THE FARM CRISIS
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I would like to thank internationally reknown artist Laurel Paley for creating her series of papercuts, The Farm Crisis, for this issue of *SHMATE*.

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**STEVE FANKUCHEN**  
Publisher/Editor

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### ADVERTISING RATES

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I have always considered it something of a sin to cut down trees to publish the same old stuff. If it’s readily available to one’s readers elsewhere, leave it alone. Why should a publisher or editor think it’s desirable—let alone necessary—for his or her publication to reiterate what has already been said, even on obviously important issues? I have made it my policy to not cover a topic unless I believe I can add either in substance or perspective to my readers understanding and appreciation of an issue. When I have nothing to add, I try to say nothing. And, I’m adamantly opposed to publishing material just to validate a group of readers’ preconceived beliefs.

Thus, it should not be surprising to SHMATE readers that I have chosen the farm crisis as the focus for this issue of the magazine. It is precisely because this is a subject largely ignored by both the progressive and Jewish communities that makes it appropriate for SHMATE to tackle. The closest the Left has come to noticing that food and fiber are not produced in factories by industrial workers was the support it gave to the United Farm Workers Union. And even in that case, agricultural policy per se was not really dealt with. As to the culture of the New Left, Bob Dylan’s Hollis Brown is about the only contribution to the subject that ranged past the sprouts and dope growing of Ecotopia. The Jewish Community hasn’t done much better, being limited to nostalgic nods to Baron de Hirsch and the Petaluma chicken farmers. In the past year or so, the Jewish community has taken note of the farm crisis, but, for the most part, has limited its interest to manifestations of anti-Semitism. Hopefully the community will soon come to the realization that anti-Semitism is an affect and, to deal with it effectively, one must simultaneously deal with the milieu in which it thrives, in this case the farm crisis and its causes.

Most of the discussion of farm policy deals with commodities. A related subject which will be dealt with in a future issue of SHMATE is the land, its control and use.

One last thought on the farm crisis: in discussing the subject with Lenny Zeskind both for this issue as well as Issue #11-#12 on the Right, I have been struck by the parallels between the youth movement of the Sixties and some of the young rightwing farmers of today. Both share a profound disrespect for mainstream institutions, especially political and cultural ones. For both, an alternative culture, complete with natural foods and home/alternative education is the only way to live. Perhaps we will be able to pursue this in a future issue of SHMATE.

From the “I Shouldn’t Have To Say This, But…” department: SHMATE is copyrighted, as stated in each issue. That means nothing may be reprinted without my permission (and that of the author, since I consider it a joint copyright). Previously I have let the occasional such reprint slide. However, when three stories were taken by Sinister Wisdom for “The Tribe of Dina” without notification, let alone permission, it was clear things had gone too far. It is my responsibility to protect the authors, artists, and the magazine’s credibility. I have not turned down any requests so far though there has been one instance where I gave my permission for reprinting three stories (in The Jewish Directory and Almanac), which I would not do again. But that fact in no way diminishes my insistence on reviewing plans to reprint from the magazine.

My responses to your letters and requests were notably tardy this summer. That was because I was on the road, soaking up the smell of summer sweat in the red rock canyons of the Southwest. Essentially I was making a pilgrimage to the Rio Arriba Courthouse in Tierra Amarilla and the George Hayduke Highway through Coró Ridge. But the transition from piles of paper and endless busses to silence and breathable air takes some time, even when it’s 97° at one in the morning. So, I wrote a bit at first, unable to go cold turkey. Thus my battery powered reality creator produced the following, which I offer not as excuse, but as explanation, of my tardiness.

7/5 Wupatki

The ancient Greeks were, as usual, brilliantly half right. The world does consist of four fundamental elements, but not, as they thought, of water, fire, earth and air. No, the truth is that the four elements are water, sugar, salt, and grease. I learned that truth in 1963, the first time I hitched across the country. I’m not sure of the exact location, probably Wyoming. It was clear that A&W root beer and french fries were both the necessary and sufficient conditions for the maintenance of the good life, or any life at all for that matter. Granted it took me awhile till I understood that those two treasure troves of sustenance were merely one combination of the basic four. And sometimes, under the exigencies of single parenting and the idiocies of urban existence, I have forgotten the truth, sinking into a morass of broccoli and oatmeal ice cream. But, out here in the desert, sick for three days with the flu, scarcely able to find a place or moment when my body heat does not combine in synergistic misery with the July sun, drinking gallons of water, eating granola and avocado sandwiches, and not getting better, I suddenly had a flash, the realization that healing means returning to one’s roots, a vision fostered by my immersion in the history of volcanos and Indians, by the confrontation between the Feds/
Peabody Coal and the Navahos. And thus, having driven 20 miles to a telephone to verify the continued well-being of my mother and my son, I realized that salvation was within reach, that a cure was there for the taking (and $85), which I did, in the recombined form of the four elementals, to wit, root beer and potato chips. And so, now, as I sit in a pass overlooking the painted desert with the Hopi mesas far in the distance, the wind blowing the juniper, saltbush, and volcanic debris into an idiosyncratic dustdevil, I feel cured, healthy in body and spirit, at peace with the world of the natural, all thanks to being born again, having accepted the true savior, the four-fold godhead into my life. Hallelujah!!

7/5 Sunset Crater
I GOT MY FIRST GUITAR WHEN I WAS 14 WELL I FINALLY MADE FORTY STILL WEARING JEANS

That says it all.
Sort of:

But first, the brief story of Sunrise the baby robin who, having fallen out of his nest and broken his wing yesterday, crossed my path and, rather than see him turn into a coyote snack, I took him under my wing. As expected, the little turkey woke me up this morning which, with my four days of fitful fulfilled sleep, I needed like I needed another responsibility on this trip. Didn't seem interested in the grains—wet and dry —, seeds, bugs — whole and squooshed—, or anything else, till I tried tuna. Now he's considering being my friend. I'm not really hot to shlep him around the country, but unless I can palm him off on someone in the a.m., he'll go with me.

7/7 Holbrook

Yesterday morning I was woken by a messenger a while before sunrise. A hummingbird flew into the car and stayed there till I got up. Then he sat down on the dashboard and looked at me. He then flew out, leaving me unsettled, but uncomprehending. Eventually, unable to go back to sleep, I got up and found Sunrise, the robin, dead.

The Anasazi believed that when a child dies, its spirit returns in the next child born. Often the parents would bury the child in their room to make sure its spirit didn't stray before it had the chance to be reborn. To my mind that is one of the few useful constructs religion has produced.

The Hopi tradition emphasizes marriage in connection with other aspects of life cycles, of continuity. The groom's father weaves the wedding dress for the bride. The dress will also serve as the shroud within which the bride will leave the world when she dies. Her family, meanwhile, weaves a special basket for the groom, which will serve to carry his remains from this world.

Finally (accidentally) on the Monkey Wrench trail. In this very campground Abbzug and Sarvis outwitted the running-dog lackeys. (All hail Chairman Mao, holed up in the caves of Betatakin.)

Drove right by the dirt cutoff to Dinnebito with hardly a pang of remorse. The Hopi mesas are rather incredible locations, the villages almost medieval in their citadel-like location.

Shades of Viet-Nam: a people divided and set against each other through a puppet government, all for the sake of American economic interests. Or is the comparison the Nazis and Slovakia: land for subservience? Or maybe the West Bank: puppet rulers to maintain theoretical independence as a cover for colonial occupation.

The Big Mountain struggle is both simple and complex. It simply is another example of the Anglos sticking it to the Indians one more time, and in spades! But it is also true that we are talking about two native peoples with resentments that predate white colonization, two native peoples with vastly different populations, resources, and abilities to maintain an identity as a traditional people.

THE FOLLOWING IS AN EDITORIAL,
NOT AN ADVERTISEMENT

Dwight Eisenhower was, in his capacity as President, best remembered for his ileitits, abominable use of the English language at news conferences, and grandfatherly smile. What he should be remembered for, however, what he should forever be held in contempt of the American people for is his destruction of 98% of this country's greasy spoons. In one stroke of his pen, in a single application of his signature to the National Defense Highways Act, the nation's last chance to avoid becoming a 3000 mile dagylo plastic strip with a soul of velveeta was gone.

Born was the Interstate Highway System. Gone were the thousands of truck stops and small-town diners that offered shelter, community, and often-edible cheap food. All hail the advent of the Denny's culture. Those bastions of warmth and belonging, those shelters, where the most destitute hitcher and those with highest visible decayed, decayed into memory, replaced by an ambiance of pink and orange sameness, designed to make you move on as quickly as possible. Gone were the overworked, underpaid waitresses, who looked on you as an equal, as part of a collective enterprise. Born was the overworked, underpaid uniform, who called you "Sir."

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But we are not here to criticize, nor to honor those who have fallen. Rather, we are here to celebrate the enduring spirit of those who have maintained. Thus, I would like to note two establishments worthy of receiving SHMATE's Loyal Order of The Greasy Spoon. To merit the award, a place must serve quality hot roast beef sandwiches on white bread with mashed potatoes, vegetables, and brown gravy for under $4, with preference given to those who serve it for under $3. It must also serve quality eggs, toast, and potatoes at all hours for under $2.50 (preference to under $2).

Off in the Mojave Desert east of Barstow, hanging on in the remnants of the once noble, once proud Route 66, is the town of Daggett. And sandwiched between two bypassing freeways is the Daggett Restaurant. Though unable to remain open all the time, the diner is excellent in all other categories, thus earning a SHMATE Golden Greasy Award.

Just over the border from Shiprock is Cortez, Colorado. As you come into town from the south, just before you hit the weigh station, you come to the M&M Truck Stop. Another Golden Greaser, and one that stays open 24 hours.

Also worth mentioning is The Frosty Shop in Escalante, Utah. While it does not serve the hot beef and breakfast combos necessary for the supreme award, it serves a primo All American Special of burger, shake, and fries for $2.69. Large burger with all the extras, huge portion of real potatoes, and, as a special treat, a hot fudge shake. Go for it!

If the first reason is the true explanation for the doldrums, I suppose I will learn it by the deafening sounds of silence in the next few months. If, however, the latter explanation is the correct one, then I have a right to expect to hear from those of you still interested. Are there enough people out there interested in a genuinely non-sectarian magazine, a magazine which tries to fill in the gaps rather than reiterate the known, to support SHMATE with renewals, donations, new subs, and gift subscriptions? Are there enough of you out there who believe there should be one progressive Jewish magazine in the United States so totally dependent on its readers that it can truly afford to be independent of everyone else, whether angels, advertisers, organizations, movements? If you're out there, please send a two year renewal (saves on endless reminders/paperwork) along with a letter to the editor now. And, if you can, send along some gift subs and a donation, because many subscribers can't.

For those of you new to the magazine, let me note that it is produced entirely by one unpaid person, from pasteup to editing. — myself. SHMATE has no backing from angels, organizations, or (with occasional miniscule exception) advertisers. There are, folks, only yourselves!

SHMATE has not been, is not, and will not be a liberal Commentary. Q.E.D., R.I.P.!

STEVE FANKUCHEN

STATE OF THE RAG

O.K., folks, what gives? No letters, no renewals, no donations, no new subs since last issue. Well, at least few enough so that saying there have been none is hyperbole, not dishonesty. Let me give you an example: One third of all subscribers who received the last issue have expired subscriptions. Each person, in addition to having that fact noted on his or her copy of the mag, has been sent a first class letter. Approximately 10% of those whose subs expired have now renewed. Prettttty pitiful! There are two possibilities. First, I am simply putting out a lousy magazine. That's one possibility. The other is that many SHMATE subscribers originally signed up thinking that the magazine was not going to be broadly progressive and openly alternative, but rather would be their particular version of progressive and alternative. They were looking for something that would continuously focus on the thing they were most interested in or something narrowly ideological, something which would "validate" their already held beliefs. Having observed that this is not SHMATE's intent nor practice, the magazine no longer was of any use to them.
in August 15, 1985, ABC News’ 20/20 program played a twenty minute segment called “Seeds of Hate.” Television viewers were shown farmers, who believed that a cabal of International Jewish Bankers were responsible for the economic crisis of American agriculture. 20/20 reported on a number of organizations that were trying to recruit farmers into an anti-Semitic and racist movement. The show noted that a number of those organizations were linked to more violent extremists, such as the Aryan Nations, through the beliefs of Christian Identity.

The twenty minute segment was too much news for the Eastern press. A review of the program printed the same day in the Washington Post criticized the program and declared, “Just dealing with this subject seems a tainting, demeaning experience. . .” The New York Daily News offered a similar commentary, “We suspect that those groups are a sideshow. . .”

Two days later, on August 17, law enforcement officials dug up two dead bodies on a Posse Comitatus encampment near Rulo, Nebraska. One of the bodies was a five year old boy, the other a twenty-five year old man. Several members of the Posse group were accused of murdering the two. Testimony later revealed that the two were considered by the Posse to have violated “Yahweh’s Law,” and the child was considered a satanic mongrel. The previous June, officials had found stolen farm machinery, automatic weapons, and 100,000 rounds of ammunition in a raid on the same encampment.

The Washington Post did not call the situation at Rulo a “sideshow.”

If you are used to your anti-Semites in white sheets or brown shirt uniforms, you won’t recognize the neo-Nazis, when they wear plaid shirts or polyester suits. The anti-Semitic organizers do not gooose-step their way into the small depression-ridden towns of the rural Midwest. Instead they carry briefcases filled with phoney solutions to the farm crisis. They come carrying pro-se legal briefs, based on “Christian Common Law,” that they sell to farmers for prices ranging from $35 to $750. They talk about filing land patents as a way to protect farms from foreclosure. They stand in the courthouse yard and protest the sale of their neighbor’s land. They file lawsuits against the Federal Reserve System for defrauding farmers. And they drive miles down the road to talk to a distressed farmer about religion and politics, and how an International Banking Conspiracy is stealing the land of good Christian farmers. They dress their neo-Nazism in the clothes of concern for family farmers.

In the five years preceding the ABC program, the number of people attracted to the smooth presentations of the anti-Semites increased in direct proportion to the level of economic distress that plagued rural communities. And each year the political sophistication of the organizations and individuals involved in this effort grew. By September, 1985, they had established an organizational infrastructure across the Midwest. The anti-Semites and racists established themselves as a single movement, composed of parts that sometimes competed and sometimes collaborated with each other. This infrastructure developed a division of labor, some full-time staff, and the technological know-how to use videotapes, as well as the printed page, to convey its message. Some organizations specialized in legal “remedies”; others emphasized political action; still others preached the gospel according to Christian Identity; and a growing minority stored weapons and ammunition while engaging in para-military training. In some rural counties the anti-Semites managed to become a dominant political force in the community and developed mass followings around the organizational infrastructure.

The despair and frustration associated with the economic collapse of family farms and the towns that they supported have allowed a virulently racist movement to reach beyond the margins of society into the mainstream heart of rural America. Some people, who under normal circumstances would be the pillars of their community and participate in their PTA’s and church socials, have retreated into the nether-world of neo-Nazism. The individual tragedy involved is enormous. The collective danger it represents is even worse.

The most common mythology of the anti-Semites centers on the Federal Reserve System. The Federal Reserve establishes the level of interest rates that borrowers pay, through its control of the discount rate paid by banks throughout the United States. In the late Seventies the Federal Reserve instituted a policy of high interest rates in an effort to control inflation. Farmers, who borrow money on both a long-term basis for land and machinery, and on a short-term basis for spring planting, wound up paying exorbitant interest rates. It was a natural next step for farmers to declare the interest rates and the Federal Reserve as the cause of their problems. The Federal Reserve System has been a target of the radical Right for over 50 years, and they have a well developed literature on the subject.

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A part of that literature purports to prove that Jewish bankers (the Rothschilds) set up the Federal Reserve to gain control of the U.S. economy. From that entry point recruits have been led down the internecine alleys of the Protocols of the Elders of Zion and into the web of Christian Common Law.

Christian Common Law is a concept that was developed by the Posse Comitatus. According to this concept, the United States is not properly a democracy at all, but a Christian Republic. Supposedly, a democracy, where the majority rules, is the shortest route to disaster and decay, whereas a Republic, they believe, allows the individual to be sovereign. Christian Common Law advocates also contend that the Constitution is Biblically derived and the word of God. Statutory law passed by legislatures on the other hand, is the result of Jewish meddling in the affairs of the nation. These same advocates also often contend that gold and silver are the only constitutional forms of money, and that Federal Reserve Notes only represent congealed debt, not real wealth.

Once new recruits have swallowed the Federal Reserve and Common Law bait, it is not uncommon for them to be hooked on the entire range of anti-Semitic and racist theories. Preeminent among these is Identity Christianity. Identity Christianity contends that Jews are children of the devil, that people of color are sub-human, and that the people of northern Europe are the Lost Tribes of Israel. (For a more complete description of Christian Identity see SHMATE Issue #11-12.) If the new recruit travels far enough, Identity will take him to the shores of the Aryan Nations and the Ku Klux Klan.

However, most of the anti-Semitic organizations working in the rural Midwest have innocuous sounding names like Barristers Inn, Patriots Information Network, and the Populist Party. One of the organizations, the National Agricultural Press Association, recently had its leader, Rick Elliott, convicted of stealing about $250,000 from his own followers. Nevertheless, in some circles Elliott still has strong personal appeal.

The personal tragedy associated with the growth of these anti-Semitic organizations was displayed in the July 1986 Kansas City trial of one of Elliott’s former followers. This farmer was accused of selling hogs and hiding a tractor, that were pledged as security to his local Production Credit Association. This farmer genuinely believed the theories that the Radical Right had sold him; he believed that he could sell the hogs without a Constitutional penalty. He was wrong.

On occasion violence has bubbled to the surface. Another of Elliott’s followers, Arthur Kirk, was killed in a shoot-out with a SWAT Team on his farm near Grand Island, Nebraska, in 1984. In November, 1985, Larry Humphries organized a farm foreclosure protest that included several dozen heavily armed men in Bleckley County, Georgia. Although no one was hurt in the Georgia incident, it indicated a new level of desperation on the part of farmers and a new readiness to provoke an armed confrontation.

Humphries inherited a millionaire’s fortune as a teenager. In the last several years he has spent part of his fortune building a center for Identity activities in Velma, Oklahoma. He was joined in Bleckley by Tom Kersey, a farm leader who had been associated with Lyndon LaRouche. Both Kersey and Humphries were ecstatic about the results of their action in Georgia and toured the upper-Midwest in January 1986. They spoke to large, enthusiastic audiences about the necessity and efficacy of an armed defense against foreclosures. Only vigorous attention by progressive sections of the farm protest movement were able to offset the gains that Kersey and Humphries began to make.

In the year since 20/20’s “Seeds of Hate” program, there has been a vigorous public discussion of an issue once considered too “demeaning” to debate. Other TV programs on the subject have been done, newspaper articles have covered many aspects of the situation, and both farmers’ organizations and the Jewish community have begun to take the issue of anti-Semitic and racist intervention in the farming communities seriously. This public debate has helped spur activity to counter the influence of the racists and anti-Semites. Some of this activity has been undertaken by the institutionalized Jewish community. Some of the activity has been undertaken by elements within the farm protest movement. The work of the progressive segments of the farm protest movement is probably the most important and effective deterrent to the anti-Semites.

Nevertheless, the final verdict is not yet in. Despite the new activity aimed at countering hate group activity in the farm belt, it is still too early to tell whether the anti-Semites are in the process of suffering a decisive set-back. It is certain that they will not enjoy the unhampered growth that they have had for the past five years. But each fall, when farmers go to town to try and pay their bills, the level of despair and desperation has risen. That despair and desperation could lead farmers to new and dangerous places.

Lenny Zeskind of Kansas City, Missouri, is Research Director of the Center For Democratic Renewal, Box 10500 Atlanta, Georgia 30310.

DIANNE FEINSTEIN FOR PRESIDENT

In the last issue of SHMATE I reported that the San Francisco Board of Supervisors was considering banning the sale of magic markers to people under 18. Well, the wise and ever-vigilant city fathers and mothers passed the banning law. Now they are considering banning the sale of certain types of shoe polish to those under age. Stay tuned, folks. Hey, but really, isn’t it nice to know you can join the army, kill and be killed with the mayor’s blessings, but can get busted for an unregistered magic marker and a can of shoe polish?!!!
After four years of persistent economic decline, conditions throughout rural America have become acute. The disbelief, anger, and shock first exhibited by farm and rural people in the face of these conditions are giving way to despair and withdrawal. And now, even as those victims of the crisis who have fought the longest are becoming increasingly despondent, the number of individuals affected is growing exponentially. Indeed, what was initially referred to in relatively simple terms as “the farm crisis” has now acquired all the necessary characteristics of a full-blown economic depression.

Bank failures are common throughout the Midwest and Plains states (Iowa has had one bank closure every month since 1985), layoffs in agriculturally related industries are astronomic (approximately 80,000 jobs have been lost in the agricultural implement manufacturing sector from 1981-1985), and people—once prized as a valuable resource in the region, second only to the world’s most productive layer of topsoil which is located there—are leaving in record numbers (an 11.6% decline in the farm population since 1980, according to USDA statistics).

As compelling as these and other equally chilling statistics might seem, there is another important phenomenon underway. It is one that is less visible to the American public, and even less well understood: that is, the response to the crisis by dozens of local, state, regional, and even national farm, rural, religious, civic, community and labor organizations.

Unfortunately, despite the vitality and potential of these grassroots mobilizing and organizing efforts, many people have come to view the demise of the family farm as something of a foregone conclusion. And too many people who would identify themselves as politically left of center—including latter-day liberals, as well as those who consider themselves to be Marxists of one sort or another—perceive farmers with such disdain and distortion that they are incapable of imagining how any social movement among rural people could amount to anything more than a purely reactionary manifestation of collective greed gone awry. Much more needs to be said.

TACTICS AND GOALS:

The goals of the farm movement have been clearly stated since its inception, and there exists far greater unanimity of principle among the various organizations involved than most observers choose to believe. The central demands of the movement are: a halt to farm foreclosures, repossessions, and forced liquidations; immediate implementation of debt restructuring and refinancing programs; emergency assistance to farm families in need; and a federal farm program that ensures agricultural producers of prices that cover their costs of production and compensate them fairly for their labor and investment.

Considerable differences do emerge, from time to time, over the specific legislative vehicles to be used. And the movement has grown and evolved to the point where it has become differentiated, with different groups developing specific areas of expertise. The tactics of organizations within the movement also vary, but, taken overall, include all the traditional forms of public protest and grassroots organizing. Farmers have petitioned for change and engaged in non-violent civil disobedience. They have lobbied legislatures around the country and taken trips to Washington, D.C. Pamphlets and publications abound. Churches and synagogues have organized informational programs, providing a forum for non-rural people to hear directly from farmers, while also learning about the demands of the movement. Litigation strategies are emerging—the product of several years of research and experience that movement lawyers and activists have accumulated. Mass action and direct action are vital components of the effort, and the most creative and innovative strategies are only beginning to emerge. All of these have evolved out of a historical context that is rich with a tradition dating back as far as Shay’s Rebellion. There is, also, a briefer and more recent chronology to offer.

DEVELOPMENT AND DIFFERENTIATION:

It is against a backdrop of chronic and deliberate economic exploitation that the acute conditions of the present crisis have emerged. Those conditions—drastic devaluation of commodity and collateral prices—are rooted largely in the Federal Reserve Board’s tightening of the money supply in 1979 and the federal government’s dismantling of price supports and production control mechanisms in the farm legislation of 1980 and 1985.

Grassroots activists were quick to react. In May of 1982, representatives from various organizations in the Midwest met in Marshall, Minnesota, to discuss state and regional strategies for responding to the crisis. Sarah Vogel, an attorney who was then in private practice and who is now North Dakota’s assistant attorney general, told the group, “The situation is basically brutal out there.” She went on to file a successful national class action lawsuit against the Farmers Home Administration (FmHA) which resulted in a virtual halt to all government foreclosures in November 1983. (The FmHA resumed its debt collection activities in January 1986.) Legislative initiatives were also dis-

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cussed. Efforts to get a strong foreclosure moratorium bill through the Minnesota legislature were defeated by a one-vote margin, it was reported. Organizers with Minnesota COACT (Community Organizations Acting Together), an urban and rural membership organization, told the group that they had been working with individual farmers facing credit problems since 1980.

Much attention was given to the situation in Canada, where the farmers had closed down the produce terminal in Ottawa and were laying the groundwork for a rash of penny auctions—a depression-era tactic that keeps bidding at foreclosure sales low enough that the original owners can buy back their equipment at affordable rates.

It wasn’t long before farmers in the United States followed suit. Later that year, more than 100 farmers converged on the farm of Wydon Hansen, a Minnesota farmer facing liquidation of his land, livestock and machinery. They stopped the sale and forced the government-owned FmHA to negotiate.

October 2, 1982, was declared “National Farm Crisis Day.” In Nevada, Iowa, approximately 400 farm and rural people came in from the damp rains that kept them out of the fields to hear speeches by South Dakota Congressman Tom Daschle and others. The Iowa Farm Unity Coalition, now composed of nearly a dozen farm, rural, religious, labor, community, and citizen’s groups had made its debut in January of the same year with a nucleus of just four organizations. Similar rallies were held in nearly a dozen states, from Texas to Minnesota.

There are probably as many significant milestones to recount as there have been obstacles or failures. Present economic conditions are vivid evidence of those shortcomings. For example, several of the older, and more established — but nevertheless “progressive” — farm groups, such as the National Farmers Union and the National Farmers Organization, have viewed the activist groups with caution and, at times, even disdain. Their membership base had steadily eroded over the years, and the newcomers have been the ones to draw the crowds with legal advocacy sessions about farmers’ rights, and militant public protests.

Such grassroots activism has garnered the farm movement a tremendous amount of national and international publicity, most of it overwhelmingly sympathetic. But beneath that veneer of sympathy, however beneficial, has been the steadfast conviction that the family farm is a relic of the past. And, even while the activism has made good copy for the nation’s press, the complex economic and political factors surrounding and fueling the farm movement have not. Moving the public — rural and urban alike — toward greater and more critical understanding of these factors has been one of the principal tasks of the movement.

Movement organizations have also placed considerable emphasis on political education, both internal and external. Groups such as the Minneapolis-based League of Rural Voters have concentrated primarily on the production of public service announcements, newspaper advertisements, and the distribution of research papers and articles, that offer critical assessments of agricultural policy.

The Missouri Rural Crisis Center has, on the other hand, concentrated largely on mobilization efforts and credit advocacy. Outraged by the conduct of a local official of the FmHA, farmers surrounded the building, which housed the agency and other government officers, in March, 1986, and remained throughout the Summer. The troublesome employee was transferred; the farmers stayed.

The Iowa Farm Unity Coalition has, perhaps, the most comprehensive organizing agenda of the groups. Active in nearly 50 of Iowa’s 99 counties, Coalition activists hold borrowers’ rights seminars and advocacy training sessions. The Coalition has operated a telephone hotline (as do nearly all the other movement organizations) serving farmers in distress, offering legal referral, technical assistance, advocacy information, and counseling. The hotline has also served as an invaluable organizing tool, helping to identify potential recruits and track developments throughout the countryside. Through a network of country Farm Survival Committees, protests are organized, petitions circulated, and literature distributed. The Coalition has lobbied the State legislature aggressively and, in the Winter of 1986, won authorization of a statewide program for mandatory mediation between bankers and farmers. The program offers farmers considerable relief from overzealous creditors.

Much of the work of the Coalition is coordinated by the staff of Prairiefire Rural Action, Inc., a non-profit rural advocacy, organizing, and training center in Des Moines, Iowa. In addition to the Iowa based organizing, Prairiefire staff assist local farm and community leaders in areas where banks have failed, provide training assistance to Christian clergy on a national basis, monitor the activities of far-Right groups, and assist other organizations in the establishment of farm crisis hotlines. They have also initiated a special project geared towards incorporating more rural women in leadership positions inside farm and rural organizations.

In the South, the Federation of Southern Cooperatives, based in Epes, Alabama, with offices also in Atlanta, Georgia, has provided much of the impetus for progressive organizing. Interestingly, the Federation, which primarily serves a constituency of Black and minority farmers, is now receiving frequent calls on its hotline from white farmers, who are now facing the same issues for survival that Black farmers have been struggling with practically since the collapse of Reconstruction.

Iowa, provides technical assistance to state and local groups throughout the country and has, among its members, the Farmers Union of Canada and UNAG — the ranchers and farmers union of Nicaragua. The Alliance publishes the only regular newspaper for the movement that is distributed nationally, the twice-monthly North American Farmer.
The American Agriculture Movement, Inc., based in Washington, D.C., but with members and chapters all across the United States, has provided considerable logistical support for the lobbying drives that have been focused on winning decent federal legislation. AAM was the vehicle by which more than 40,000 farm and rural people were drawn to Washington to lobby Congress in 1978. What is not widely known about AAM is that the 40,000 grassroots activists that converged on the nation’s capitol that year did so prior to the well publicized “tractorode” of 1979.

Acting as an umbrella organization to these and approximately 25 other similar groups is the National Save the Family Farm Coalition. Founded in Des Moines, Iowa in 1986 the Coalition is responsible for coordinating both the dissemination of information among grassroots groups and lobbying drives at the federal level.

CONCLUSIONS:

Contrary to popular belief, farmers have a rich history of acting together in pursuit of their common interests. But this history of collective action has been widely ignored. Pick up any history book and, if you are lucky to find one that deals in any thing more than a cursory way about farmers’ movements, you will be told decisively that the motivation of the participants was “hard times”. Under today’s conditions and circumstances it is tempting to apply that same conventional wisdom. Although true, in part, there are others who offer a compelling, and dissenting view. One such perspective is that of Lawrence Goodwyn who, in 1976, published the most thorough analysis of the early populist movement entitled, Democratic Promise: The Populist Moment in America. In it, Goodwyn makes the following assertion: “Unfortunately, history does not support the notion that mass protest movements develop because of hard times. Depressed economies or exploitive arrangements of power and privilege may produce lean years, or even lean lifetimes for millions of people, but the historical evidence is conclusive that they do not produce mass political insurgency. The simple fact of the matter is that, in ways that affect mind and body, times have been “hard” for most humans throughout human history and for most of that period people have not been in rebellion.”

Goodwyn calls Populism the “flowering of the largest democratic mass movement in American History” and the Populist motivation was, he claims, as much an expression of political will and conviction as it was a struggle for survival.

The Populists had a definite vision of “Democracy” and they sought to implement that vision through powerful political means. The struggle of farmers today, while embryonic when compared to the entire current of Populism, is no less politically motivated and no less concerned about challenging those who have power. And, despite the fact that the farmers’ movement — just like countless other social movements — is vulnerable to being sidetracked by an array of difficulties such as faction fights, racism, and anti-Semitism, to name only a few, protesting farmers have generally been able to effectively distinguish between the real political and economic forces arrayed against them and other available distractions.

To a greater or lesser extent, and at different periods, farmers have sought out segments of the working class, consumers, and the unemployed as allies. They have focused their discontent largely upon the economic forces that oppressed them: in the South it was the furnishing merchants, the crop lien, and the cotton buyers; in the North and Middle West the railroads, bankers, and the grain traders. Today the multi-nationals and corporate agribusiness are the target. Bad farm policy and reactionary farm organizations, such as the Farm Bureau, are also identified as the enemy. There is no love lost among farmers with regard to their sentiments towards monopoly and monopoly capital.

If there is an ideological focus for the contemporary movement, it will be found in the condemnation of corporate capital and the attendant consequences of disenfranchisement, displacement, and concentration of power. If the movement can demand anything for its constituents, and in doing so articulate a foundation for forming firmer alliances with others in distress, those demands will be centered around economic democracy. The movement also understands, quite well, the connection between economic collapse and political disenfranchisement.

The Farm Movement of the 80’s is also a little different from its earlier counterpart, The American Agriculture Movement of the late 1970’s. Instead of carrying their claims to the streets of Washington, D.C. by tractorode, the activists and farmers in this new movement have remained largely at home, organizing locally, while coordinating national political strategy through broader based coalitions and alliances.

Such coalition building was also a landmark of earlier struggles, and it represents a degree of political sophistication and conviction that must be maintained and enhanced, if farmers are to be successful.

While the impetus for many movement participants comes from deeply personal sentiments of fear, outrage, and indignation, they also possess a sense of purpose and mission. The knowledge that their struggle is linked to the struggles of others, past as well as present, is growing. Whether or not enough can be done remains to be seen. Many of those involved have grave doubts, doubts about the capacity of the movement to endure larger demands made upon it, doubts about time having run out.

Regardless of these fears and misgivings, the movement participants and activists are driven by something more. They have a creative vision of participatory democracy and can see how that vision has become clouded as a result of the storm that is brewing on the horizon.

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he deepening crisis in American agriculture now touches almost every person in the United States — as taxpayers, consumers, environmentalists, or as part of the 21% of our labor force working in the food and fiber industry. The current farm depression, more serious than that of the 1930's, raises new and pressing questions about who will own and control enormous assets currently in the hands of America's farming communities. The land, machinery, and livestock held by family farmers is worth nearly one trillion dollars, roughly the value of all the manufacturing facilities in the United States. The rural economic crisis will soon become a political crisis, as 50% of these assets are taken from farm families by banks, insurance companies, land speculators, and the federal government over the next five years.

Farmers are losing their farms because they can't pay their debts; and they can't pay their debts because they're caught in a simple cost-price squeeze. While almost all farm production expenses have steadily increased in cost, the prices set by Congress for U.S. farm products have remained low at the insistence of the grain traders, food processors, and land speculators. Current prices are now below 50% of parity. Parity is a cost-of-living index for farmers, which takes into account all production costs, including wages for farmers on "par" with urban workers. For example, corn prices are currently around $2.00 per bushel; the cost of production of corn is between $3.00 and $3.50 per bushel. Long-grain rice, costing more than 10¢ per pound to produce, sells for less than 6¢.

Between 1970 and 1986, with the exception of two years of worldwide shortfalls, government-set low prices caused farmers to lose money on their crops and livestock. A portion of this loss was made up by direct subsidies from taxpayers; the rest was covered by dramatically increased borrowing.

Between 1970 and 1984, total U.S. farm debt rose from around $20 billion to over $220 billion. That period of heavy farm borrowing was an enormous drain on available capital, contributing to the skyrocketing interest rates of the 1970's. But farmers could only borrow to cover their losses a finite amount, generally up to the value of their land. After a decade, the limit was reached; bankruptcies and foreclosures ensued, and this house of cards has come crashing down.

In 1985 the U.S. Department of Agriculture found that 98,000 of our farmers were insolvent, 109,000 farmers were moving rapidly towards insolvency, and at least another 417,000 experiencing such severe financial problems that it is unlikely they can survive. According to the USDA, farmers approaching insolvency increased by almost 60% between 1984 and 1985. At this rate, we will soon have nearly 900,000 farmers in deep trouble, with 250,000 technically insolvent.

These USDA findings are comparable with the results of recent studies by a number of state Departments of Agriculture and the National Food and Agriculture Policy Research Institute (FAPRI). FAPRI, which includes the Center for Trade and Agricultural Policy at the University of Missouri and the Center for Trade and Agricultural Policy at Iowa State University, was established by Congress in 1984 to provide economic analysis and computer modeling of the agriculture economy for policymakers. This FAPRI study, based on a comprehensive survey of farmers conducted by Farm Journal magazine in January, 1985, was one of the most in-depth looks at the financial conditions of farmers throughout the nation.

According to the FAPRI study, about 30% of the farm operators nationwide had debt-to-asset ratios above 40%, indicating serious financial stress. This 30%, however, holds close to two-thirds of the nation's farm debt, a total of $160 billion. As might be expected, financial problems were significantly higher for those under the age of 45. FAPRI also found that unless some action is taken to stop falling land and machinery prices, the average farm operator today with an equity position of 50% or less will be technically insolvent by 1988.

Not since the 1930's have we seen such a prolonged decline in farmland prices. The FAPRI study found that land values hit their peak in 1981 and have fallen steadily ever since. In 1985, farmland fell another 15%, with some states, like Minnesota and Iowa, dropping 25% or more. Total drop in land value in many farm states is nearly 60%, with no signs of stabilization in sight.

This dramatic decline in land values has deeply eroded the property tax base of many rural communities and school districts. In constant 1967 dollars, the value of agricultural assets has declined over $100 billion during the last five years, having a profound affect on the entire rural economy.

Looking into the near future, the FAPRI study predicts that things will get worse. Approximately 10% of all farm assets will have to be sold by farmers to service their debt, if current income levels are maintained. In normal times the land market handles about 3-4% at most. Should income decline further, which is likely, 17% of all farm assets will have to be sold. In the farm belt, where the problems are most severe, as much as 25% of the farm assets may need to be sold. The
dumping of $75 to $120 billion worth of assets onto an already overcrowded marketplace will be devastating. Farmland, machinery, and livestock prices could easily fall another 50%.

The financial stress is being felt throughout the entire economy. The immediate impact is on those who extend credit to farmers — including both secured lenders like banks and insurance companies, or unsecured local creditors like the fertilizer dealer, the hardware store, or other family members.

If farmers are to have a chance to survive, according to FAPRI 34% of the agricultural debt will have to be liquidated and about 4% of it will have to be written off altogether. Even if farm income should increase 40%, $85 billion of existing debt cannot be fully serviced.

FAPRI estimated that writing off 4% of the farm debt would cause a loss of $21.7 billion in economic output — including $7.3 billion in lost wages, 500,000 jobs displaced, and a probable rise in short-term interest rates of over 1%.

This domino effect will mean added costs for lenders, due to loan losses and continued high interest rates for farmers. Most important, it will mean that an accelerating number of family farmers will be forced out of business. Farmland will continue to fall into the hands of insurance companies, banks, speculators, and the government. Without a fundamental reversal of federal policies designed to keep farm prices below the cost of production, the centralization of control over our food-producing resources will be nearly complete before the end of this decade.

ORIGINS OF THE CRISIS

The current farm crisis can be studied from a number of different vantage points, or phases; these include the collapse of farmland prices in the early 1980's, the “boom” in farm debt in the 1970's, or the steady fall of commodity prices since the early 1950's. Each of these recent phases, however, should be understood as part of a centuries-old cycle of events repeated many times throughout history.

Examining these cycles as far back as ancient Rome proves instructive. In a fascinating book published by the Quaker Oats Company, entitled, Grain Throughout the Ages, the historic cycle of the farm crisis is vividly described.

“One reason for the decline of grain farming in Italy was the importation of grain entering Rome from the rich grain lands of Sicily and Egypt. In Sicily these grain lands had been appropriated by rich men and scheming politicians, who farmed them with slave labor. As a result, the markets of Rome were flooded with cheap grain. Grain became so cheap that farmers who still owned small pieces of land could not get enough money for the crops they raised to support their families and pay their taxes.”

“Very often a rich man would lend a farmer money to cover his expenses, and when the man was unable to pay back the loan, the rich man took away the farm”.

“The farmers, after their land had been lost, went within the city walls, leaving the scythe and the plow. They worked now and then for a small wage. They ate mostly bread made of wheat, which was distributed to them by any politician who wanted their vote.”

This example from ancient Rome highlights the three key phases common to all farm economic crises. The first stage is the falling of commodity prices to levels below the cost of production. In ancient Rome, the falling prices were caused by the flooding of local markets with cheap grain, produced by slave labor on huge farms controlled by the wealthy. The second phase is the expansion of the debt held by small farmers to cover their losses due to these low prices. The final phase, and the one facing U.S. agriculture today, is the loss of farms by foreclosure or bankruptcy when the debt cannot be paid.

In the United States, this cycle of crisis has been repeated many times, especially since the emergence of family farm agriculture as a dominant commercial unit in the late 1800's. In the 1800's the final phase of this crisis was called a “panic;” in the 1900's we began calling this phase a “depression.”

In the late 1800's, in response to economic crisis, hard-pressed family farmers organized political movements to protect themselves and to win changes in government policies creating the crisis. In North Dakota, for example, farmers formed the Non-Partisan League, which won a majority in the state legislature in 1916. To break the monopoly of the Minneapolis-controlled banks, the Non-Partisan League established the nation’s first and only government-owned bank. To protect farmers from exploitation by grain monopolies, they established a state-owned wheat mill. Farmers, working together with labor, played a key role in establishing progressive control over state legislatures in almost a dozen states with remarkable results.

The political efforts at the state level, however successful, could not affect the national crisis of falling prices and the huge surpluses created by these low prices. One state, without help from Washington, could not balance supply with demand. This meant that the cycle of falling prices, rising debts, and eventual collapse was doomed to be repeated over and over. For example, after World War I farm prices fell dramatically, as markets dried up. Technological innovations greatly accelerated increases in yields, creating increasingly more expensive surplus stocks.

Farmers recognized that they needed to set prices and control production at the national level, and began to push for supply management and price support legislation in Congress. The most important early U.S. federal farm legislation, the McNary-Haugen Bill, was passed by Congress, but vetoed by President Coolidge during the 1920's.
It took farmers almost a decade to win the federal legislation needed to solve the farm economic crisis of the 1920's and 30's. This federal legislation, often referred to as the parity farm program, successfully balanced supply with demand, while placing a floor under farm prices at reasonable levels.

This parity legislation had three central features. First, the Commodity Credit Corporation (CCC) was established to help farmers set a floor under their prices. The CCC was authorized to make loans to farmers whenever prices offered by the food processors or grain corporations fell below the cost of production. The farmers' crops were pledged as collateral against these loans. This effectively restricted available supplies, thus forcing buyers to offer prices higher than the "loan level" set by the CCC. Once prices returned to fair levels, farmers sold their crops in the marketplace and then repaid the CCC loans with interest. By giving farmers the opportunity to control their marketing, the CCC made it possible for farmers to receive a fair price in the marketplace.

Second, the parity legislation worked to balance farm production with demand in order to prevent surpluses. This feature was needed to reduce the cost of government purchases and storage of surpluses. Third, a national grain reserve was established to prevent consumer prices from skyrocketing in times of drought or other natural disasters.

From 1933 to 1953 this legislation remained in effect and was extremely successful. Farmers received fair prices for their crops, production was controlled to prevent costly surpluses, and consumer prices remained low and stable. At the same time, the number of new farmers increased, soil and water conservation practices were implemented, and overall farm debt declined dramatically. Most important, this parity program was not a burden to the taxpayers. The Commodity Credit Corporation, which charged interest on the marketing loans they made to farmers, actually made $13 million between 1933 and 1952.

Although this parity legislation was crucial for saving family farm agriculture, it conflicted with the economic interests of a number of powerful corporations and banks. For example, farmers with stable, secure incomes were much less likely to borrow large amounts from the banks. Government intervention to stabilize grain prices hurt grain monopolies, which benefited from large fluctuations in the market. Effective supply management meant that fewer acres would be planted, thus reducing sales of pesticides and fertilizers by the chemical and oil companies.

As early as 1943, agribusiness corporate policymakers, in conjunction with planners from both the government and academia, began planning for the post-war economic and social structures. Their economic objective was to encourage the expansion of energy and capital-intensive methods of production; their political objective was to achieve greater control over agriculture by the industrial and financial sectors of the economy. To accomplish this millions of farmers, especially poor Blacks in the South, would have to be forced out of agriculture. Not only would this encourage the expansion of industrial-type agriculture, it would also free up a huge labor force to fuel the post WW II industrial boom.

University professors were drafted into a national propaganda effort to convince both farmers and the general public that America needed fewer farmers, and that the parity legislation of the 1930's and 40's was standing in the way of "modernizing" agriculture.

The primary strategy used to force farmers off their land was the lowering of commodity prices to levels below the cost of production. To enforce lower prices, however, they would have to repeal the parity legislation won by farmers in the 30's.

In the early 1950's, corporate agribusiness launched an all-out political war against the supply management and price support legislation of the 1930's. They quickly found that the methods made popular by Senator Joe McCarthy, like labeling supply management programs as "socialism," were very effective in attacking farm legislation.

Corporate-funded think tanks churned out literally hundreds of reports and policy recommendations to support their positions. One of these groups, the Committee for Economic Development, (CED), published a 1962 report, "An Adaptive Program For Agriculture," that is still one of the most articulate statements of the corporate view.

"The choices before us: (a) leakproof control of farm production or (b) a program, such as we are recommending here, to induce excess resources (primarily people) to move rapidly out of agriculture."

Although the CED recognized that one option was the "control of farm production," they rejected this option out of hand as too much "government in agriculture" and contrary to the so-called "free market." This ideological opposition, however, was not nearly as important as their decision to enhance their economic interest. Consistent with their own interests, the CED makes the case for the second option — the forced removal of a huge number of families from the land.

"Our program would involve moving off the farm about 2 million of the present labor force, plus a number equal to a large part of the new entrants, who would otherwise join in the farm labor force in the next five years."

To accomplish this forced removal, they recommended that:

"Price supports for wheat, rice, feed grains, and related crops now under price supports be reduced immediately."

They believed that farmers liquidated would be more "productively used" in other sectors of the economy, and

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that pushing them out of agriculture would open the way for more energy and chemical intensive methods of production, requiring more mechanization and greater reliance on petroleum-based products. In addition, they cited other real benefits of enforced lower prices.

"Lower prices would induce increased sales of these products at home and abroad."

The CED proposed the elimination of up to one-third of our farm families. They believed that we could replace family farmers with a small number of superfarms, owned by corporations, wealthy family "farmers," and millions of "small farmers," who were supported financially by off-farm income or welfare. Politically, it was a brilliant strategy. The large corporate-type farms would align themselves with lenders and agribusiness corporations, while family farmers would be dependent on the government for subsidies and on the non-farm economy for relatively low-paying jobs. This combination would weaken farmers economically and politically, effectively diminishing their power, and threatening to ruin historic political affiliations with labor and other progressive movements.

There were dozens of policy reports on the "farm problem" similar to the program advanced by the CED. Groups ranging from the U.S. Chamber of Commerce to the American Bankers Association all made generally the same recommendations. This is not surprising, since a relatively small number of people, mostly agriculture economists, served as authors, researchers, and advisors on almost all these reports. Using economic jargon and the manipulation of statistical evidence, they attempted to convince policymakers in Congress that lowering farm prices and wiping out one-third of the farmers was for the "good of the whole country." Their arguments centered around three main points.

The first was strictly economics. They argued the need to obtain raw materials from agriculture as cheaply as possible in order to "fuel" the industrial economy and to make U.S. products "competitive" on the world market.

The second point was for specific domestic political purposes. David Stockman updated this approach in his infamous interview in Atlantic Monthly. He pointed out that he needed to break the "farm block" in order to pass his program of deeply slashing domestic programs. To accomplish this, he needed to come to Congress with a farm program "so bad it would split apart the farm block." Unfortunately, it was an extremely successful tactic.

The third reason for enforcing low farm prices was the desire of the U.S. to more effectively use food as a weapon in foreign policy. Ranging from emergency grain shipments to Europe after World War II to keep Europe from "going communist," to the recent embargo against imports of coffee from Nicaragua, food export and import policy has been subjected to the whims and desires of U.S. foreign policy. Lowering farm prices to maintain a large supply of cheap grain was critically important to advance this political and military strategy.

By 1954, the corporations had won. The destruction of the supply management and price stabilization legislation marked the beginning of the most recent cycle of the farm crisis, culminating in the depression we are now experiencing.

Almost immediately, farm prices began to fall, and they have continued to decline, in real terms, with the exception of two years in the early 1970's, since repeal of the parity legislation. The corporate planners were right. As prices fell, many farmers were unable to pay their debts, quickly becoming part of the first phase of massive liquidations. Farm population dropped by nearly 30% between 1960 and 1960, and another 26% between 1960 and 1970.

The breathtaking speed of this forced exodus created political unrest, prompting a number of attempts by Congress to alleviate the suffering created by this new policy. These attempts ranged from paying farmers to idle millions of acres of land through "soil bank" programs to the astronomical expansion of government credit programs.

By the early 1970's, farm population had already been cut in half by the enforced low prices. From their point of view, they had "won the war." In 1974 the CED published another set of recommendations on farm policy in a report called "Towards a New Farm Policy." They took enormous pride in the successful implementation of their earlier recommendations.

"When the Committee issued their policy statement "An Adaptive Program for Agriculture" in 1962, the problems of U.S. farming were mainly related to maintaining income in the face of continuing surpluses. The diagnosis was that agriculture was using too many resources; fewer farms and farmers could produce all the output that was required, or even more than could be marketed. As a result of these findings, we prescribed programs for the better use of our resources and agriculture [that], vigorously prosecuted, would enable the people involved in farming to receive higher incomes without government controls or subsidies. General policies of this nature have been pursued by the U.S. government, with the results described in the present statement: namely, that U.S. agriculture is a far more efficient, far more productive industry."

In their 1974 report, the CED recommended that the farmers who had survived be maintained on a "direct income subsidy program" from the federal government. A government-paid "direct income subsidy" became the cornerstone of new federal farm legislation in the early 1970's; this subsidy was eventually called a "deficiency payment" and was linked to a target price set by Con-
gress. Instead of setting price floors at decent levels as done by the parity legislation of the 1930’s, Congress chose to set farm prices well below the cost-of-production, with a portion of the loss made up by taxpayers through subsidies; and the rest of the loss was absorbed by farmers themselves by going deeper into debt. Until the bubble burst.

This marked the beginning of phase two of our current crisis. The replacement of a fair price in the marketplace with the decision by Congress to implement a subsidy program, rather than re-establish supply management and price stabilization, must be viewed as part of the broader trend of the Great Society. It was simply much easier to spend taxpayers’ money than to confront corporate power.

To most national policymakers, lacking familiarity with farm economics and intoxicated by the heavy visions of massive world trade, these recommendations seemed like miracle solutions. More food exports were balancing their trade deficits and boosting incomes of strong, struggling farmers. What could be better. To boost exports, policy planners chose the “fire sale” approach. Setting prices below cost of production was guaranteed to bring sales, even if it did cost billions of dollars of taxpayers money. The end result of this new subsidy program was that grain corporations and foreign buyers were able to buy grain at prices over $1.00 per bushel below cost of production. Huge sums of taxpayers’ money were spent to compensate farmers for a portion of their loss caused by this program, and farmers were forced to borrow enormous amounts of money to make up the difference.

This new farm program set the stage for the second stage of the farm crisis cycle — the infusion of massive amounts of credit to cover these losses due to low prices. Farmers would go into their local banks at the end of the crop year and say, “Well, I didn’t earn enough money on my crops last year to pay all the bills and to support my family.”

The banker would respond, “Well, it is too bad you didn’t earn anything from your crops, but that’s all right, we can still loan you more money because the value of your land has gone up. Just sign here, and by the way, we will need to include your equipment as collateral to help make up the difference.”

With inflation pushing up the paper values of farmland throughout the 1970’s it was relatively easy for farmers to borrow ever larger sums to cover annual losses due to the low prices set by federal policy. Farmers and ranchers, losing money year after year, were able to continue to operate on borrowed money from lenders who believed that farmland prices would continue to rise indefinitely.

As long as farmland was rising, and interest payments remained relatively low, farmers could survive from year to year by borrowing more money. But the collapse was inevitable. Farmers themselves were the first to speak out about the bankruptcy of this system. In 1978 and 1979, over 40,000 farmers came to Washington to warn that an agricultural system based solely on the hope of continued rising land values could not be sustained, and they demanded that farm prices be raised immediately to avert a total collapse. They predicted that over one-half of America’s farmers would be forced out of business over the next five or ten years if Congress refused to raise prices.

This prophetic message was largely ignored by most policymakers. As predicted, farm debt continued to rise, finally peaking at over $225 billion in the early 1980’s — an increase of almost 1000% over the $20 billion total farm debt before the introduction of the target price program in the early 1970’s. Although we hear a lot about Brazil’s massive debt of $100 billion, this debt is spread out over 100 million people, while most of this U.S. farm debt, nearly twice as large, is held by roughly 1 million farmers.

Interest payments on this farm debt now exceed net farm income, accounting for almost 30 percent of the production costs for many farmers. As more and more capital was extracted from agriculture in the form of interest payments, the conditions were created to set in motion the third and most devastating phase of the farm crisis cycle — the forced liquidation of individual family farms with the transfer of ownership into the hands of corporations, banks, speculators, and the federal government.

In 1981, the bubble finally burst, marking the beginning of this third stage. High real interest rates of the Reagan economic policy forced the most vulnerable farmers into bankruptcy or foreclosure. As this first wave of land and machinery went to auction, values on the land and machinery of other farmers were forced down by this sudden glut on the market. This downward spiral of falling land and machinery values led to insolvency among an ever-larger group of farmers, which now threatens to bankrupt many of the lenders themselves.

**DIMENSIONS OF THE CURRENT CRISIS**

With few exceptions all sectors of U.S. agriculture were experiencing the lowest relative prices of the century. Parity levels of all major crops and livestock were at the lowest ever recorded. The downward spiral of farm liquidations that started in the early 1980s has accelerated every year. At the national level, roughly 30 percent of our 2 million family farms are approaching insolvency. This group of farmers, holds roughly half of the total farm debt, more than $100 billion. As these farmers are liquidated, the actual salvage value of their holdings will fall far short of covering their debts. FAPRI has estimated that the total shortfall will be between $25 and $50 billion. In addition, at least 8 billion in annual interest and principal payments will go unpaid.

This crisis for farmers is being quickly overshadowed by the crisis facing many banks, both large and small. Over one-third of the 1,000 banks on the Federal Deposit

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Insurance Corporation "watch list" are agricultural banks. Bank of America, one of the largest farm lenders in the world, has suffered enormous losses in both agriculture and from their huge Third World exposure. Recent reports show that B of A acknowledged that bad loans plus their questionable loans to Mexico equal 110% of their total equity.

Farm input firms are also feeling the pinch of unrepaid debt. There has been a 400 percent increase in accounts receivable write-offs from 1981 to 1984 among cooperative suppliers in the central states. Almost three-fourths of these firms had debt-to-asset ratios exceeding 70 percent. Chase Econometrics has attempted to estimate the impact of this massive amount of unpayable debt. They concluded that without government policies to significantly raise farm income and restructure debt, loan write-offs will total as much as $20 to $25 billion. Bank losses of this magnitude could result in higher short term private interest rates, "due to the public perception of substantially higher risks," of up to one and a quarter percent. Higher interest rates will cause the loss of 175,000 to 275,000 jobs, a reduction in total gross national product by $30 to $50 billion, and a $14 to $21 billion increase in the federal debt.

The overall impact of the farm crisis on the U.S. economy can be visualized in a series of waves. First, it will force into bankruptcy a large number of farmers who cannot service their debts. As these farmers are sold out, remaining farmers and local banks will incur costs in the form of reduced land and machinery values, causing severe erosion in their credit worthiness.

Second, this decline in assets and credit worthiness will translate into reduced purchases of capital items by farmers, and local suppliers will no longer be able to offer credit for even short-term purchases. The local community will suffer a loss due to reduced retail sales, as well as the losses due to nonpayment on accounts receivable and bankruptcies. Business failures and unemployment follow, along with decreasing tax revenues simultaneous with increasing demand for public assistance.

As the local banks become increasingly vulnerable, the credit markets will raise the interest rates charged to these lenders to even higher levels, in hopes of covering anticipated losses. Interest rates for agricultural loans will remain high, forcing even more farmers out of business. As these losses become large enough to affect national financial markets, rates will move up for nonfarm borrowers, including businesses, government, industry, and consumers. This is the primary mechanism by which losses in agriculture due to low farm prices will be transferred to the economy at large. The public will be forced to pay for the financial crisis in agriculture through higher interest rates, larger government deficits, an economic slow-down, and an increase in government expenditures to deal with the social and environmental consequences.

Although it is important to look at the national situation, it is perhaps more telling to look closely at the state and local level. Minnesota provides an excellent example. As of January 1, 1985, over 13 percent of Minnesota farmers were already technically insolvent, having debts greater than their assets. Another 17 percent of Minnesota farmers were between 70 to 100 percent in debt to asset ratios. During 1985 land fell another 22 percent, bringing the total land value drop to nearly 55 percent since 1981. As a result the 17 percent previously in the 70-100 percent category now have become insolvent or have already been liquidated. In addition, the 30 percent of Minnesota farmers, who were in the 40 percent to 70 percent debt-to-asset ratio in January of 1985, have edged closer to insolvency.

The 30 percent of Minnesota farmers now insolvent hold 55 percent of the nearly $12 billion total farm debt, roughly $7 billion. As these farms are being liquidated, they are unable to repay the entire debt. As much as 10 to 20 percent of this debt simply cannot be recovered, meaning that between $1 and $2 billion of the debt cannot be paid, equivalent to the entire capital assets of all Minnesota farm banks combined.

Within Minnesota, each farm liquidated means fewer customers for local retailers and farm-related manufacturers, and it means more used trucks, tractors, and other equipment on the market. Every farm liquidated means the loss of five to seven jobs. Every six farms liquidated closes another rural business. Every dollar earned by a farmer circulates throughout the economy, creating at least three to five additional dollars in goods and services.

Farmers and businesses losing money don't pay taxes; neither do unemployed workers. This sharp reduction in tax revenues comes precisely at the time when demands on government for assistance for farmers, unemployed workers, failing banks, and bankrupt businesses are skyrocketing. The shortfall in Minnesota revenue, caused largely by the failing farm economy, was over $700 million last year alone. Tax revenue collections in some Minnesota counties are below 70% of projected levels, bringing a number of counties and school districts perilously close to bankruptcy.

The Spring of 1986 brought a new and even more ominous trend to rural America. Farm lenders, under intense pressure from bank examiners, simply were unable to provide operating credit to a large number of farmers. As many as 500,000 throughout the United States may have been unable to get adequate credit.

The accelerating crisis has immeasurable social costs. Alarming rates of spouse and child abuse, alcoholism, and the highest suicide rate among all professions are just a few examples. The recent rash of shootings by both farmers and lenders, who have snapped under the intense pressure of the crisis, is just the tip of a very dangerous iceberg.

The loss of 50 percent of our family farmers over the next few years will have long-term political implications as well. $500 billion in farmland, livestock, and machinery will be taken out of the hands of working
farm families and given to banks, insurance companies, wealthy individuals, and the federal government.

The problems created by the current concentration of power in the hands of banks and corporations are difficult enough already. The displacement of family farmers with corporate-controlled agribusiness could fundamentally alter the political climate of the entire Upper Midwest, turning historically progressive states like Wisconsin, Minnesota, and North Dakota into regions similar politically to the Imperial Valley of California.

What, If Anything, Can Be Done?

The intense national debate over the 1985 Farm Bill was extremely valuable for clarifying different policy options and political realities. There were three central elements in the 1985 Farm Bill debate. First and foremost, what prices for crops and livestock should farmers ultimately receive? Second, what is the amount, if any, of public financial support that is appropriate? Third, what is the role of food exports and imports in creating our current farm prices and potentially solving the farm crisis?

Two primary positions emerged out of this debate. In one camp was President Reagan, House and Senate Republicans, and a few of the conservative House Democrats advocating essentially a continuation of the historic bipartisan approach that has dominated farm legislation since the early 1970's. This position was often referred to as the free market or modified current program position. It was based on the hope that boosting farm exports would eventually result in higher prices and economic recovery for farmers. In order to boost exports, supporters of this approach wanted to lower prices even further. The main argument within this camp was over whether there should be an increase in subsidies of a small amount to cover some of the huge losses farmers would have to suffer due to even lower prices. The compromise reached was to increase subsidies through the 1986 election year, and then cut them dramatically.

The other primary position, often referred to as the supply management approach, would have given farmers the right to vote in a referendum for production controls to balance supply with demand. Under this proposal, all deficiency payment subsidies would have been eliminated, by setting Commodity Credit Corporation price floors at levels to fully cover production costs. A close look at the main points of agreement and disagreements between these two positions helps clarify both the economic and ideological stakes.

Both approaches share the assumption that market prices for farmers are too low to cover costs, and that these low market prices are being set by the Commodity Credit Corporation loan program floor levels for our major crops. For the past 50 years there has been a close relationship between the CCC floor loan rates and market prices, with the only major exception being the brief period of massive Russian wheat purchases in the early 1970's as a result of a natural disaster. A second area of agreement is that by dominating world agricultural trade, the U.S. sets world prices. For example, the U.S. ships about 80 percent of the world's soybeans that are exported, 70 percent of the world's corn, and nearly 40 percent of the world's wheat. By comparison, the Middle East produces only about 40 percent of the world's oil trade. If we deliberately lower our prices, all other producers will be forced to lower their price to at least a dime below the U.S. level — just to protect their tiny share of the world market. Likewise, if the U.S. Congress forces up U.S. market prices by raising Commodity Credit Corporation loan rates, other producers would follow suit, continuing to price their product just a small amount under the U.S. price.

Third, many agree that the total farm debt — nearly $225 billion at this point — is simply not repayable. Cheaper money at longer term rates is a necessity, but there seems to be no possible solution to repaying the debt that currently exists.

Another, area of agreement, was that government costs for farm programs must be reduced to decrease the overall budget deficit — a necessity if we are to bring interest rates and the value of the dollar under control. For example, many argued for abolishing the deficiency subsidy for corn and wheat, which would have freed up over $1 billion, more than enough to cover all Gramm-Rudman cuts in 1986.

Finally, most agreed that somehow the overall supply of farm commodities must be reduced, and that the Federal government is the only entity capable of helping farmers to collectively decide how to best manage their production. High government costs, dollar pressure on prices, and people starving while grain rots in storage bins are but a few of the arguments supporting the demand for some federal action in this area.

But here agreement ends. The real debate over farm policy comes down to this: should farm prices be deliberately set below cost of production, with losses partially offset by taxpayer subsidies, in hopes of gaining increased export sales? Or should farmers be given the right to vote on a strong supply management program, which would include higher CCC loan rates combined with effective production controls?

The Food and Agriculture Policy Research Institute at Iowa State University and the University of Missouri have done the most comprehensive and accurate computer modeling for analyzing these federal farm policy proposals.

First they looked at the Reagan proposal. The following is taken directly from their analysis:

"On February 22, 1985, Secretary Block presented the Administration proposal for the 1985 Farm Bill to the Senate Agricultural Committee. The proposal is for a market-based U.S. agriculture with a rapid phase-out of direct subsidies and loan rates as three-year moving averages of annual farm

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prices. By 1990, direct subsidies would be eliminated and direct government costs to agriculture essentially zero. This proposal has been analyzed by the Food and Agricultural Policy Institute (FAPRI) assuming moderate economic growth for the United States and foreign economies, but with high U.S. budget deficits, real interest rates, and the exchange rates declining slowly. Results of the analysis show:

- Net farm income falling from about $25 billion in 1986 to $13 billion in 1988, but recovering to $16 billion in 1990.
- Prices for major program commodities fall as supply controls are reduced, loan rates drop, and production increases.
- Farm debt and financial market problems will be aggravated by the Administration proposal, if implemented. With net farm income falling and real interest rates remaining high, only about 20 percent of current farm debt is likely to be fully serviced in 1988. This compares with 35 percent under current conditions. The annual interest short-fall on the debt in 1988 is estimated at $6.6 billion, compared with $2.5 billion under current conditions.
- With the expanded export and production levels, acreage on corn, cotton, rice, and wheat in 1989/90 is estimated to reach 177.6 million acres.
- USDA and FAPRI analyses differ in some of the commodity details, but appear to be consistent in indicating substantial losses in farm income flows during the first few years of the proposed farm program.

The struggle between these two approaches was intense. Not surprisingly, the most powerful lobbyists for low farm prices were the major grain corporations like Cargill andRalston-Purina. Quite disturbing, however, was the initial strong support for lower prices by the Republican Party oriented American Farm Bureau Federation and a number of national commodity promotion councils, like the National Wheat Growers and the National Milk Producers Federation. These groups also made large financial contributions to key congressional leaders, who were supporting price cuts or higher subsidies.

Beyond their enormous expenditures for individual lobbying, a number of agribusiness trade associations formed a new organization, called the Farm Coalition Group, to lobby for lower prices. One of the most important members of this group, the National American Wholesale Grocers Association, rewarded Agriculture Secretary John Block for his successful efforts to win even lower commodity prices by hiring him as their president immediately following the signing of a farm bill to their liking.

In the other camp, organizations working to win higher prices and supply management formed a National Coordinating Committee, which has grown to over 150 groups, including strong support from many trade unions, Black organizations, and key churches. Lacking the millions of dollars available to their corporate opponents, grassroots farm organizations have to build their strength on local organizing and national coalition building.

In the House of Representatives two supply management proposals passed at the committee level and made it to the floor. One of these proposals, made by Congressman Bedell from Iowa, received 174 votes, needing 218 to pass; voting against this measure were a large number of liberal urban Congressmen and practically all Republicans. The second, an amendment to an appropriations bill made by Appropriations Committee Chair, Jamie Whitten, passed the full House by a vote of 221 to 200.

The Whitten proposal was straightforward. “The Secretary of Agriculture shall use his authority under existing laws to provide for non-recourse loans on basic agriculture commodities at such levels as will reflect a favorable return to the farm producer above the cost of production.” This language was attached to an overall appropriations bill providing continuing funding for the whole government, making it virtually veto-proof.

This proposal was defeated by the Senate Appropriations Committee on a strict party line vote. A number of Republican senators from hard-hit farm states laid their political lives on the line when they voted against the proposal. If just two of these Senators had switched their votes, farmers today would be getting paid a fair price for their commodities.

With the defeat of the Whitten proposal, the Reagan Administration was able to push through its own proposal. The final conference version of the bill was eventually passed by both sides of the House. FAPRI has completed an analysis of this final bill.

FAPRI found that farm prices will fall to record low levels. Wheat will fall from $3.30 per bushel in 1985 to $2.27 per bushel by 1988; cost of production of wheat is around $4.50. Corn will fall from $2.50 per bushel in 1985, to below $1.96 by 1988; constant cost of production of corn is around $3.00.

Net farm income will continue to fall, going below $20 billion by 1989.

Ironically, the bill will be the most expensive in U.S. history. Deficiency payments subsidies will cost over $14 billion every year. The grain companies, who lobbied Congress heavily to maintain subsidies, argued that they were necessary to increase U.S. farm exports. In reality, the FAPRI study showed that export earnings will fall under this bill due to the lower prices for the commodities, with or without these subsidies. FAPRI also showed that the taxpayer cost to subsidize these exports is now greater than the total value of the exports being subsidized, spending nearly $6 billion to subsidize corn exports worth only $4 billion, and spending nearly $4 billion for wheat exports worth only $2.6 billion.

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The 1985 bill also has enormous short-term and long-term environmental implications. For example, one of the primary justifications for low farm prices has been that they forced farmers to find ways to increase their productivity by intensifying their methods of production. Just like a worker whose wages are cut in half, farmers facing lower, falling prices must work twice as hard to cover the bills. Although this enforced intensification may be good for the buyers of farm productivity who benefit from these lower prices, it is disastrous for the environment. This process of intensification has led to the abandonment of careful soil and water conservation practices, and many farmers have been forced to begin tilling marginal, highly erodable land. In additions, the destruction of the family-operated cattle ranches by corporate feedlots has wiped out grazing hillsides, leaving the farmer with little choice but to put corn and soybeans on these fragile lands. After just a few years, these hillsides wash away, sending the topsoil down the Mississippi River.

Forcing families off their land results in a great deal of farmland being passed into the hands of large corporations and absentee investors. They have generally treated our irreplaceable soil and water resources with the same narrow, short-term profit orientation that has characterized corporate treatment of other capital resources, like our steel mills and railroads. The earth is used and abused as long as it can show a high enough profit or serve as a tax shelter to hide other profits. Once depleted, or depreciated, the land is often covered up for development purposes after the groundwater is pumped dry, and the rivers polluted.

**TOWARDS FARM POLICY REFORM**

Advocates of alternative policies came narrowly close to winning after only nine months of serious lobbying. The White House was forced to pull out all the stops to prevent the adoption of some form of supply management proposal. This remarkable show of power by those advocating an alternative policy can be best understood by looking at the political process which brought it into being.

Although 40,000 farmers came to Washington D.C. in 1979 to sound the warning about the impending farm crisis, it wasn't until land values actually began to fall in the early 1980's that serious organizing to change Federal policies began in earnest.

Between 1980 and 1983, grassroots farm groups were springing up all over the country. Progressives within traditional farm organizations began to agitate for recognition that higher farm prices were needed immediately.

Even before the 1984 election year began, farmers developed a national political agenda to influence targeted elections, creating the conditions needed to influence the 1985 Farm Bill debate. Farmers and rural residents organized within both political parties, including the founding of the national rural caucus within the Democratic Party. In addition, a broad spectrum of rural residents participated in a non-partisan national media campaign organized by the League of Rural Voters to make the farm crisis a top political issue.

At the same time, key agricultural policy leaders, like Texas Agriculture Commissioner, Jim Hightower, and Minnesota Agriculture Commissioner, Jim Nichols, organized a series of public hearings around the country to gather input for the formation of an alternative agriculture policy. At these hearings, five key objectives for farm legislation came up time and again.

Participants felt first and foremost that farm income must rise significantly. Next they believed that this income should come from the marketplace, not from taxpayers, meaning that subsidies should be eliminated to reduce the Federal deficit. The farmers testifying wanted prices high enough to insure a reasonable profit for farmers and maximum export earnings to help the nation's imbalance of trade. Next, there was strong sentiment that our environment must be protected - including both the permanent retirement of fragile land and the imposition of supply management based on production, not acres, in order to de-intensify production. And last, but not least, there was deep concern that the hungry must be fed, and that we should not advocate policies that would harm agriculture in other countries.

Political efforts of farmers were focused in key farm states, like Iowa and Illinois, with remarkable results. Although Reagan took Iowa by a substantial margin, Tom Harkin easily ousted incumbent Roger Jepsen due to strong rural and farm support based on his understanding of the farm crisis and the need for higher farm prices and supply management.

Newly elected Senator Harkin was the natural choice by grassroots farm groups to carry the alternative farm policy written in the countryside, eventually called the Farm Policy Reform Act. Although this particular piece of legislation was clearly the most comprehensive of the supply management proposals put forward, there were a number of other proposals, including those by Berkeley Bedell of Iowa, Jamie Whitten of Mississippi, Harold Volkmer of Missouri, and Obey of Wisconsin.

Initially this alternative approach was given no chance of survival by the experts in Washington. But it quickly picked up support. By the time of introduction, Senator Harkin had five co-sponsors in the Senate, and there were twelve co-sponsors in the House, including Deputy Whip, Bill Alexander of Arkansas, and an impressive number of members of the Congressional Black Caucus.

The important factors in building support were the incredible political pressure from the countryside and the convincing arguments on the economic benefits of higher prices, supply management, and huge savings to reduce the deficit.

The central element of the Farm Policy Reform Act was fairly straightforward. Farm prices would be raised significantly by raising the price floor set by the CCC, and a supply management program would manage production in order to reduce and totally eliminate all governmental costs.

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This supply management program would allocate to each producer a predetermined “base” of production, determined by taking the average of their last few years. If the nation as a whole needed 15 percent less corn than is normally produced in order to balance supply with demand, then each producer would simply reduce production to reach this goal. At the end of the year, it would be determined how accurately the program worked, and adjustments would be made in the following year’s determination of need to compensate for any differences.

The Commodity Credit Corporation would set floor prices at levels where farmers would be able to earn a living and repay their debts, starting out at 70 percent of parity. In addition, they would be free to use collective bargaining or other cooperative methods to raise prices above this minimum level.

The Farm Policy Reform Act (FPRA) also included a wide range of measures designed to address the damage already done to our rural communities, farm families, and the rural environment by the destructive target price subsidy program of the 1970’s.

For example, the FPRA “targeted” benefits to family-sized producers by requiring large operators to absorb a larger percentage of any reduction needed to balance supply with demand. This was needed to ensure that small and medium-sized producers would receive the greatest protection when reductions were necessary, and that there was an incentive for huge operations to return to more moderately-sized operations.

Another example was the strong environmental section of the bill, designed to insure that a portion of the savings from eliminating deficiency payment subsidies would be used to pay family farmers to create, on a permanent basis, a 50 million acre “conservation reserve” for soil conservation and wildlife protection purposes. Even more important, the FPRA totally eliminated the target price program, which has encouraged more chemically intensive farm practices. Through supply management provisions, the FPRA encouraged the reduction in use of chemicals and fertilizer, thus providing greater protection for groundwater resources.

The FPRA also would have greatly expanded the food and nutrition programs, incorporating the major proposals of the most important nutrition and hunger groups, like the Food Action and Research Coalition.

Even with strong targeting of benefits to family farmers, extremely advanced environmental protection provisions, and the most progressive food and nutrition security proposals ever put before Congress, a large number of liberal, urban Democrat members of the House refused to support this bill.

Their main arguments for keeping farm prices low and then supplementing farm income with tax dollars is that it helps keep prices down for low-income U.S. consumers. Some even argued that the tax structure is progressive, whereas the retail food system is regressive, meaning that higher retail prices would hurt poor people more, while higher taxes would theoretically be paid by higher income people.

This line of reasoning tended to ignore the fact that our most heavily subsidized crops are mostly shipped overseas to the Soviet Union, Europe, Japan, and the Middle East, which means that U.S. taxpayers are mostly subsidizing foreign buyers. For example, in 1985 we will spend nearly $12 billion to subsidize corn and wheat production. If in place of subsidies we simply raise the price of both of these crops to reasonable levels, we would add only $10 billion to the $34 billion U.S. food bill — an increase of less than 3.0 percent, or about a nickel on a dollar loaf of bread. Saving $12 billion would make it fairly easy to double the money available for food stamps, school lunch programs, and every other nutrition program needed to protect poor people.

At least 47 liberal Democrats voted with President Reagan to defeat the progressive alternative farm bill. The bill only lost by 42 votes.

The wheels are already greased and in motion to grind up and spit out over one-third of America’s family farmers before the 1988 elections. It would take an enormous effort to do anything about the problem, so why bother?

First of all, the stakes are high. If nothing is done, nearly $500 billion in food producing resources will be taken out of the hands of working farm families and confiscated by corporations, banks, wealthy individuals, and the Federal government.

Second, many bitter and desperate rural people, faced with losing everything they’ve worked for, may be drawn into one of the right-wing extremist organizations active throughout the countryside. This danger is a threat to our democracy, requiring aggressive action to deal with the source of this problem — the economic crisis in our rural communities.

Finally, rural people make up 30 percent of the national electorate, constituting a majority in over half of the crucial Senate race states in 1986. In a recent Harris poll survey, a majority of the people in farm states stated that given a choice between a Democratic candidate and a Republican candidate, they would choose a Democratic candidate by a margin of 54 percent to 41 percent. This dramatic shift in voting patterns could have an enormous impact on the next election, but it remains a highly volatile force.

The farm crisis, due to the massive unpayable debt, could touch off a nationwide — perhaps even worldwide — economic depression. If this happens, the Reagan Administration may move to expand military spending in hopes of stimulating the economy — or it may launch us into more overseas military adventures in an attempt to take minds off the trouble we face here. Political leaders will use wars, no matter how insane, to take our minds off economic crisis at home. In the nuclear age, the U.S. farm crisis becomes a fundamental threat to world peace.

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The top 1/4 of the nation's households possess 35% of the nation's net worth. The top 10% owns 72%. That's up from the figures 20 years earlier, when the corresponding ownership percentages were 25% and 65% for the top 1/4 and 10%.

People wonder why I'm a Luddite. Well, it's estimated that at any one time 14,000 people may be subject to false arrest, because of incorrect information in the country's law enforcement computers.

The Fundamentalist Baptist Tabernacle of Los Angeles issued a press release saying they would pray for the death of baby killer Supreme Court Justice William Brennan. This because Brennan voted to legalize abortion thirteen years ago.

A magazine arrives in the mail. The return address belongs to an organization called SHMATE. They ask for your help solving a major crisis in our society. The written appeal is reasonable, yet stirring. You are made to feel that you can make a difference with only a small contribution to their cause. Besides, you just paid your taxes and would like your hard-earned money to go for something other than MX missiles and Star Wars Lasers. So you get out your checkbook and make a donation to SHMATE, Box 4228 Berkeley, CA. 94704.

David J. Bercuson vividly documents the birth-pangs of the State of Israel in 1948, while recounting the saga of the over 5,000 volunteers from abroad who fought to secure its precarious survival.

Making use of hitherto unavailable documents and diaries, plus official archives of Canada, the U.S., Israel, and the United Nations, Bercuson brings to light many little-known facts about Israel's war of independence. For example, he clearly delineates the crucial role played by Czechoslovakia in breaking the arms blockade imposed by Great Britain, the United States, and their allies. Not only did Czechoslovakia supply vast amounts of small arms, ammunition, and artillery, but it was the major supplier of military aircraft, while Great Britain continued to supply weapons and provide air reconnaissance for the Egyptians. The U.S. did everything possible to prevent the transfer of war surplus planes and weapons purchased by American Jews. The Czechs, on the other hand, provided bases for training, aircraft repair, and instruction, and helped set up a regular airlift from Zatec to airfields in Palestine.

The Secret Army is also notable as the most objective account to date on the role of foreign volunteers in this struggle, evaluating their achievements and problems even-handedly. Bercuson makes no attempt to gloss over the morale problems which developed, nor the antagonisms which mushroomed between Israelis and foreign volunteers.

Altogether, it can be said one of the best-researched and objective accounts yet to be published on this turbulent period. Bercuson, a professor at the University of Calgary, has made his presentation both terse and lively. His documentary material and personal interviews are woven together to produce a highly readable contribution to our collective understanding.

from Canadian Jewish Outlook, May 1984
Jews can meet and build working coalitions to address the farm crisis. And if [the crisis] continues, we can expect an increase in anti-Semitism in the most vitriolic ways", according to David Goldstein, Executive Director of the Jewish Community Relations Bureau in Kansas City. Goldstein and a number of other Jewish leaders began to address the farm issue, after hearing reports of increased activity among radical Right and neo-Nazi organizations in areas hard-hit by the agricultural depression.

A growing number of Jewish communal agencies have concluded that the best way to fight rural anti-Semitism is to organize forums in which farmers and Jews can meet and build working coalitions to address both rural anti-Semitism and support initiatives that will ease the suffering of rural families. In the Jewish community, some of these actions have included staffing emergency hot-lines in rural areas, raising money for family farm organizations, and, more recently, supporting political measures to change current government agriculture policy. As Gertrude White, national president of Women's American Organization for Rehabilitation Training (ORT), put it, "What began as a concern about anti-Semitism has evolved into a very real concern about farmers and rural people in this country. Once we started learning about their problems, we felt we had a moral responsibility toward them."

Jewish theology and history, as they pertain to the land, are significant, because they can help frame an authentic Jewish response to the farm crisis. Our traditions warn against the kind of economic environmental catastrophe occurring in America's farm regions.

The Jewish "moral responsibility" to family farmers has its origins in traditions and teachings that view land as both an agricultural resource and an instrument through which society can insure social justice. Jewish texts emphasize both responsible stewardship of the earth's resources and the importance of preventing concentration of land ownership. American social critic Henry George reflected the biblical perspective, when he wrote in the nineteenth century. "The great cause of inequality in the distribution of wealth is the inequality in the ownership of land." In short, the Jewish community, despite an overwhelmingly urban orientation, can look to its theology and historical experience to provide forceful arguments for active involvement in land and agricultural issues.

Everett Gendler, a Lowell, Massachusetts rabbi and farmer, notes that, "The first thing to notice about the biblical approach to the environment is that it permits no sharp distinction between the so-called natural and the so-called societal." This point is most graphically illustrated in the Jubilee legislation in the book of Leviticus. Jewish biblical laws concerning land ownership are rooted in the Leviticus command to observe Sabbatical and Jubilee years, regular intervals wherein God's ownership of the land was reasserted, and temporary human ownerships were reassigned to new families. (Leviticus 25:1-24) Gendler contends that the Jubilee legislation was "given as part of radical social legislation to redistribute concentrated land holdings." It is written in the Torah, "But the land must not be sold beyond reclaim, for the land is Mine; you are but strangers resident with Me. Throughout the land that you hold, you must provide for the redemption of the land." (Leviticus 25:23-24) In addition to returning the land to its original family owners, the Jubilee also included a temporary halt in agricultural activities (an early soil conservation technique), liberation of slaves, and remission of debts. Rabbi Richard Hirsch of the World Union for Progressive Judaism adds, "The desire for wealth symbolized by land can become the cause of strife...the Jubilee and Sabbatical years were evolved as a reminder that [people] should temper their ambitions in favor of interpersonal justice, and harmony."

While there are many important statements in the Torah and Jewish prophetic teachings regarding agricultural practice, one can also view the connection between the land and justice in the major Jewish festivals — particularly the harvest holiday of Sukkot. Michael Strassfeld of Congregation Ansche Chesed in Manhattan believes the importance of Sukkot lies in the holiday's message to urban residents, who may not fully realize their ultimate dependence on the food chain and the work of farmers. According to Strassfeld, "No matter how far we have come from any connection to the agricultural cycle, it is important to remember our dependence on food that is sown, nurtured, and finally harvested...We should all remember the human dependence on a successful agricultural year and the joy that a bumper harvest brings." In addition, it is also traditional to share the joy of the harvest with the poor and homeless. Thus, sharing the bounties of agriculture are an important act of tzedakah — justice — on Sukkot.

While Jewish text and holiday celebrations provide a strong moral and philosophical basis for action on agricultural issues, one can also find an important rationale for work on land-related concerns by examining Jewish history, and the laws forbidding Jews to own land and practice agriculture.

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Jewish life in the Diaspora has been characterized by fluctuations in the level and intensity of anti-Semitic actions. In times of severe repression, however, the right to land ownership was often one of the first restrictions placed on the Jewish populations of the Middle East and Europe. Joseph L. Blau writes that during the Middle Ages various laws, “virtually excluded Jews from land owning and, as a consequence, from agriculture. From this situation arose the myth, still prevalent in our day, that Jews are, by nature, unfit for agricultural pursuits.”

The experience of Russian Jews in the late nineteenth and early twentieth centuries presents a clear example of the relationship between land rights, anti-Semitism, and social and economic repression. Beginning in the 1700's the Russian czars confined Jews to a “Pale of Settlement” in areas of western Russia and what is now eastern Poland. In the Pale, Jews experienced physical constraints, oppressive taxation, and increases in anti-Semitic incidents. This difficult period for Russian Jewry peaked with the institution of the May Laws of 1882. The May Laws, which remained in effect until 1917, placed severe restrictions on Jews' ability to own land — and displaced Jews from 90% of the land previously available to them.

The actions of the Russian government in the period from 1882-1917 depict the relationship between land ownership and the distribution of wealth and power in a society. The Russian authorities were able to control millions of Jews by usurping land rights. Once this was accomplished through the introduction of the May Laws, there were few constraints left to stop a régime committed to the destruction of viable Jewish communities in the Russian Pale.

Many Jews displaced from Russia emigrated to North and South America and Palestine. These areas have been among the few places in history where Jews were able to earn an independent living from agricultural activities. In the United States, while their numbers were relatively small, Jewish immigrant farmers, like their brethren in the cities, formed a wide range of progressive communal organizations, including producer cooperatives, mutual aid societies, and farmers' unions. One of the most important of these organizations was the Jewish Agricultural and Industrial Aid Society founded in 1911, which helped to set up numerous farm credit cooperatives—as an alternative to banks, which often were hesitant to give loans to farmers. Leonard Robinson, writing for the American Jewish Committee in 1912 believed, “The most remarkable feature in the evolution of the agricultural movement among Jews is the spirit of self-help and cooperation. The Jewish farmers have learned the advantages of organized endeavor, and their efforts at mutual self-help are being repaid ... There are forty-eight active and enterprising Jewish farmers' associations [which] supply the cohesion whereby Jewish farmers are held together.”

By 1930 it was estimated that there were approximately 16,000 Jewish farm families in the United States, comprising a total Jewish farm population of 80,000. Ironically, many Jews moved to farms during the Great Depression, after losing their small businesses in urban areas. Dr. Gabriel Davidson, writing for the Jewish Agricultural Society in 1929, pointed out, “the concentration of business into fewer and fewer hands raises the specter of impending tragedy before the eyes of the small shopkeeper, unable to stand up under the ever mounting competition... Farming presents itself to [urban Jewish small businesspersons] as an avenue not to wealth, but to safety, a means of attaining economic independence.”

The Jewish farm population peaked following World War II. A small number of Holocaust survivors and refugees from Nazi Germany were the last group of immigrant Jews to enter farming as a profession. The Yiddish periodical The Jewish Farmer ceased publication in 1959, and the Jewish Agricultural Aid Society disbanded in 1978. There is no current census of the number of Jewish farm families, yet a small number of Jews remain in farming in many parts of the country, with the majority concentrated in New York, New Jersey, and Connecticut.

The current farm crisis reflects a larger trend toward centralization and corporate control of America’s basic productive sectors. It is part and parcel of a food distribution system riddled with inequities and injustices. As a farm organizer recently stated, “The farm crisis of the '80's could very well become the food crisis of the '90's.” Thus, while there is a strong precedent for Jewish action on land issues—in our theology and history—it is ultimately our self-interest in an open, stable, and democratic society, that will shape Jewish responses to the present crisis.

Jewish communal organizations and agencies began to respond to the present crisis in late summer 1985. Initially, the concern about the farm crisis tended to focus exclusively on strategies to combat rural anti-Semitism and the rise of the radical Right in farm areas. Different reactions to the issue of anti-Semitism in farm country surfaced shortly after ABC News’ controversial segment of 20/20 entitled “Seeds of Hate” aired on August 15th, 1985. The piece, narrated by Geraldo Rivera, concentrated on the activities of the most extreme and violence-prone groups. Footage of gun-toting neo-Nazis organizing debt-ridden farmers provided the Jewish community with its first real glimpse of one of the social consequences of the farm crisis.

The Anti-Defamation League of B’nai B’rith (ADL), usually a reliable source of information on the relative strength of anti-Semitic organizations appeared to be caught off guard by the sheer number of calls it received from concerned members of the Jewish community. The

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ADL moved quickly to discredit the ABC story. Typical was an article in last winter’s edition of the Ohio-Indiana-Kentucky ADL Update which stated, “Our response to [concerned] callers included the explanation that the 20/20 piece was sensationalized and misleading.” ADL also seemed to downplay independent reports of increasing numbers of farmers being exposed to anti-Semitic literature and the possible infiltration of anti-Semites in mainstream farm organizations.

The American Jewish Committee, on the other hand, did not respond directly to the accuracy of the 20/20 segment, but did organize a fact-finding trip to the Midwest following the ABC broadcast. Rabbi James A. Rudin, Director of Interreligious Affairs, concluded after his August tour of the rural Midwest, that “While farmers are no more anti-Semitic than anyone else, they admit that their friends and relatives are more vulnerable to propaganda, because of the economic crisis.” Rudin helped to organize a major press conference held at AJC headquarters in New York last September 20th, which featured prominent clerics and a farm leader from Iowa, a leading law enforcement official from Kansas, and representatives of the Jewish community, who urged a strong and unequivocal stand against the rise of the radical Right. Following the press conference, American Jewish Committee Midwest Director Jonathan Levine attended November training sessions in Iowa and Minnesota, designed for farmers and rural activists concerned about the radical Right. The trainings, co-sponsored by the Center for Democratic Renewal, Prairiefire, and the North American Farm Alliance, attracted nearly 100 participants. In summarizing the purpose of such gatherings, Daniel Levitas of Prairiefire observed “Fighting rural anti-Semitism is the responsibility of Christian clergy, farm organizations, and civic leaders. The Jewish community can play a valuable role in influencing that effort and providing input.”

One of the first efforts to bring a large number of farmers and Jews together occurred in Minneapolis last January. The Jewish Community Relations Council of the Anti-Defamation League, working with a major national network of farm groups, the St. Paul-based Family Farm Organizing Resource Center (FFORC) held a “Farmer-Urban Dialogue” at a Minneapolis synagogue. The program attracted nearly forty farmers and over 100 members of the Jewish community, and was part of FFORC’s National Conference on Farm and Food Policy. The event was significant, because it was one of the first attempts by a Jewish organization to deal with the farm crisis as an economic justice concern, beyond the immediate problem of anti-Semitism. While Mort Ryweck (JCRC/ADL) addressed the issue of hate-mongering by the radical Right, the program also featured a talk by a Minneapolis rabbi on “Jewish Tradition and the Land”, and included a number of speeches by farmers and farm activists pertaining to agriculture policy. Jewish families also provided hospitality to farmers attending the FFORC conference. The beauty of the program, according to farm organizer Steve O’Neil, was in the opportunity it provided for human contact. “Many farmers and Jews have never met on a personal level. The forum helped each community become more sensitive to the needs of the other.” The meeting also appeared to give added momentum to Minneapolis JCRC-ADL’s participation in the lobbying efforts of Minnesota’s Joint Religious Legislative Coalition (JRLC), an interfaith organization concerned with social policy. As a member of JRLC, the JCRC-ADL has been involved as an advocate for political solutions to the farm crisis—such as lobbying for a ban on farm foreclosures and other policy initiatives supported by many Minnesota family farm organizations.

David Goldstein of Kansas City’s Jewish Community Relations Bureau (JCRB) has led the fight to establish a national Jewish policy on farm issues. In a passionate speech before the National Jewish Community Relations Advisory Council (NJCRAC) last February, Goldstein admonished his colleagues to care about the farm crisis, and view it as a national policy issue. He stated, “We are a compassionate and caring people; we should care; we should join others in the Christian community who are already involved and recognize our responsibility to help. We need to do this because of our own self-interest and because we are human beings who will not sit still while others suffer. The time is now.” Goldstein was instrumental in passing a NJCRAC resolution at the February meeting encouraging the Jewish community relations field to, “call attention to the economic and social problems affecting a large segment of America’s farm belt population.”

Yet, resolutions, including the relatively innocuous NJCRAC statement, mean little without a concrete grassroots organizing strategy to deal with the Jewish concern about anti-Semitism and farmers’ needs for both emergency social services and credit relief. In short, instead of moving forward on specific policy initiatives designed to engage farmers and Jews in dialogue and begin the process of bringing Jews into the issue on a grassroots level, a number of national Jewish organizations, even those who have shown sympathy for the farmer’s plight, became bogged down in task-forces that did little to further the general objectives of the NJCRAC resolution. Indeed, many discussions about the issue in Jewish organizations turned into debates regarding the extent of anti-Semitism in rural areas, rather than tackling the critical issues regarding American farm policy.

The “debate” about anti-Semitism turned into a public jousting match between ADL and the American Jewish Committee after the results of an ADL commissioned Harris poll, intended to measure anti-Semitic attitudes of farmers in Iowa and Nebraska were made public. The ADL interpreted the results of

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the poll as confirmation of its contention that reports of increased anti-Semitism had been grossly exaggerated. Nathan Perlmutter, national director of the ADL argued that, "The results clearly show that the American farmer is decidedly not as vulnerable to bigotry as those who shriek cry wolf about anti-Semitism would have us believe." In the survey, which asked whether "certain religious groups such as Jews" were responsible for the crisis, 4% said "a great deal," 9% said "somewhat," and 79% said "not at all." Yet, over 40% of the respondents agreed with the statements: "Jews should stop complaining about what happened to them in Nazi Germany," and "When it comes to choosing between people and money, Jews will choose money.

And in a particularly ominous finding, 27% agreed with the statement "Farmers have always been exploited by international Jewish bankers", while 75% of the respondents blamed the farm crisis, in part, on "big international bankers", which the far Right associates with Jews.

The American Jewish Committee openly challenged the ADL's interpretation of the poll. James Rudin said, "I find little comfort when one out of four farmers responded with anti-Semitic attitudes." The ADL press release regarding the survey also omitted Lou Harris' own comments about the poll, in which he asserted that the data reflect a dangerous increase in anti-Semitic activities. Referring to the 27% who directly implicated Jews in the crisis, Harris stated, "Any phenomenon which affects one in four respondents must be viewed as a mass phenomenon, even if it is not massive. Put another way, one does not have to venture far into either [Iowa or Nebraska] to find an abundant number of people who are prepared to lay some of the blame for the plight of farmers on international bankers, and many of these clearly are thought to be Jewish."

A NJCRAC committee on Midwest Extremism and Farm Belt anti-Semitism at an April meeting in Des Moines appeared to also view the Harris poll as a confirmation that anti-Semitism was on the rise in the rural Midwest, because of the farm crisis.

In addition to NJCRAC, several other national Jewish organizations are beginning to address the farm issue. In April, high-ranking officials of the American Jewish Congress toured rural areas of Iowa and set up a task force to study ways in which the A.J.C. can respond to the problems. Also in April, the Union of American Hebrew Congregations (UAHC) passed a resolution calling on its nearly 800 synagogues and affiliate organizations, "to undertake educational activities to inform its congregations and affiliates of the Jewish and urban stake in preserving small and medium-sized family farms, by organizing programs with farm and church groups..."

In addition the UAHC resolution called for "a reexamination of the United States food and farm policies to bring about constructive changes, which result in the continued viability of the family farm..." The American Jewish Committee has continued its work on the issue, with its St. Louis Chapter now involved in interfaith coalitions on farm issues, as well as providing organizing and technical assistance to a number of farm, and rural organizations.

The most innovative program addressing the farm crisis is a joint effort by Women's American ORT and the Jewish Community Relations Bureau in Kansas City. ORT has contributed $25,000 to the JCRB, toward a joint program to address the farm crisis and rural anti-Semitism. The grant has helped the JCRB to hire a full-time specialist to work on programs to involve the Jewish community in farms issues. In perhaps the most successful farm-related program in the Jewish community to date, the Kansas City JCRB and ORT held a Community Forum on the Farm crisis and Extremism in a Kansas City synagogue on July 13th. Over 600 members of the Jewish community turned out for the program, which included talks by representatives from farm groups and others addressing the issues of extremism and the agricultural crisis. Missouri farmer Roger Allison received a standing ovation and following the program many members of the Jewish community in attendance joined a letter-writing campaign to local legislators regarding farm issues. The letters encouraged representatives to support the goals of the National Rural Crisis Action Campaign. [See Danny Levitas' article.] In addition, 50 members of the Jewish community signed up for a farm tour which included a potluck dinner in Chillicothe, Missouri, and discussions with farmers and their families regarding the situation in rural areas. The Kansas City project is particularly valuable in providing opportunities for farmers and Jews to meet and discuss issues of mutual concern.

The program can serve as a model for both synagogues and Jewish communal institutions to begin meaningful work on the farm issue, meaningful because these events bring Jewish communities directly into the issue on a grassroots level. Letter-writing campaigns to legislators, farmers travelling to synagogues, and Jews going to rural areas to meet farmers in public forums do much more to build alliances than do resolutions and debates about anti-Semitism. These kinds of meetings and discussions are a way for the Jewish community to begin to view the farm crisis in a larger context. The agricultural depression is, at its core, a significant social justice concern. The control and stewardship of the land ultimately affect the nature of American democracy, not just the price and nutritional quality of food or the value and environmental quality of the land.

Frank Hornstein is the Executive Director of the Jackson Heights-Elmhurst Kehillah in New York and a consultant on farm issues for the Union of American Hebrew Congregations.
ne of the most immediate and dramatic effects of American Farm Policy has been felt beyond the U.S. borders. The intentional lowering of U.S. prices has begun to devastate world market prices. Since the U.S. is the dominant exporter of most grains and oil seeds, our prices set world prices. With U.S. prices set below the cost-of-production, our grain corporations have been able to go into many Third World countries, and underprice local farmers in their own domestic markets, destroying any chance these farmers had of selling their crops at a profit.

Unable to survive on their land due to these conditions, many Third World farmers are being forced off their farms and into overcrowded urban slums and shanty towns. Their land is no longer cared for; it may eventually erode or turn into desert — or it may end up being absorbed into ever-larger estates of wealthy absentee landlords for grazing cattle to be shipped to the United States, Europe or Japan.

Some of these farmers may hold on to their land, but will be unable to compete against underpriced, subsidized imports from the United States. With no chance to make a profit, these farmers will be unable to afford soil erosion control, higher-yielding seeds, or better equipment desperately needed to boost productivity and to expand overall yields in many hungry nations.

These local farmers will be replaced by an ever-growing dependence on food imports. In many countries this amounts to a death sentence for millions of people. Governments are already being forced to choose between importing food or importing oil. This choice is quickly becoming a deadly connection. Debt servicing already absorbs almost all available foreign earnings in many poor countries, leaving very little money to import food. But in order to service this debt, these countries are devoting more land to cash crop production and less to food production for local consumption — and the less land devoted to food production means increased hunger, starvation, and dependence on the U.S. for food aid.

Rice is an excellent example. The 1985 Farm Bill includes special provision for rice and cotton, which essentially removes any floor on domestic prices, allowing them to fall to record low levels. Taxpayers then are required to make up the difference between the price the farmer received from the rice millers and exporters, and a target price set by Congress.

Former Agriculture Secretary John Block stated the Reagan Administration's position on this concern. In his own words, "the push by some developing nations to become self-sufficient in food may be reminiscent of a bygone era. Those countries could save money by importing more and more food from the U.S. Modern trade practices may mean that the world's major food producing nations, especially the U.S., are the best source of food for some developing nations."

The Reagan Administration proposal for the 1985 Farm Bill would force down U.S. farm prices, making it possible for grain exporting corporations to capture new markets overseas. The President and his supporters in Congress believe that boosting demand for U.S. grain would raise farm income over the long run. Since the U.S. sets world grain prices, the President assumes production in other countries can be discouraged by making prices so low they would be unable to compete.

U.S. Senator Rudy Boschwitz (R-MN) summarized this view quite succinctly in a letter to Time Magazine printed on March 18, 1985.

"If we do not [lower our farm prices] to discourage these countries now, our worldwide competitive position will continue to slide and be much more difficult to regain. This [discouragement] should be one of the foremost goals of our agricultural policy."

Since most industrialized countries protect their farmers, the only place where the U.S. could "discourage" producers is in the poor countries of the Third World. By forcing U.S. farm prices below cost-of-production, grain corporations can undersell local farmers in the domestic food markets of most Third World countries, robbing them of any chance to sell their products.

Cheap U.S. imports also compete against locally produced food for storage facilities and transportation, forcing local farmers to sell their crops immediately after harvest. Since everyone is selling at this time, prices are at their lowest. Perhaps most important, creating reliance on food imports changes local tastes, interests, and food habits, causing a devaluation of locally produced food in many people's eyes. There are countless examples showing the impact cheap imports have on food self-reliance in hungry countries. Oxfam, England, recently published a study, "Why the Poor Suffer Most; Drought in the Sahel," looking at the actual conditions of the poorest people in devastated regions of North Africa which have created long-term food shortages. In the section "Food Production Ignored," Oxfam researchers

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look at the problem of food crop production and the link to "producer incentive":

"The price paid to the farmers was correspondingly low, and all studies showed that there was not enough profit margin for the producers, who were consequently uninterested in increasing crop production for the market."

Oxfam was especially interested in the impact on the poorest of the poor in these countries. They found that: "The poor, with no other sources of income, (such as a salary or property to rent) have no choice but the land. They then have to struggle every year to produce enough food to feed themselves and their families. This forces them to take more from the soil than they should, while not possessing the resources to put back the necessary nutrients. The land is not allowed time to regenerate, and the protective cover is not being restored. When drought comes, it brings the most damage to these areas, and to the chances of the people who are farming there."

Low local crop prices, caused by cheap imports, prevent farmers from earning enough to care for their land. The destruction of land and water resources due to this vicious cycle of low prices and forced production has become a grave threat to long-term worldwide food security. The Oxfam Report addresses this very dramatically:

"Currently, more than 20% of the Earth's surface, more than 30 million square miles, is under threat of desertification. 80 million people live on this threatened land. Every year, worldwide, some 20 million hectares of land are reduced to a state of near or complete uselessness."

Oxfam also looked at the condition of the Sahel in the early 1960's when a major emphasis was placed on producing export cash crops in order to generate the revenues needed to feed the poor:

"The increasing amount of land being put under cash crops did not necessarily mean an increased income for the Sahel. The U.S. launched a campaign with soybeans in Europe in the early Fifties to avoid domestic production glut, and used import tax revenues to subsidize the price of their soybeans (thus lowering the world prices). The price France was prepared to pay the Sahelian farmer for his peanut fell accordingly. Today the international trading recession has further reduced export earning for cash crops and, taken as a whole, prices for raw materials exported from developing countries are at their lowest for the last thirty years.

But Sahelian farmers had become dependent on these cash crops to pay their taxes and for other necessities; governments had become dependent on the export of these crops to pay for the items they needed to import, the prices of which continued to rise. In an attempt to keep export earnings at the same level, production was forced to increase, and more and more of the better land was taken out of food production and put under cash crops."

Oxfam also found that cheap exports from the U.S. and Europe competed directly against any Third World exports, driving down prices forcing them to devote still more acres to cash crops, reducing the land left for food production and creating an ever greater dependency on food imports.

The recent famine in North Africa had been preceded by many weather disasters in that region, including one in the early 1970's. Although there was worldwide response in the form of aid, many people realized that aid was not the answer, that global rural development was the only long-term solution. In 1979 a World Conference on Agrarian Reform and Rural Development was held in Rome to address long-term questions of food self-reliance and rural poverty. At this meeting the international community set an ambitious goal: "The elimination of hunger and the eradication of poverty before the year 2000."

In the program adopted in Rome, they accepted this basic premise: "Rural development is impossible without an improvement in the living conditions of all, particularly the poor. One measure for achieving this is policies guaranteeing fair returns to small producers and encouraging crop production."

The Food and Agricultural Organization, (FAO) of the United Nations has recently outlined progress made on these recommendations. They described many instances where the improvement in crop prices encourage farmers to switch from non-food cash crops to food production. "In Kenya, farmers quickly switched from pyrethrum to maize (corn), when maize prices rose; higher prices for maize had the same effect in Guatemala, Tanzania, and the Republic of Korea."

The FAO also found that the lowering of farm prices had a negative effect on production, wages and employment as demonstrated in several Latin American countries. Low prices favor, above all, well-off urban classes. In Kenya, government policies kept farmer and consumer prices for beef below the world average, resulting in an implicit transfer from rural livestock producers, many of whom were small holders, to higher income urban groups in Nairobi."

They conclude, "Higher producer prices, then, favor the equitable rural development envisioned by the world conference."

John Kenneth Galbraith in his World Food Day speech in 1984 spoke directly to the impact of enforced low farm prices of food self-sufficiency in the Third World.

"I strongly urge the new countries to reconsider the common practice of keeping agricultural prices low as a concession to urban workers and dwellers, or for the political rewards of stable prices. The effect is to exchange later shortages for present, short-run advantage. Better to pay the present price as an encouragement to later and greater production."

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The Institute for Food and Development Policy published a study on the entire spectrum of issues associated with U.S. food export policy, entitled "Trading the Future." The book looks specifically at Korea:

"Keeping food cheap has been essential to maintaining an urban-industrial work force on wages low enough to attract foreign investment. Cheap food might have been supplied by developing local agriculture. Instead, the South Korean government has relied on over $2 billion in food aid and on commercial food imports."

This strategy has a double advantage. First, it has been easier to import food, especially since the United States offered easy terms in exchange for the political allegiance of the dictatorship, including military bases. Second, food imports allow the South Korean government to set prices for domestically produced grain very low, undercutting local producers' incomes and driving as many as seven million rural people into the cities between 1962 and 1977. This rural exodus was a godsend to the budding export industries, as rural immigrants competed for jobs in the factories.

The import strategy has also been self-reinforcing. The more food imported, the more domestic agriculture suffered, and the more imports were needed.

This analysis describes the relationship between the political impact of dependence created by cheap grain, and the hunger and starvation that results. They point out that the underlying reasons why Third World nations have become major food importers is this cycle of dependency.

While population growth is blamed for their dependency, the truth is that their potential to produce sufficient food staples has been thwarted by increasingly unequal control of the land and the siphoning off of credit and other resources for the export production goals of an affluent minority.

As Third World countries began to industrialize, often with multi-national corporate investment, cheap foods for urban workers became top priority. The government found that it better served its interest to accept food aid and cheap commercial food imports than to undertake the redistribution of farmland and resources necessary to sufficiently increase food production. Food aid and commercial food imports undercut the prices that poor farmers received for their crops.

In most instances, as the World Bank pointed out in 1982, the benefits of U.S. "disposal of agricultural surplus ... tend[s] to accrue largely to a relatively affluent urban minority of consumers, while adverse effects are felt by the poor rural majority."

have begun to address these concerns. For example, the Lutheran Church of America, Minnesota synod, included this issue in their 1984 statement on farm policy: "American agriculture policy should be formulated and implemented in ways that contribute to food security for the world. This should include avoidance of pricing policies (i.e. enforced low U.S. farm prices) that remove incentive for agricultural development, particularly in developing nations."

But there are still many sincerely concerned groups who are advocating relatively low U.S. farm prices. They mistakenly believe that these lower prices will help poor countries who buy food from the U.S. As the debate intensifies, let us hope that they will reconsider their positions. The fate of the Third World hangs in the balance.

ITEM

Thanks to The Progressive Review for the following three tidbits.

According to the Southern Libertarian Messenger, public school enrollment increased 88% between 1955 and 1975. The number of administrators went up 358%.

A Federal District Court judge has sentenced draft resister David Wayte to house arrest and prohibited him from doing community service during his probation, saying that the ban would be a grave punishment for a socially conscious person.

Until a recent successful challenge by the A.C.L.U., books "which speak slightingly of the founders of the republic or of those who preserved the union or which belittles or undervalues their work" were banned as texts in Oregon public schools.
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