannot ignore this evil and make it possible for thousands of farmers to earn a decent living by their own efforts.

#### The Effects of Certain Remedies

Those who know their economics know that government low interest schemes for refinancing farm mortgages at the expense of the taxpayers is no solution of the so-called "farm problem" any more than are the subsidies paid for not producing farm products. While it, of course, does help those particular farmers who have already obligated themselves, it affords no help to those who have bought farm land since the measures became law, or who may buy it in the future. This also applies to farm subsidies, or lower farm land taxes. This is because what these buyers of farm land may gain by reason of such measures they stand to lose by having to pay more for the land they buy. Such farm measures are all talking points in the selling of land and are inducements to buy it. To whatever extent they make the owning of farm land more attractive they tend to increase the demand for it, in which case they are reflected in higher farm land prices. The result is that sellers of farm land reap most of the benefits resulting from such legislation.

Any wide-awake real estate man knows this to be the case if he has given any thought to the matter. He also knows that this has already been the effect of such measures. The fact that farm land nearly everywhere has been advancing in price despite the continuance of the depression and the low price of farm products, is proof of this contention. One need not be an economist to know that any public undertaking which makes land owning more attractive adds to its value. We thus see that many thousands of farm buyers are in no better position to withstand any future decline in the price of farm products and keep their heads above water than were those who bought farm land before these political farm measures went into effect. Advancing land values have swallowed up most if not all of the benefits of this well intentioned farm program.

#### **Farm Recovery Dependent On Industrial Recovery**

The former Secretary of Commerce, the Honorable Harry Hopkins, in a recent radio address, made the statement that business recovery is dependent on farm recovery or words to this effect. This view has also been echoed by many others in high places. The trouble is, many of us make such statements without carefully analyzing them. As a result we are too often jumping at conclusions. It is a very easy matter to mistake effects for causes. Now the fact is farm recovery at this particular time is far more dependent on business recovery than business recovery is on farm recovery. It is utterly impossible to have true and lasting farm recovery without business recovery. Simply because business conditions are good when farming is profitable is no reason for assuming that the better business conditions are the result of the more profitable farming conditions. It might be just as reasonable to presume that farming is profitable because business is profitable.

The real fact is that each contribute to the prosperity of the other, provided, of course, there is no arbitrary interference on the part of government with the free play of economic forces, such as we have been experiencing since the depression set in. One thing is certain, industrial production cannot be hampered and industrial expansion discouraged without having a most serious effect upon agriculture. It is also certain that we are not going to help business to get on its feet again by taking a greater share of its profits through taxation in order to increase the profits of some of our farmers and farm land investors. In the last analysis this money so

raised to help farmers will have to come out of urban workers as well as out of the profits of industrial employers. In this case it is going to leave them with less money with which to buy farm products. This can mean only one thing, in the long run even farmers will be little if any better off, for what they may gain by way of subsidies and other government relief measures they will lose in lower prices for the products they have for sale.

There is a strong and persistent tendency for subsidies, and the like, to act as a **weight upon prices in a market so competitive as is farming.** Prof. V. P. Timoshenko, economist at Stanford University, who has given much study to the problem, has arrived at the conclusion that even export subsidies have a similar effect. His investigations have led him to believe that wheat in the British markets would be at least 10 cents a bushel higher right now were it not for the subsidizing of wheat exports by this and other large wheat growing countries.

#### **Purchasing Power Cannot Be Increased This Way**

This latest farm program is based on the same economic fallacy as is the Townsend pension theory. It is the childish doctrine that general prosperity can be attained by the redistribution of purchasing power. It should be obvious to any thinking person that merely to increase the purchasing power of farmers by taking it away from urban consumers isn't going to increase buying power for the community as a whole. It is simply a case of one class of consumers losing in buying power what the other class gains. The fact that farmers may turn around and use this money taken from urban producers to buy their products can in no way operate to stimulate industrial production or make urban producers more prosperous. One cannot take my money away from me and afterwards spend it with me and make me any richer. It is to be regretted that so many well-meaning people are unable to see this. While it is true that farming may be able to assist in the restoration of "industrial" prosperity, this is only possible as means are found to reduce further the cost of farming. Both our urban and rural population would gain by lower production costs, even on the farm.



## Farm Prosperity Cannot Be Had by Arbitrarily Curtailing Output.

If there is too much in the way of farm products now being produced to supply the present restricted market, and we know there is too much, the only way to remedy this unhealthy condition is to convert our surplus farmers into useful industrial producers, as we have previously pointed out. Nothing is to be gained, either, by arbitrarily boosting the price of farm products at the expense of output. The farmer is generally no worse off with a big crop at a lower price than he is with a small crop at a higher price. On the other hand, the urban consumer of farm products is better off when such crops are more plentiful, and their price is lower. Being better off, he is not only able to sell his products to the farmer at a lower price,\* but he is forced to do this if we only see to it that he is forced to sell in a competitive market. We must not overlook the fact that the finished products of the farmer are the raw materials of the industrial producer and vice versa. This being the case, the less these farm products cost industrial producers, the lower will be their cost of carrying on production, other things remaining the same. If competition is maintained, lower production costs of industrial products will result in lower prices for the things the farmer has to buy.

Nor do those farmers who are exporters of farm products gain anything by curtailing production when the only effect of such a policy is to bring about an increase in output in other parts of the world. Such a policy only deprives them of the export market and make it easier for their foreign competitors to enter their home market. It therefore makes it necessary to maintain high tariff walls, which further curtails their export market by inviting retaliations on the part of other countries. Statistics clearly show that our export trade in farm products has always been a profitable source of national income. It is the height of folly to contend that we can make ourselves more prosperous as a nation by limiting the sale of farm products to the home market, or by arbitrarily increasing their price to a point that will curtail domestic buying. Not even our farmers can be benefited in the long run by such a policy. On the other hand, as we have attempted to show, the government can help them as well as our urban population by the establishing of a public policy that will encourage greater "indus-

\*This calls for the uprooting of our industrial monopolies.

trial" expansion so as to provide more productive employment, more buying power, and less agricultural competition. This and the curbing of land speculation offers us the only solution of the so-called farm problem. I would remind the reader that such a public policy will lift the farmer up without pulling other producers down.

## Increasing Production Our Greatest Need

There is still a great need for further industrial expansion if human needs are to be supplied. This is the only way potential buyers can be given an effective demand without reducing the buying power of others. What is more, such expansion can be brought about under our present competitive economic system if we, as a nation, only have the willingness to remove the many obstacles which lie in its path. The job before us is not to saddle industry with still further restrictions and burdens, but to give it freer play. If we will only do this, the distribution or division of the wealth produced will take care of itself, provided competition is maintained in the price field. Our problem is still one of underproduction, despite the tremendous strides that have been made in perfecting the productive process. The farmers are suffering from the lack of industrial production as much as are other producers. Their economic problem is, therefore, the same problem which confronts us all. It is the problem of putting more people to productive work where such work is still needed, so as to add to the nation's wealth supply. It is only in this way that buying power can be increased in the aggregate and the standard of living can be materially raised for the great mass of our people including our farmers.

Read "The Unemployment Problem" by the author for the answer to what is curtailing industrial expansion.

THE END

## THE BACK-TO-THE-FARM PANACEA

The last few years have found many well-meaning people advocating back-to-the-farm movements and part-time farming schemes as a means of relieving unemployment and increasing the earnings of those who are underpaid. One plan is to cut our big farms up into smaller ones, while the other is to provide part-time farming for urban wage earners. This last-mentioned plan is sponsored by none other than our well-intentioned and successful industrialist, Henry Ford.

### What Census Figures Show

Let us briefly analyze these proposals. In the first place, we are confronted by the very convincing fact that markets cannot be found for the farm products that are now being produced, and that the march of invention and other scientific developments are gradually reducing the number of people necessary to supply us with such products. Government census records clearly indicate that we already have far more people engaged in farming than is necessary, under existing conditions, to supply the market.

Since the industrial crash of 1929, over two million more people, according to the government, have joined the ranks of the farmers to produce still more farm products. While it is true that many of the people who have turned farmers since the coming of the depression, have not added greatly to the supply of such products offered for sale, as most of them are farming marginal lands of little productive value, their change of occupations has, nevertheless, had its effect upon the farmers' market. This, however, is by no means, the most harmful result of this recent forced back-to-the-farm movement.

### Wasted Labor

By far the greatest loss to the community is the waste of labor which results from placing more workers in an industry than is needed to supply the market. Such a policy is not in accord with sound and proved business practices. The farming industry was overcrowded even before this latest back-to-the-farm movement set in. There will have to be a considerable increase in

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"From the standpoint of commercial production nearly half the farmers of the nation are not needed," reported the Land Planning Committee of the National Resources Board in 1935.



population or a marked pick-up in "industrial" production so as to give greater purchasing power to millions of unemployed urban consumers of farm products before so many farmers are needed. No one will dispute this who has given the matter any serious study.

### **Marginal Land Farmers a National Liability**

Thousands of our people are not on the farm from choice but from necessity. They have been forced to take refuge on any kind of land that offers them even a bare existence in order to escape starvation in our cities. A large percentage of such people do not belong on the farm and would not be there long if there were anything for them to do elsewhere. This is especially true of most of our marginal land farmers who are trying to make a living on land which is unfit for farming purposes. Such farmers are a liability to the nation rather than an asset. They contribute very little to the expenses of government, as their incomes are so small; yet, they cost the nation no small sum to serve them with schools, roads, mail delivery, and government relief. Thousands of these farmers are either on the relief rolls or are being subsidized through the present farm relief program. When we also take into consideration the loss of wealth to the nation because of this waste of labor it becomes quite apparent that something should be done to curb it. It is a most serious economic problem, which is quite within the power of government to remedy.

While it is possible to increase the consumption of farm products by increasing population, or by expanding industrial production so as to provide more urban workers with greater purchasing power, such an increase can be brought about with even less manpower on the farm. Improved processes of production, and what might be termed scientific farming is tending more and more to increase the output of the agricultural worker. It is because of this that consumption of farm products can be considerably increased without requiring additional manpower on the farm.

### **We Must Look to Industrial Production to Absorb Our Idle Labor**

There is this difference between agricultural production and "industrial" production; while there is practically no limit to the demand for "industrial" products taken as a whole, there is a limit to the amount the human stomach will hold. This is why we must look mainly to the expansion of "industrial" production and not to farm-

ing for the absorption of most of our idle labor, including our unproductive marginal farmers. It is entirely a question of being able to convert human needs into effective demand. There is but one way to do this and that is by so expanding "industrial" production as to absorb all our idle labor. In this way we will be able to so increase the nation's purchasing power as to make a market for much more wealth than we are now producing.

### **Large Scale Farming More Economical**

Those who talk about cutting up the big farms into smaller ones in order to create more employment and increase the earnings of producers, simply haven't given much serious thought to the problem. If the farmer who has been farming, say a section of land, hasn't been able to make more than an ordinary living, it is clearly evident that he isn't going to be able to enjoy a decent living and farm only a quarter section or less. In other words, if one farmer cannot make more than a fair living farming a section of land, what chance have two or more farmers to make a living on the same acreage? The answer is, no chance at all. It is quite apparent that it cannot be done, other things remaining the same. Large-scale farming where it is being carried on is more economical; otherwise, it would not be carried on. The use of the tractor, combine, and other modern farm machinery has made it so.

It would be most stupid to destroy this greater efficiency and economy in farm production in order to put more people on the farm. If it is good business and good economics to deprive ourselves of those things which make for lower production costs, then we should destroy all our labor-saving inventions and do all our work by hand labor. Despite the fact that thousands of our farmer boys are compelled to leave the farm because they are not needed there, we are nevertheless told that we need to send more people back to the farm. The idea is simply preposterous.

### **The Age of Specialization**

The part-time farming idea is just as unsound, even if it is sponsored by Henry Ford. Let us not overlook the fact that Mr. Ford is an industrialist and not an economist. If this kind of farming can be made to pay, more people would be trying

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A recent study has disclosed that around the year 1800 the work of two farmers fed 10 people on the farm and 1 person in the city. Today two farmers feed 8 people on the farm, 24 in the city and 4 in foreign countries.

it. There is nothing to prevent it. While it is true that many wage earners cannot afford to try the experiment, there are those who can. Many have attempted it, only to find that it seldom pays. It is either a case of the farm suffering from the lack of proper attention, or the failure of our part-time farmer to do justice to his factory job. He is seldom able to do justice to both. This is an age of specialization, as most of us know. It has been proved that such specialization does make for greater economy in production.

#### **The Natural Trend Is Towards the City**

Let me say to our "back-to-the-farm advocates" that the natural trend of industrial evolution is not from the city to the farm, but away from the farm to the industrial center. The little red school house and the small "one-horse" farm, so far as it applies to grain farming, is a thing of the past. As for the small truck farm, everyone knows who has had one that this kind of farming is already greatly overdone. Had it not been for conditions in our industrial centers, which have acted as obstacles to industrial expansion, this trend from the farm towards the city would be even more pronounced.

#### **We Face Scarcity**

Now, while we have more than enough farmers to supply us with farm products, we can still use many million more workers to supply the nation's needs for other products, as we have seen. The nation, as a whole, is far short of industrial products measured by human needs. We haven't been producing nearly enough of such products to give millions of our people what they need and are entitled to, considering our ability to produce them. It is quite obvious that it is quite within our physical and mechanical power to augment greatly our output of industrial products, and we are not lacking in raw materials. Regardless of these facts, the census records clearly show that our industries haven't, at any time, been turning out nearly enough to meet even the ordinary needs of the nation as a whole. To meet such needs would require much more labor than we have been using despite the greater use of labor-saving machinery. Such an increase in output would also necessitate a considerable expansion of the industrial plant as every real economist well knows. The greater labor demand would, of course, be more noticeable in the distribution end of business and in the personal service field, where labor-saving inventions have never made much headway.

#### **Invention Has Increased Jobs**

The census records clearly prove that jobs have increased with the march of labor-saving machinery, despite the popular belief to the contrary. The greatest increase, of course, in employment, has been in the distributing end of business and in the personal service field. Labor-saving invention, by making for greater production, has actually put more people to work in both these fields. Again the census records prove this to be the case.

#### **All Our Workers Can Be Utilized**

It is safe to say that if industrial production were to be expanded to the point of adequately supplying human needs, it would necessitate the absorption into industry of not only our ten to fifteen million idle urban workers but our many thousands of unnecessary underpaid farmers as well. The demand for personal service workers has always increased with the increase in the nation's output of wealth. This is because greater national income means more money to spend for such services. It also takes more people to distribute the greater output. This explains, in large measure, why our urban centers have continued to grow with the march of invention.

#### **We Can Increase Production**

The fact that industrial production has failed thus far to expand to the point of supplying us with sufficient employment for our people, and has not been adequate to give us an ample output of wealth, is no reason for concluding that such expansion cannot be brought about. If we have the manpower, the mechanical means, and the raw materials, which we know we have, then it is very apparent that this expansion can be brought about if we as a nation only have the will and wit to accomplish this end. The only thing that stands in the way is our own stupidity as a people. What is more, we do not have to abolish our system of privately-owned industry, as many contend, or the present competitive price system in order to accomplish this. Private industry is always ready to produce more if such production is profitable. The trouble is, we have placed too many obstacles in the way of such expansion, thereby making it too risky, hence, too costly.