

U.S. Prescribes Single Medicine To Cure All Farm Ailments

FOOD & FARM: 3

By JOHN STROHM
Newspaper Enterprise Assn.
 WASHINGTON (NEA) — If you heard your doctor was treating all his patients with one tonic, you would swear he was crazy. Yet politicians have been trying for 30 years to cure the ills of all farmers with a serum called the "farm program."

Be Excited?
 Yes, because your tax bill already takes the biggest single slice of your family income. The average taxpayer shelled out nearly \$100 last year for the farm program.

How About Homemakers?
 Although still the greatest bargain you have, food is the second biggest item in your family budget. If government raises farm prices through controlled scarcity (one of the original aims of the Kennedy administration), career economists in the U.S. Department of Agriculture say food prices would jump 25 per cent. Give a farmer 4 cents a quart more for milk, and the housewife will pay at least 4 cents more. If the hog producer gets \$3 per hundredweight more, your pork chops will cost 5 cents a pound more.

Should We Be Concerned As Citizens?
 The Farm Bureau — the nation's largest organization — says government already has eroded seriously into a farmer's freedom to plan. More than 1,500 wheat farmers have been fined or had their farms auctioned off for growing more wheat than their allotted acreage — even though they fed the grain to their own livestock on their own farms.

Farm programs have lost us foreign markets, Larry Simerl, economist at the University of Illinois, says. "We can't have freer trade and still prop domestic farm prices above the world."

Secretary of Agriculture Orville Freeman's intentions are good: Help farmers who can't make a decent living. But his program is missing the target badly. IBM machines doling out your tax dollars don't recognize need. Farmers who need help most get the least.

The real farm problem is a social problem — a family farmer who no longer is needed to produce our food and fiber, because farm workers using mechanical muscles and scientific know-how produce three times as much per man now as they did 20 years ago.

It doesn't make any more sense to legislate higher income for farmers who should not be farming than it would to pay grocery store owners for selling less produce, so the underfinanced and less efficient corner grocer can stay in business.

Should Taxpayers



REVOLUTION CREATES A PROBLEM — Technological revolution has created the social problem of a million unneeded farmers.

Cotton, supported at high prices, is losing out to synthetics at home, too.

It flabbergasts American experts I talked with in the Far East to think that we're stepping up efforts to have scarcity down on the farm at the time when half the world is hungry and when the Communists are lashing farmers to greater effort to keep their people from starving.

Do Farm Programs Help the Farmer?
 Farmers who produce most of the total output have no farm program, and for the most part want none. "We are in best adjustment for livestock, fruits, and vegetables, on which farmers

are to sell at price supported levels.

"The price support approach has had little real effect on income of the small farmer," says Fred Saunders, economist at the University of Georgia. Others feel government payments actually have harmed small farmers, encouraging them to hang on and hope when they might have been better off in nonfarm jobs.

"In one sense, successful farmers have been hurt, too, because of the unwarranted public image of charitable handouts," says Alan Bird, economist at the University of Massachusetts.

What About Crop Surpluses?
 Surpluses are made in Wash-

ington. As long as government offers to pay more than market price for corn or cotton, surpluses will pile up. Uncle Sam could quickly own surpluses of beer, buggy whips and neckties if he outbid the market for those items.

Is There a Solution?
 Yes, if politicians are willing to tackle the real problem: Surplus of farmers — not corn, wheat or cotton.

"If Secretary Freeman had

free reign to all farm programs of the last 20 years and a \$10 billion budget, it still wouldn't be possible to correct economic imbalance in agriculture," is the opinion of T. W. Schultz, head of the economics department at the University of Chicago.

"None of our programs have been aimed at increasing human resources," explains Schultz. "They only increase land value."

"Basic philosophy of the 1963 program still is inconsistent with national economic growth and progress," says Donald Kaldor, economist at Iowa State University. "It unemploys resources instead of getting them reallocated to more productive employment."

Are We Afraid to Tackle the Surplus of Farmers?

"If we're going to pull ourselves out of this mess, sooner or later we must face the fact that we'll need a human welfare program," says economist Schultz. "The U.S. Department of Agriculture is making a noise in this area now, but it's just a piddling compared to their efforts in price and income support."

Only group so far with guts enough to say: "Put your money on people and not on properties,"

way, cost per year would be \$1.25 billion," says Riley S. Dougan, Ohio State University economist, who also studied the need to help farmers adjust to nonfarm jobs. (Cost of 1963 program for price and income support and foreign disposal will be \$5 billion, estimates Dr. Schultz.)

After five years of a program such as proposed by Dougan and others, the number of farmers would be reduced to around 1.5 million. This is about the number of commercial farmers today, most of whom are making a good living. It is also about the number we need.

"Keep in mind that all sectors of the economy have their built-in stabilizers, such as minimum wage, tax write-offs and subsidies," says J. S. Hillman, head of the University of Arizona. "Agriculture also must have its stabilizers."

"But a complementary support program would not cost a great deal if it were used almost entirely as a price-stabilizer mechanism rather than a price-raising mechanism," says Ohio State's Dougan.

Does This Farm Program Make Sense?

Yes, according to an overwhelming majority of economists, farm management specialists, industrial leaders and farmers I interviewed.

Rewards are great. The program would eventually save \$5 billion in taxes per year. It would assure a continued supply of food and fiber for the housewife at a reasonable price. It would be an incentive for farmers to become more efficient, to develop foreign markets that pay in dollars and to help provide abundance in the world of want.

What do we have to lose —

except the fears of the planners and the jobs of some bureaucrats? (NEXT: Modern Commercial Farmer: Man Behind Your Food Bargain.)

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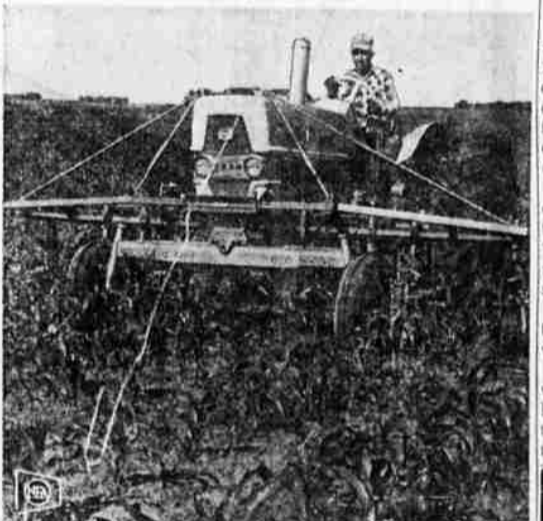
make their own decisions, says Don Paarlberg, economist at Purdue University. "We are in poorest adjustment for wheat and the feed grains on which the government sets the price and production pattern."

Hog producers and cattle raisers have successfully resisted attempts to force a government "help" program on them, and they represent two of the healthiest segments of agriculture.

Wheat, which alone has cost taxpayers \$10 billion, still is in worst trouble of all crops.

The underemployed farmer, who needs help most gets the least, because he has less land to take out of production for retirement payments, and he has

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