

# "Dear" Government

By Scott Nearing

**"The great majority of peasants in all capitalist countries where the peasant class does exist are oppressed by the government and long for its overthrow, in the hope of a 'cheap' Government."**

—*The State and Revolution, Lenin. Ch. 3, Sect. 2.*

"DEAR" government is the high cost of carrying an expensive leisure class, with its accompanying bureaucracy, army, navy, police, and the like. American farmers (peasants) have found the cost of government comparatively low in the past. Within ten years it has mounted skyward with dizzying speed.

First of all, there is the direct cost, in the form of taxes. Then come the fixed charges—rent, interest, and other forms of property income.

Governmental expenditures have risen more rapidly than any other large item during the past decade. The costs of running the federal government, for example, were more than three times as high in 1923 as they were in 1913. The costs of the state governments were about three times as high in 1923 as they were in 1913. City government costs over the same period, more than doubled. There is no need to go into the detail of these vast increases in public expenditure. It is sufficient to note that practically one sixth of the whole income of the American people now goes for the upkeep of government.

This means very little to the high salaried and the high waged, who are not forced to go hungry or to lose their homes because of the increasing burden of taxation, but to millions of American farmers the increased pressure is threatening the loss of home, farm, and the savings of a lifetime of labor.

The secretary of agriculture recently handed to the president a report on the "wheat situation." Among other things, this report shows that in the Kansas wheat belt taxes are two and one half times the pre-war level; that in South Dakota there has been practically the same increase, while in certain Washington counties, the taxes per acre were thirty-five cents in 1914 and \$1.18 in 1921. The Department of Agriculture estimates that, in property taxes alone, the farmers paid \$532,000,000 in 1921 and \$797,000,000 in 1922.

Another item enters into the financial burden of the farmers. They must borrow money to buy fertilizer, machinery, seed and so on. Beside these current borrowings the census of 1920 showed that thirty-seven out of every hundred farms were mortgaged. The percent mortgaged is much higher where the land is more expensive. Thus it is 38% in Illinois, 45% in Kansas, and 54% in Iowa. The total volume of these mortgages is placed at \$7,857,000,000, while the personal and collateral bank loans to farmers are about \$3,869,000,000.

The combined cost to the farmer of carrying taxes, mortgages and short term loans in 1922 is placed at \$1,749,000,000, or about ten percent of the market value of all farm produce for that year. For those farms that carried mortgages, it is estimated that fully 40% of the gross market value of the farm products went to meet interest payments and taxes.

These costs of an expensive ruling class, the farmer meets directly. There is another charge which he also must meet, though it comes to him indirectly, in the form of increased freight rates, higher priced fertilizer and more costly machinery. The total volume of interest and dividend payments from bonds and stocks was almost exactly twice as high in 1923 as it was in 1913. For 1923 it was about \$3,500,000,000. Like the interest on mortgages and the rent on houses, these interest and dividend payments on bonds and stocks entitle those who receive them to live upon the labor of their fellows without returning any corresponding service. They are a first-class ticket of leisure.

Farm failures record the pressure that the farmers are feeling under this growing burden. The secretary of agriculture reports that in the wheat belt (fifteen states) ten percent of all farmers lost their farms between 1920 and 1922, and that, in addition, nearly a fifth of the farmers in these states were bankrupt, but were permitted to retain their farms through the leniency of creditors. In the Mountain States, the percentage of farmers who went bankrupt during these same years is placed at 20%.

Slowly but surely the ownership of the farms is passing into the hands of investors (bankers and money lenders) who are concerned, not in the maintenance of production, but in the payment of interest on notes and mortgages. As the pressure increases, the number of tenant farmers continues to grow. In 1880, the first year in which the facts were published there were 1,024,000 tenants; in 1900, there were 2,024,000; in 1920, there were 2,455,000. The percent of tenants, during these years rose from twenty-five percent to thirty-eight percent. So that, in 1920, nearly two fifths of all of the farms in the United States were farmed by tenants. The percent of tenant farming varies greatly. In New England it is less than ten percent. In the Middle Atlantic States it is 21%. But in the West North Central States it is 34%, and in the West South Central States, 53%. In Illinois, it is 43%; in Iowa, 42%, and in South Dakota, 35%.

The American farmers hold a vast economic prize. The total value of farm property was estimated at \$77,924,000,000 in 1920. Already, bankers and other money lenders have secured a good grip on this property, and as the years pass, they will strengthen their hold.

They might presumably be crude enough to take the land by general evictions, as the British ruling class took the peasants' land and the common land by general enclosure acts toward the end of the Middle Ages. But there is an easier and a simpler way,—to heap up the fixed charges—interest and taxes—to keep a firm hold on the cost of machinery and fertilizer, and to wait. Just as surely as the spring melts into the summer will the average farmer, despite his most desperate struggles, be forced to surrender his title and become a tenant, a farm laborer or a city mechanic. The dice are loaded; the cards are stacked; the game is fixed. **The farmer cannot win.** Under the present economic system there can be no "cheap government" because the governors are intent on driving the farmers into bankruptcy, and they hold in their hand all the agencies that will enable them to do it.