

one-eighth of the total volume of farm-mortgage debt outstanding—the greater part of it being in private hands—the new bill is by no means a complete solution of an admittedly difficult problem. But it proposes action at the one point distinctly within the sphere of Federal authority and offers a pattern for settlements, which may be reached elsewhere by voluntary agreement between creditor and debtor.

While this measure was being reported to the House, the Senate received from its Committee on Agriculture what remains of the “domestic allotment” plan. Two important changes have been made in it. The Senate committee has struck out the provisions relating to hogs, tobacco, rice, peanuts and butterfat—all of which were included in the bill as it passed the House on Jan. 12—and has limited it solely to wheat and cotton. This has aroused the indignation of some of the farm organizations, particularly those representing producers of hogs. More important, the committee has also scrapped the provisions which required the farmer to reduce production if he wished to share in the bounty which the Government would collect for his benefit from millers and spinners, and which these processors would, in turn, collect from the consuming public.

From the start the plan rested on the doubtful assumption that the country would gain by using the power of taxation to transfer “purchasing power” from one section of the public to another. But at least it could be argued that the plan was intended to curtail production of farm crops and so to reduce the great surpluses which have depressed prices. Now that this feature has been discarded, nothing remains but a frank proposal for a hand-out to producers of wheat and cotton. Production, instead of being curtailed, would be stimulated, and the basic situation be made worse than ever. It is difficult to believe that in this form the plan could receive Mr. ROOSEVELT’S endorsement.

TWO FARM PLANS.

A committee of the House of Representatives has favorably reported a bill intended to deal with the farm-mortgage situation. Its scope is limited to mortgages held by the Federal Land Banks. Here it provides an extension of time for delinquent payments, spreading them over a period not to exceed ten years. Arrears would be paid in equal instalments, added to annual payments as they mature. The measure also provides for re-amortization in future of loans on which default has not yet occurred. Since the Land Banks hold only about