

NEWSLETTER FROM DR. BEN YELLEN
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U.S. DEPT. OF AGRICULTURE CHEATS THE TAXPAYERS

This Newsletter is intended for the people living in the cities so that they understand how they are being cheated out of billions in taxes by the U.S. Dept. of Agriculture.

Most city people can not understand why farmers should be given handouts (fancy words for handouts are subsidies, price supports, and land withdrawal). The writer believes that these handouts should be given to the farmers and the reasons for this belief will be given later.

But the U.S. Dept. of Agriculture UNDER THE INFLUENCE OF THE BIG FARM INTERESTS HAS SO PERVERTED THIS PROGRAM OF HANDOUTS, THAT THE BIG FARM INTERESTS GET MOST OF THEM and also use the handouts as a method of squeezing out the little farmers who are unable to get them. The propaganda which is put out by the big farm interests is that the small farmers are going broke because they are inefficient. This is not true, the little farmers are going broke because they can not get the handouts like the big farms and because the system of handouts that has been set up by the Dept. of Agriculture is such as to make it impossible for the small farmers to compete.

A short history of Federal handouts will be given so that city people will be better able to judge the situation. About 1840, manufacturers having factories in the cities, found it difficult to exist in face of the competition from European factories. For example, the U.S. maker of a shovel had to sell it for a dollar to make a profit. But the European manufacturer could make shovels and sell them in the United States for fifty cents and make a profit. So American buyers would buy the European shovel and the result was that the American maker was squeezed out of business.

In order to prevent this, the Federal Government had an import tax of 60 cents per shovel put on the European make so that it had to sell for \$1.10 on the U.S. market. So the American buyer would then buy the American made shovel which sold for \$1.00. Although this procedure is called putting on an import tax, it can really be named a "price support" so that American manufacturers could make a profit making shovels.

As the years went by from 1840 to the present time, more products were invented and U.S. manufacturers made them. This resulted in import taxes (price supports) on many products. At present, even despite the ballyhooed efficiency of the U.S. auto manufacturers, import taxes (price supports) are put on foreign autos which are brought to this country to be sold.

If these price supports (import taxes) had not been collected, the United States would not be an industrial nation. You people of the cities would not exist for you would have been in the rural areas

doing farming. At present 70% of the people of the U.S. live in the cities and work in the factories (or allied services) because these factories were made possible by the "price supports" (import taxes).

With the passage of time, other types of Federal handouts are also given to various industries. For instance, millions of dollars are given airplane companies for "research and development". If an American company wants a ship built in a U.S. shipyard, the Government contributes 90% of the cost of the ship so that people working in American shipyards can get work.

But the farming industry never got such help. The people in farming had to pay for city made products that were high priced because of "price supports" (import taxes) while their own farming products were low priced. Finally, the Federal Government beginning after World War I, started giving price supports to farm products by guaranteeing certain prices for certain products if the market price of the product fell below a certain level. If the price of the farm product fell below a certain level, the Federal Government made up the difference to the farmer. Cotton and wheat were important surplus farm products then.

Here is how this came about. In World War I, the manufacturers did not build ammunition factories, shipyards, etc. to make the things necessary for war. The Federal Government built them and gave them over to private manufacturers to manage. The manufacturers made big profits and when the war was over, the factories and shipyards were just taken back by the Government. Manufacturers invested no money.

But when it came to the farming industry, no such thing happened. The farmers themselves had to invest their money into putting new land they bought for raising food to literally feed the world. When the World I War was over the farms kept on producing big amounts to feed the world. But finally the different nations involved in the war got their farm production back to normal and had no need for American farm products. So the American farmer was stuck with much land he had invested in and on which there was a mortgage. So he kept on producing big amounts of farm products for which there was no market in foreign countries. This created many failures in the farming industry.

The same situation was repeated with World War II. Big farm surpluses were produced after the war when there was no need for them. So the Federal Government extended "price supports" to more than 60 items produced by farms and also paid handouts to "withdraw land" from production of certain crops. Cotton and wheat were in big surplus.

But here is what happened. Big farmers were given "big allotments" to grow certain crops and especially cotton. Little farmers could not get these allotments or got very small ones. The same thing happened with "land withdrawal". The result was that little farmers could not make a living particularly so since the big farmers were getting handouts that were tremendous. This year the big farmers' lobby again defeated in Congress the proposal that no farmer can get more than \$20,000.00 yearly in handouts. The U.S. Dept. of Agriculture WHICH IS IN COLLUSION WITH THE BIG FARM INTERESTS FOUGHT THE \$20,000.00 YEARLY LIMITATION. With this limitation, little farmers would be able to share in the Federal handouts. They would be able to remain farmers.

But the Dept. of Agriculture set up regulations that make it more feasible to squeeze out the little farmers. When "land is withdrawn", it should be allowed to lie fallow. But here is what happens. In every section of the country, land must be used to grow products for cattle, swine and fowl to eat. In my area, alfalfa which is baled into hay, is grown in vast amounts. The little farmer who is prevented from getting "cotton and beet allotments" (where one can make big profits) has to grow alfalfa as his main crop. But the big farm interests who are being paid big sums of money for "land withdrawn from cotton" then grow alfalfa on this withdrawn land WHEN THE LAND IS SUPPOSED TO LIE FALLOW AND BE UNUSED. The result is a tremendous over production of alfalfa so that the little farmer can not get a good price for his and goes broke. Why pay many billions to ruin little farmers?

The Walla Walla Union-Bulletin of Sunday July 6, 1969 has an article showing the same racket--wheat being baled as hay. This is nationwide..