

Farmers Stagger Under 'Aid' From Misguided Politicians

FOOD & FARM: 2

Editor's Note: Farmer, editor, farmer's correspondent, John Strohm has covered the world to tell the story of agriculture and the people behind its great successes—and failures. He has traveled extensively in Latin America, Europe (including Russia), the Middle East, India and Asia (including Red China, as the only accredited U.S. newspaper reporter to gain admission). And, of course, he has criss-crossed America. In the bounty of his native land, the shortages of the Communist world and the hunger of much of the rest, Strohm sees some valuable lessons.

By JOHN STROHM

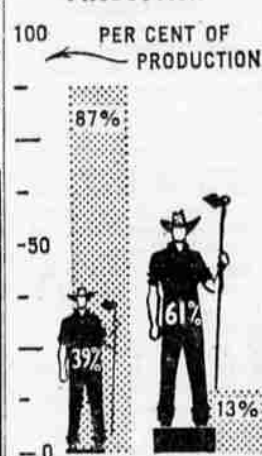
Newspaper Enterprise Assn. WASHINGTON (NEA) — If ignorance paid profits, politicians could get rich from what they don't know about the farm problem. That spells bad news for city folks and progressive farmers again in 1963—another \$4 billion tax bite.

Misguided attempts to "help" the farmer over the last 30 years have: Drained away \$48.6 billion in taxes. Amassed a \$7.5 billion hoard of food and fiber which has the fantastic rent bill of more than \$1 million a day.

Tended to blunt the farmer's hard-earned efficiency. Threatened to sap our food-producing strength in the cold war. Intentions of government planners—Democratic and Republican alike—are admirable, but a mile off base. They try to legislate farm income for three reasons: 1. Safety in numbers. Politicians mistakenly believe a declining number of farms means farmers need handouts to assure you food in the future. Since 1925 the number of farms has dropped 42 per cent; each year more than 100,000 farms "disappear."

Only eight per cent of the population is now on the farm. But in a short 20 years the farmer has tripled output per man hour—the most fantastic increase in productivity for any big industry for any period. Today 39 per cent of the country's 3,700,000 "farmers" produce

FARMERS AND PRODUCTION



87 per cent of the total output and could easily produce the remaining 13 per cent. Over 97 per cent of these operations are family farms, run with family labor and family money.

"The fact that the number of farmers is decreasing is a sign of progress and economic growth—not stagnation and decline," says Arthur Mauch, Michigan State University economist.

2. Save the soil. Conservation has been another goal of farm programs for the last 20 years. We need conservation to insure "abundance for our children as well as ourselves," Secretary of Agriculture Orville Freeman told the House Committee on Agriculture just a year ago.

But soil scientists say using the land does not weaken it. G. W. Hedlund, head of the department of agricultural economics at Cornell University, explains it this way: "If soil is properly handled it can become even more productive with time, so that there is no case for periodic resting. Although some will not agree, most of our government payments programs were designed for something other than soil improvement."

3. Preserve the virtues of self-reliance. A lofty aim—but do we really preserve self-reliance when we hand government payments to farmers for not planting their

land—not harvesting their grain—not using their initiative to produce food as efficiently as they know how? Not according to 9 out of every 10 farmers I interviewed around the country?

They accepted government payments last year, and will do so again in 1963. "But what can I do?" an Iowa corn grower asked me. "If I don't sign up for Freeman's program I have to sell on a rigged market."

Legislative errors bogged in murky logic will continue to cost us heavily until voters—city and country alike—understand the mixed-up mess enough to prod government planners. Herrel DeGraff, former food economist at Cornell University, warns grimly: "If we don't quit shrugging off the farm problem, we'll wake up with higher food prices... higher taxes... and controlled agriculture headed into the mediocrity of socialism."

What is the farm problem? The farm problem is not surpluses, or government payments, or the Billie Sol Estes scandal. These are results, not causes.

The problem boils down to low farm income—for some farmers. Divide \$13 billion net income from farming among all 3,700,000 farmers and they get less than a fair

return for investment, labor and management. Department of Agriculture figures show "average" per-capita personal income of the farm population from all sources is about \$1,400 a year compared with a national average of about \$2,300. Legislators mistakenly think this means all agriculture is "sick."

They disregard the fact that the top 1,300,000 commercial farmers, who produce 87 per cent of our food and fiber, net about \$7,700 per farm.

The "problem" is with the more than 2,200,000 others who produce the remaining 13 per cent and gross only \$3,800 per farm (only \$300 from sales of farm products). Many of these farmers need some kind of help badly. They were left in the dust of a technological revolution that brought more changes to the farm in the last 40 years than in the previous 400. This is a social problem—not a farm problem.

The hard and unhappy fact is too many farmers, not too many bushels of corn.

Which farmers are in trouble? Politicians' ideas about today's farmers are off by a costly county mile. Here's the true picture of who's producing your food and clothes:

Top Commercial Farmers: Ronald Erickson, who farms 400

acres near Woodland, Mich. is one of the million and a half farmers who comprise only 39 per cent of the total but grow 87 per cent of our farm products.

Erickson's net income is close to the \$7,700 average of this group. Not a very high return, considering he has \$100,000 invested and often works a 60-hour week. Erickson's confidence in what's ahead for his family farm is starkly simple: "People have to eat. There'll always be a future in agriculture."

Erickson is one of the farmers you must depend on in the years ahead. His biggest worry: "Government controls—and the surpluses they've caused."

Part-Time Farmers: A factory worker in Denver is one of 883,000 part-timers or 24 per cent of what the census calls "farmers." Two years ago he bought a home and 10 acres outside the city. "I love animals," this city worker told me, "so I bought five Angus steers—for fun, and to earn a little side cash."

He wasn't aware that the government calls him a "farmer" because he sells more than \$50 of "farm" produce a year. "Doesn't make much difference to me one way or the other," he shrugs. But he helps load the statistics.

Other part-time farmers used to farm full time, until low incomes forced them to hunt jobs in town. Part-time farmers now spend more time working away from their farms, or get more income from non-farm jobs than from farming.

Net farm income for all 3,700,000 farmers was about \$3,400 in 1961. When you add non-farm income, income for all farmers was over \$5,000 net.

Farmers over 65: There are 404,000 farmers—11 per cent of the total in the census—who are

over 65. On the average, they sell less than \$1,000 worth of farm produce a year. Few farmers over 65 I talked with farm full time any more, and that's the way they want it.

Underemployed Farmers: Here's the real farm problem. A million farmers sell less than \$5,000 worth of farm products a year. They have no off-farm jobs, and can't make a decent living from the land.

They are greatly underemployed, lacking volume, capital, and in many cases, the know-how to profit from today's farming.

Their lack of income is the farm problem. New machines, feeds and seeds were a bountiful boon to some farmers, but a curse to others. A 55-year-old Tennessean told me he hasn't earned enough from his 180 acres to pay any income tax in six of the last eight years.

Too old to hunt a job in town, he'll try to produce enough to eke out a living. Brutal fact is that the country no longer needs this farmer—and at least 1 million farmers like him, says the Committee for Economic Develop-

ment. Progress is passing him by, as it did the harness maker and buggy whip manufacturer.

World War II prodded farmers to gear up to produce enough to fill the bellies of the world's hungry. When the war ended, the floods of higher yields and faster planners tried to legislate inflexible land and machinery resources back to peacetime demand, but they had a bear by the tail.

Farm specialists are a mile apart on the function of farm legislation today. I recently surveyed leading economists in 30 states—men with no political axe

to grind—asking: "Can legislation solve the farm problem?"



LACK OF INCOME — Underemployed farmers and their lack of income are the real farm problem. A million, or 27 per cent of the total, sell less than \$5,000 worth of products a year.

FARMING AT 65 — Farmers over 65 make up 11 per cent of the total. Few farm full time anymore.

to grind—asking: "Can legislation solve the farm problem?"

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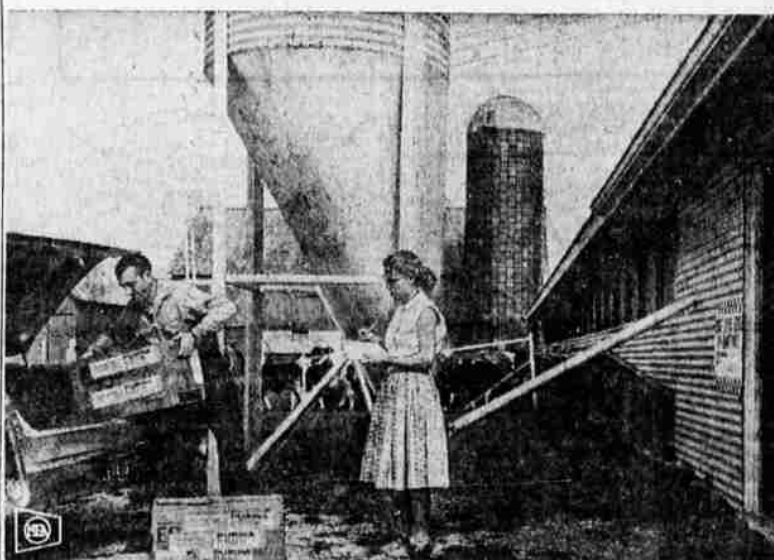
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PART-TIME FARMERS — Farmers who work only part time make up 23 per cent of what the census calls farmers. This Indiana man works full time in town, and supplements his income with a small egg and beef operation. Listing only his "farm" income is highly misleading.

Undersecretary James K. Carr today called for the construction of standby salt water conversion

Salt Water Conversion Plants Asked To Ease Southern California Drought

WASHINGTON (UPI)—Interior Undersecretary James K. Carr today called for the construction of standby salt water conversion

plants to meet drought-caused water shortages in Southern California. Texas, Florida and New York.

The key, Carr said, probably would be the cost of fuel to operate the conversion plant. He said it was estimated that with natural gas it might be possible to produce up to 30 million gallons a day at a cost of \$100 per acre-foot, or 30 cents per thousand gallons.

In San Francisco, he said, the wholesale cost of municipal water to communities currently approaches \$90 per acre-foot in some areas.

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Carr told the House Interior Committee that within a few years it would be possible to turn sea water into fresh water for economical use in some rapidly growing cities.

He said the Interior Department was "optimistic" that salt water could be turned into fresh water economically if conversion plants were built in combination with steam electric plants.

The gap between the cost of water from saline plants and conventional methods for obtaining municipal and industrial water is closing rapidly, Carr said.

But he warned that the conversion of salt water for irrigation purposes was still "not within sight" at costs competitive with ordinary irrigation methods.

He told the committee that Interior Secretary Stewart L. Udall had ordered an "all-out effort" by bureaus under his direction to seek economical methods for turning sea water into fresh water.

"It appears that it is possible, particularly in the Pacific Southwest, with larger size plants and with known processes, to produce water for about the same cost that it would require for transportation of surface fresh water supplies over long distances," he said.

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