

# THE FARM MAZE IN THE U.S.



## Farmer Woodrow Williams Reports

**T**HE NEW FARM LAW supports farm prices now at a lower level—nearer the market price so as to keep government stocks from building up. Then those farmers who “co-operate” by reducing acreage are paid a direct subsidy—or compensatory payment, as it is officially called. Farm Bureau, the biggest organisation of farmers, has always opposed this, presumably because it benefits only those who reduce acreage. They claim it will make the farmer beholden to government—which certainly is true, as with any subsidy. But then they seem to make an about face and advocate a huge “land retirement” programme, in which land holders are paid an annual per acre “rental” to leave land idle! This, of course, tends to benefit the larger operator, which leads me to suspect that Farm Bureau is dominated by the landlord class. They never seem to worry about this “rental” payment making the landlord beholden to government.

The following from *Farm Journal*, January, should leave no doubt as to the ultimate beneficiary of farm legislation!

*“In central Kansas, each acre of wheat allotment adds about \$65 to the selling price”, says W. H. Pine, economist at Kansas State University. ‘For example, a 640-acre farm with a 200-acre wheat allotment would bring about \$6,500 more than a 640-acre farm with only a 100-acre allotment.’*

*“In southwestern Kansas, the allotment is worth \$35 to \$50 an acre; in eastern Kansas, more than \$100 an acre. Pine gleaned these averages from a check of nearly 1,000 land sales.”*

This fact I try to remind everyone of at meetings of farm organisations I attend, when discussion gets to the farm programme, or any other governmental schemes for hand-outs. The product of such governmental activity is of course always higher land values!

In the same issue, *Farm Journal*, sums up the new programme for farmers and makes some interesting comments.

**“The 1966 Feed Grain Programme is Tougher** on those who stay out; and is rigged to encourage more diversion from those who do sign up.

**“You Must Divert 20 per cent of Your Base** to be eligible. The maximum cut is 50 per cent of your base, or 25 acres, whichever is larger. You get no diversion payments on the first 20 per cent acreage cut. Over that you get a diversion payment of one-half the projected yield times the county price support rate on the acres diverted.

**“In a Move to Get Greater Diversion,** Secretary Freeman is making direct cash support payments on only the acres planted—up to 50 per cent of the feed grain base. For instance, if you have a 100-acre corn base and retire 20 per cent (20 acres) you can plant 80 acres. But you’ll get the 30c cash payments on only 50 acres (half your base). You can plant what you please on the 30-acre difference, and it won’t affect your payment. But if you plant 40 acres of soybeans and 40 of corn, you’ll get cash payments on only the 40 acres of corn that you plant.

**“The Food Crisis Abroad.** Two committees of national leaders in agriculture, business, church and education were formed this month to press for international programmes of food aid and self-help.

**“How Quickly Could We Increase** food production if we had an emergency? The question has top priority in view of world tensions and the startling future needs of “emerging” countries. Government planners say we could boost output suprisingly by taking the lid off 57 million cropland acres that were under wraps in 1965. In addition, we could lift allotments, raise support levels, use “conserving acres”—and turn out a flood of food.

**“Here’s How Those 57 Million Acres** were retired: 34½ million acres in the Feed Grain Programme; 7½ million in the Wheat Programme; 1 million, cotton, 14 million in old Soil Bank Conservation Reserve contracts; and a half million acres in the pilot Cropland Conversion Programme. The new Cropland Adjustment Programme hopes to soak up 40 million of these and other acres—at less cost—over the next five years.

**“Are Parity Prices about to be Abandoned?** Planners say that this great development of the 1920s is losing luster as a guide for today’s farm programme. Increased yields have cut costs per bushel or pound, and have increased the units sold per acre—so price alone is not as good a guide of farm income as it once was. Consolidation into larger farms has put many commercial farmers solidly on their feet, even when selling at 75 per cent of parity. And full parity prices for a farmer who is too small is scant aid for his problem anyway. It still doesn’t give him enough income.”

## CORRECTION

**I**N THE January issue we quoted a report to the effect that one Briton in each one hundred is employed by the Ministry of Health. We now learn that the correct figure is about one in ten thousand and that the doctors far and away outnumber the bureaucrats. This is as it should be and we are pleased to print this correction.

LAND & LIBERTY