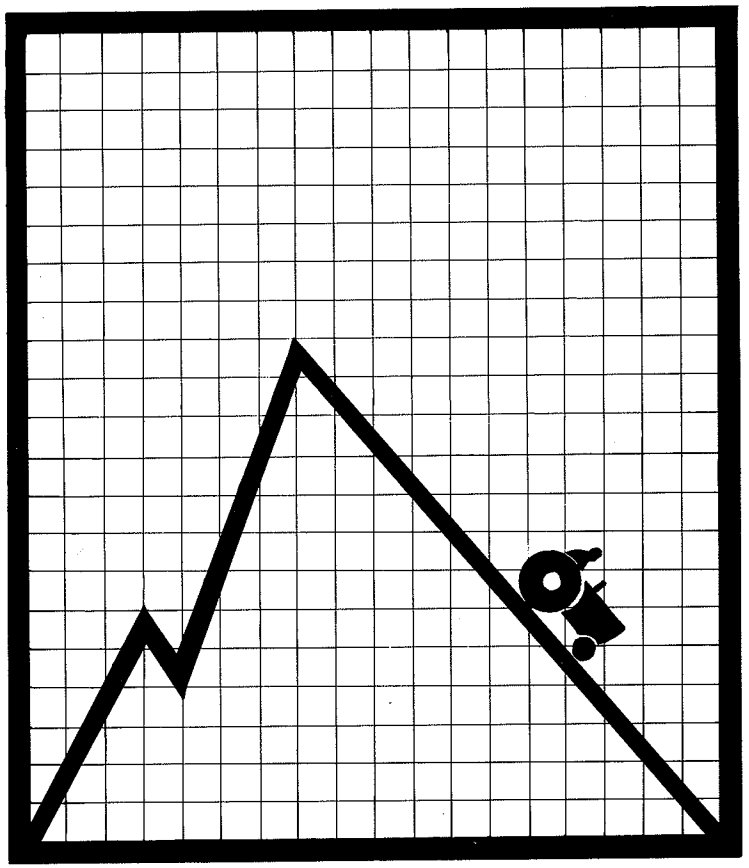

CRISIS BY DESIGN: A BRIEF REVIEW OF U.S. FARM POLICY

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I

Origins of the Crisis

From the earliest days of European colonization, America's commercial agriculture (meaning food production beyond immediate family needs) was dominated by large-scale agriculture. This included the slave plantations of the South, huge Spanish haciendas in the Southwest, and the bonanza wheat and cattle farms of the West. Most of our commercial agricultural production was in the hands of wealthy individuals or foreign investors.[1]

By the mid-1800s this condition had changed. The federal government intervened, establishing policies that altered the structure of commercial farming by putting family farmers on much of the land. The military defeat of slavery in the South and the opening of the Midwest by the Homestead Act are examples of federal government intervention that created conditions favorable to family-farm agriculture.

But from the moment farm families took possession of land, whether they were freed slaves or immigrant families, they found themselves caught in a classic cost/price squeeze. Skyrocketing prices for the items they needed—such as seeds, credit, and transportation—could not be covered by the prices the grain monopolies were willing to pay for their crops. Freight rates were controlled by the railroads, while interest rates were set by the big city banks.

This squeeze between rising costs and falling prices caused a series of rural depressions and panics in the late 1800s and early 1900s. Seeing these economic crises as a

threat to their survival, family farmers organized political movements to protect themselves and to lobby for changes in the government policies that were creating the crisis. In North Dakota, for example, farmers formed the Nonpartisan League, which took over the state legislature in 1916. To break the monopoly of the Minneapolis-controlled banks, they established the nation's first and only state-owned bank; to protect themselves from exploitation by grain monopolies, they established a state-owned wheat mill.[2] Farmers, working with labor, played a key role in winning progressive control over state legislatures in almost a dozen states.[3]

The political efforts at the state level, however successful, did not affect the national crisis of falling prices and the huge surpluses created by these low prices. State governments, without help from Washington, could not control the price-fixing of multinational grain monopolies; nor could they help farmers balance supply with demand. By the 1920s farmers recognized the need to set prices and control production at the national level. The most important early U.S. federal farm legislation, the McNary-Haugen Bill, was passed by Congress three times in the 1920s, but vetoed twice by President Coolidge and once by President Hoover.

It took almost a decade to win the necessary federal legislation. Often referred to as the parity farm program, this legislation successfully placed a floor under prices, and also balanced supply with demand through effective surplus management.

The parity program had three central features:[4] (1) It established the Commodity Credit Corporation (CCC), which made loans to farmers whenever prices offered by the food processors or grain corporations fell below the cost of production. This allowed farmers to hold their crops off the market, eventually forcing prices back up. Once prices returned to fair levels, farmers sold their crops and repaid the CCC with interest. By allowing farmers to control their marketing, the CCC loan program made it possible for them to receive a fair price from the marketplace without relying on subsidies. (2) It regulated farm production in order to balance supply with demand, thereby preventing surpluses. Since government

storage of surpluses was expensive, this feature was crucial to reducing government costs. (3) It created a national grain reserve to prevent consumer prices from skyrocketing in times of drought or other natural disasters. When prices rose above a predetermined level, grain was released from government reserves onto the market, driving prices back down to normal levels.

From 1933 to 1953 this parity 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 expanded dramatically, and overall farm debt declined. What is even more important is that this parity program was not a burden to the taxpayers. The CCC, by charging interest on its storable commodity loans, made nearly $13 million between 1933 and 1952.[5]

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, government intervention to stabilize grain prices hurt grain corporations and speculators who benefited from large fluctuations in the market. Effective supply management meant that fewer acres were planted, reducing the potential for increased sales of pesticides and fertilizers by chemical and oil companies. Finally, farmers with stable, secure incomes were less likely to borrow large amounts from insurance companies or banks.

As early as 1943, corporate policymakers, along with planners from both the government and academia, began planning for the postwar 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 Southern blacks, would have to be forced out of agriculture. Not only would this mass relocation encourage the expansion of

industrial-type agriculture, it would also free a huge labor force to fuel the industrial boom planned for the North.

The primary strategy developed by the corporate planners to force farmers off their land was to lower their commodity prices to levels below the cost of production.[6] To enforce lower prices, however, they first had to repeal the parity legislation won by farmers in the 1930s.

In the early 1950s the corporate planners launched an all-out political war against the parity legislation. They labeled supply management programs as "socialism," an effective tactic made popular by Senator Joe McCarthy. 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 was standing in the way of "modernizing" agriculture.

Corporate-funded "think tanks" churned out hundreds of reports and recommendations to support their positions. One of these groups, the Committee for Economic Development (CED), published a report, *An Adaptive Program for Agriculture*,[7] that is still one of the most articulate statements of the corporate view. (Though published in 1962, it represents many of the key arguments that were made in the 1950s.)

> 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.[8]

The first option recognized by the CED, "control of farm production," was rejected out of hand as too much "government in agriculture" and as contrary to the "free market." Instead, the CED recommended the second option, the forced removal of a number of families from the land.

> ...the program would involve moving off the farm about two million of the present farm labor force, plus a number equal to a large part of the new entrants who would otherwise join the farm labor force in the next five years.[9]

To accomplish this forced removal, they recommended that

> ...the price supports for wheat, cotton, rice, feed grains, and related crops now under price supports be reduced immediately.[10]

The CED argued that the displaced farmers could be more "productively used" in other sectors of the economy, and that pushing them out would open the way for greater capital investment in agriculture. This would require more mechanization and greater reliance on petroleum-based products such as pesticides and fertilizers. In addition, the report cited other "real benefits" of enforced lower prices.

> Also, the lower prices would induce some increased sales of these products both at home and abroad. Some of these crops are heavily dependent upon export markets.[11]

The CED proposed the elimination of approximately one-third of our farm families. Its strategy was to replace medium-sized family farmers with a small number of huge superfarms and several million small farms supported mostly by off-farm income or welfare. The large corporate-type farms would align themselves politically with agribusiness; the remaining small farmers would be dependent on government subsidies and low-paying off-farm jobs, which would weaken them economically and politically.

There were dozens of similar policy reports on the "farm problem." Groups ranging from the U.S. Chamber of Commerce to the American Bankers Association all made the same recommendations—which is not surprising since many of the same people served as authors, researchers, and advisors on a number of different reports.

By 1954, the corporations had won. CCC loan levels were reduced; the Secretary of Agriculture was given discretionary power by Congress to lower farm prices to "market-clearing" levels in order to get "government out of agriculture." This marked the beginning of the most recent cycle of

the farm crisis, culminating in the depression we are now facing.

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 1970s, since the repeal of the parity legislation. As prices fell, many farmers were forced out. Farm population dropped by nearly 30 percent between 1950 and 1960, and another 26 percent between 1960 and 1970.

In response to political unrest, Congress passed a new farm program in the early 1970s. It was decided that the farmers who had managed to survive would be maintained on a direct income subsidy program from the federal government. Under this program, Congress set a target price for farm products that was somewhat higher than the dramatically reduced CCC loan levels. If prices fell below this target level, participating farmers received a check—a "deficiency payment"—directly from the government to make up the difference.

Let's look at corn as an example. The current CCC loan rate (early 1987) is around $2.00; the target price is about $3.00. This means that taxpayers are forced to make deficiency payments for the difference between the target price and the loan rate—roughly $1.00 per bushel on corn. But since it costs more than $3.00 for the average farmer to grow a bushel of corn, most farmers are still losing money on every bushel harvested.

The result of this deficiency payment system is that grain traders, corporate feedlots, and foreign buyers are allowed to buy grain at prices more than $1.00 below cost of production. We spend huge sums of taxpayers' money to compensate farmers for part of their losses caused by this subsidy to the grain trade; then we force farmers to borrow enormous sums of money to cover the rest of their losses.

This new farm program set the stage for the second phase of the farm crisis cycle—the infusion of massive amounts of credit to cover annual losses caused by the low prices set by federal policy. As long as inflation was pushing up the paper

value of farmland, farmers could keep operating on borrowed money from lenders who believed land values would continue to rise indefinitely.

In the winter of 1978/79, over 40,000 protesting farmers went to Washington with a prophetic message: they warned Congress that agriculture based on paper values for land could not be sustained, and that farm prices needed to be raised to avert a rural collapse.

This message was ignored by most policymakers. As predicted, farm debt continued to rise, finally peaking at over $225 billion in the early 1980s—an increase of almost 1000 percent over the $20 billion total farm debt before the introduction of the target price program in the early 1970s. Interest payments on this debt now exceed net farm income, amounting to almost 30 percent of the production costs for many farmers. As more and more capital was drained from agriculture through 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 family farms with the transfer of ownership into the hands of corporations, banks, speculators, and the federal government.

In 1981 the bubble finally burst. The high real interest rates of Reaganomics forced the most vulnerable farmers into bankruptcy or foreclosure. As their land and machinery went to auction, values were forced down for everyone else, causing a downward spiral of falling land values throughout the nation. Farmland prices have fallen over 50 percent since 1981; during the same period almost 20 percent of the farming population has already been displaced. Farm prices are lower than during the worst years of the Great Depression.

II

Implications of the Farm Crisis

Impact on the National Economy

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

Next, this decline in asset values affects the surrounding communities. Farmers purchase fewer capital items, since local suppliers can no longer extend credit even for short-term purchases. Local communities suffer losses from reduced retail sales, as well as the losses caused by nonpayment on accounts receivable and bankruptcies. Business failures and unemployment rise: each farm failure wipes out three to five jobs; for every six farms that fail, one rural business shuts down.[12] In addition, the dramatic decline in land values erodes the property tax base of many rural communities and school districts, causing tax revenues to decrease just as demand for public assistance increases.

In the final wave, these loan losses are spread out over the entire society. As local banks become increasingly vulnerable, credit markets raise the interest rates charged to these lenders to even higher levels, in the hope of covering anticipated losses. Eventually these higher rates spill over into national financial markets, affecting nonrural borrowers including businesses, government, industry, and consumers. This rise in interest rates could be as much as one and a quarter percent, causing the loss of 175 to 275 thousand jobs, a $30 to $50 billion drop in the gross national product, and a $14 to $21 billion increase in the federal debt.[13]

The farm crisis, then, cannot be considered a problem limited to one sector of the U.S. economy. The public at large will be forced to bear some of the burden—through

higher interest rates, larger government deficits, an economic slowdown, and an increase in taxes to cover the government expenditures needed to deal with the ultimate social and environmental consequences.

Environmental Impact

Low farm prices always force farmers to increase their production. Like any worker whose wages are cut in half, farmers faced with falling prices must work twice as hard and sell twice as much just to cover their bills. This has led to an abandonment of careful soil and water conservation practices and to the tilling of marginal, highly erodible land. In addition, cheap grain prices have accelerated the destruction of family-operated cattle ranches by corporate feedlots. Without cows to graze on hillsides, farmers have little choice but to put corn or soybeans on these fragile lands. After a few years, the hillsides wash away, sending the topsoil down the Mississippi River.[14]

The forced removal of many families from their land has put millions of acres of farmland into the hands of large corporations and absentee investors. They are treating irreplaceable soil and water resources with the same narrow, short-term profit orientation that has characterized corporate treatment of other capital resources such as 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 for hiding other profits. The land is abandoned or covered over for development purposes; groundwater is pumped dry, never to return.

Impact on the Third World

Another devastating impact of our low grain prices is on the poor farmers of the Third World. By forcing U.S. farm prices below cost of production, our grain corporations can underprice local farmers in the domestic markets of Third World countries, destroying any chance these farmers have of selling their crops at a profit.[15] Unable to survive on their land, many Third World farmers are forced off their farms and into overcrowded urban slums or shantytowns. Their land is no longer cared for; it may erode or turn into desert—or it may end up being absorbed into the ever-larger holdings of

wealthy absentee landlords who raise cattle for shipment to the U.S., Europe, or Japan.

Other farmers may hold on to their land, but are unable to make a profit competing against underpriced, subsidized imports from the U.S. This leaves them without the means to afford soil erosion control, higher-yielding seeds, or better equipment needed to boost productivity. Their production is eventually replaced by a growing dependence on food imports, forcing governments to divert scarce foreign exchange from necessary purchases like fuel or medicine.

As a result, a deadly connection has been created. Debt servicing now absorbs almost all the foreign earnings of many poor countries, leaving them with very little money to import food. 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 less land devoted to food production means increased hunger, starvation, and greater dependence on the U.S. for food aid.[16]

III

Critical Issues in the Farm Policy Debates

There are three main elements in the current farm policy debate. First and foremost, what prices should farmers receive for their crops and livestock? Second, what amount, if any, of public financial support is appropriate? And third, what is the role of food exports and imports in creating and potentially solving the current crisis?

Two conflicting positions emerged during the 1985 Farm Bill debate. The first is often referred to as the market-clearing or modified current program position.[17] In hopes of boosting exports, supporters wanted to modify the current program by lowering prices even further, and then increasing subsidies by a small amount to cover some of the losses.

The other position, sometimes 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.[18] Under this proposal, all deficiency payment subsidies would be eliminated and CCC loan rates would be raised to fully cover production costs. A close look at the main points of disagreement between these two positions helps clarify both the economic and ideological stakes.

The real debate over farm policy comes down to this: should farm prices be 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 program that would combine higher CCC loan rates with effective production controls?

The most comprehensive and accurate computer modeling for analyzing these federal farm policy proposals was done by the Food and Agriculture Policy Research Institute (FAPRI) at Iowa State University and the University of Missouri. In 1985 FAPRI published a side-by-side comparison of the impact these proposals would have on farmers (see table).[19]

Table

**Agricultural Policy Alternatives,
Modified Current Policy or Mandatory Supply Reductions:
Expected Economic Consequences**

Modified Current [Market-Clearing] Proposal	Mandatory Supply Reduction Proposal
* Net farm income would be 16 percent lower in 1987 and 8 percent lower in 1990.	* Net farm income would be 52 percent higher in 1987 and 60 percent higher by 1990.
* Government costs would increase 39 percent by 1987 but would then decline by 15 percent from current levels by 1990.	* Government costs would decline to about $1 billion annually and remain at that level.
* Variability in farm prices would increase in both the short and longer run as loan rates no longer place a floor under commodity prices. However, there would be no change in the variability of net farm income since output variation will tend to offset impacts of price changes on income.	*Variability of farm prices and net farm income would decline as supply reductions tend to stabilize domestic prices.
* Income of livestock producers would increase in the short run but show little change in the long run after livestock producers adjusted inventories to reflect lower grain prices.	* Incomes of livestock producers would be sharply reduced in the short run as inventories are liquidated in response to sharply higher feed prices. After this period of adjustment, reduced herd sizes would generate higher prices and return income to current levels.
* Land prices would continue to decline reflecting slightly lower farm incomes.	* Land prices for land used by farmers having marketing quota would increase. Land withdrawn from production would likely decline in value.
* Acreage in production would be reduced about 10–15 percent as producers participate in voluntary acreage reduction programs.	* Acreage in production would decline about 35 percent.
* Demand for machinery would not change from current levels as farm incomes change only slightly.	* Demand for machinery would increase in the short run as farmers use increased income to replace worn-out equipment. However, reduced acreage will offset income impacts on demand for machinery over the longer run.
* Volume of exports of corn, wheat, cotton, and soybeans would increase—especially in the long run—in response to lower loan rates and market prices. Value of exports would increase over time although there would be little change in the short run. However, there is considerable uncertainty accompanying these longer term projections.	* Volume of exports of corn, wheat, cotton, and soybeans would decrease modestly in the short run and decline substantially in the long run in response to higher prices. Value of exports will increase substantially in the short run and continue in the long run for corn and soybeans. However, there is more uncertainty accompanying the longer term.

SOURCE: Food and Agricultural Policy Research Institute, *Agricultural Policy Alternatives, Modified Current Policy or Mandatory Supply Reductions: Expected Economic Consequences* (Columbia: Center for National Food and Agricultural Policy, Department of Agricultural Economics, University of Missouri, 1985), pp. 1-3.

Although the FAPRI report clearly highlights the shortcomings of the market-clearing approach, Congress ignored the warning. After the defeat of several supply management proposals, the market-clearing program passed both houses of Congress and was signed by President Reagan just before Christmas of 1985.

Former Secretary of Agriculture John Block immediately slashed commodity prices to the lowest legal level, creating an enormous jump in the subsidy cost to the American taxpayers. Since the subsidies are determined by subtracting market prices from the target, the lowering of the CCC rate has automatically meant lower market prices and higher subsidies. Costs for federal farm subsidies, primarily designed to boost exports, are now estimated at nearly $26 billion, an amount more than twice the 1986 Gramm-Rudman cuts. With export earnings falling due to our new lower prices, we spent more on export subsidies in 1986 than the combined total value of those exports. For example, the U.S. spent over $6 billion to subsidize corn exports that had a sale value of only $2.5 billion.

One argument often made for the policy of keeping farm prices low and then supplementing farmers with tax dollars is that it keeps food prices down for low-income consumers. Some argue that the current farm program, which is paid for with federal taxes, is generally progressive; whereas the supply management proposal, by shifting costs to consumers, would be regressive, falling hardest on the poor. This argument ignores the fact that most heavily subsidized U.S. crops are not grown for American consumers but are shipped overseas to the Soviet Union, Europe, Japan, and the Middle East, which means that U.S. taxpayers are subsidizing foreign buyers.

Paying farmers a fair price would result in a one-time increase in food prices of only 3 to 5 percent, less than a nickel on a loaf of bread. Since the supply management proposal also contains provisions for doubling the funds available for food assistance, the poor would not be hurt by this small increase in food prices. (It is worth noting that in 1985 the entire Congressional Black Caucus voted for supply management

and higher prices.) In a letter to Congress from AFL-CIO Legislative Director Ray Dennison during the last days of the 1985 Farm Bill debate, the unions responded to arguments for maintaining low farm prices in order to "help" consumers.

> In urging your support for the Harkin Farm Bill, the AFL-CIO is aware of opponents' arguments that this program would result in higher prices and is therefore anti-consumer. While always concerned about the interests of consumers, millions of whom are union members, the AFL-CIO has painfully experienced the toll that an obsession for the lowest price can have on American industry and, in turn, the jobs of thousands of America's workers.[20]

Another argument for keeping farm prices below cost of production is that if we raise prices, "it would price the U.S. out of world markets." This argument needs to be examined closely in order to understand the role that imports and exports play in the world economy.

A number of major farm commodity organizations contracted with FAPRI to project grain export sales under different price levels. Based on their calculations, there would be only a slight drop in the volume of exports if prices were raised to a break-even level; because of increased prices, however, actual export earnings would be much greater.[21]

For example, they projected that corn set at current levels of around $2.00 per bushel would give the U.S. an export volume of 2.2 billion bushels with earnings of roughly $4.4 billion. However, if the price of corn were set at $3.60 (just slightly over the present cost of production), it would generate total sales of 1.6 billion bushels and the new value of those bushels would be over $5.76 billion—nearly 25 percent higher export income under higher prices.

Why does it work this way? For one thing, the demand for food is very inelastic—price changes cause little change in demand one way or the other.[22] In addition, the U.S. has a large portion of the world's grain storage facilities. Since most importers cannot store more than one month's supply of grain, they have to buy on a month-to-month basis; since most

exporters, outside the U.S. and Canada, also lack major storage facilities, they are forced at harvest to sell their entire crops.

What this means is that the United States is, for up to six months of every year, practically the only country that can meet the month-to-month needs of the world's grain importers. The Soviet Union buys huge quantities of wheat, corn, and soybeans from the U.S. not because it regards us as a friend, but because it simply has nowhere else to turn.

Furthermore, because the United States dominates world food trade, domestic prices become world prices. The U.S. ships about 80 percent of the world's soybeans, 60 percent of the corn, and 35 percent of the wheat. By comparison, the Middle East ships only 40 percent of the world's oil exports. Because of this U.S. dominance, any U.S. price increase is simply met with a similar increase by all other supplying nations. Likewise, any attempt by the U.S. to lower its prices below those of other exporters results in equal drops in prices around the world.[23] This causes great harm to the export earnings not only of the United States, but of these other countries as well. Since many grain exporters have enormous debts to U.S. banks, they must try to generate the same export earnings from their crops, no matter how low prices fall.

In a recent interview, Argentine President Alfonsin responded to the U.S.'s intention to lower prices in an effort to put his country out of the export business.[24] He repeated his earlier pledge to meet and exceed any U.S. price decreases in order to maintain Argentina's world market share. (Earlier he had said that Argentina had to maintain its cash flow to keep making bank payments, and that they have 300 million acres of unplowed land to put into production if necessary.) He also stated that if the U.S. cuts prices there will be no reduction in exports from other countries in a classic supply-and-demand response; that instead we will see what we have always seen in the past: countries will be forced to increase production and exports in order to maintain cash flows, thus actually reducing the number of bushels that can be sold by the United States.[25]

Although the idea that lowering farm prices will solve our farm crisis has little merit, it remains popular. Gramm-Rudman, however, brings a touch of reality to this debate: it seems indefensible to cut infant health care and school lunch programs while maintaining a farm policy that in 1986 spent almost $10 billion to subsidize corn and wheat exports for which we received only $5.2 billion.

IV

Why Bother?

The wheels are already greased and in motion to grind up and spit out one-third of America's family farmers before the end of the decade. It would take an enormous effort to do anything about the problem, so: Why bother?

First of all, the stakes are high. Five hundred billion dollars in food-producing resources will be taken out of the hands of working farm families and confiscated by corporations, banks, speculators, and the federal government.

Second, many bitter and desperate rural people, faced with losing everything they've worked for, may become involved in one of the extremist organizations that are increasingly active throughout the countryside.[26]

Finally, it is not merely a hopeless effort. Other nations have already made choices to support family-farm agriculture and have made policy changes to accomplish that objective. For example, we could follow the lead of the Netherlands, a country that has decided in favor of keeping family farmers on the land. The Netherlands is nearly fourteen times more densely populated than the United States, highly industrialized, with a comparable standard of living; yet the percentage of its population still farming is nearly eight times that of the United States. Along with other countries in Europe, the Netherlands has consistently set farm prices at levels adequate to cover the cost of production in order to protect its farmers, its land, and its economy.

In the end it comes down to a fundamental question of values, meaning that we need to ask ourselves what it is we are trying to preserve, to enhance, to promote. Former Supreme Court Justice Louis Brandeis summed up the choices we are now facing: "We can have democracy in this country or we can have wealth in the hands of a few. We can't have both."[27]

What is at stake is not merely our weekly food bill or balanced budgets, but the kind of world we will leave our children. We can afford nothing less than our finest effort.

Notes

1. For an excellent history of U.S. agriculture since colonization, see L.C. Gray, *History of Agriculture in the Southern United States to 1860* (Washington, D.C.: Carnegie Institution of Washington, 1933); Marshall Harris, *Origin of the Land Tenure System in the U.S.* (Ames: Iowa State College Press, 1953); and Richard Morrisey, "Colonial Agriculture in New Spain," *Agricultural History* 31:24-29, July 1957.

2. Robert L. Morlan, *Political Prairie Fire* (Minneapolis: University of Minnesota Press, 1955).

3. John L. Shover, *The Cornbelt Rebellion* (Champaign: University of Illinois Press, 1965).

4. Gilbert Fite, *George H. Peek and the Fight for Farm Parity* (Norman: University of Oklahoma Press, 1954).

5. Harold Cooley (U.S. Congress, House of Representatives), "A Congressional Expert's View—I Can See Farm Bankruptcy If Price Supports Are Removed," *U.S. News and World Report*, 30 August 1957, pp. 89-90. See also Robert L. Toutz, "Legal Parity: Implementation of the Policy of Equality of Agriculture," *Agricultural History*, 29:174-181, October 1955.

6. Mark Ritchie, *The Loss of Our Family Farms: Inevitable Results or Conscious Policies?* (Minneapolis, Minn.: Center for Rural Studies, 1979).

7. Committee for Economic Development, *An Adaptive Program for Agriculture* (New York: Committee for Economic Development, 1962).

8. Ibid, p. 25.

9. Ibid, p. 59.

10. Ibid, p. 42.

11. Ibid.

12. Doug Wertish, *The Effect of Losing 10 Percent of the Faribault Area Farmers* (Faribault, Minn.: Faribault Area Vo-Tech Institute, 1985).

13. Food and Agricultural Policy Research Institute and Wharton Econometric Forecasting Associates, *Summary Report: Economy-Wide Impacts of the Farm Financial Crisis*, FAPRI Staff Report No. 9-85 (Rev.) (Columbia: Center for National Food and Agricultural Policy, Department of Agricultural Economics, University of Missouri, July 1985).

14. For an excellent look at environmental impacts of farm policies, see Joe Petulla, *American Environmental History* (San Francisco: Boyd and Fraser, 1977).

15. Mark Ritchie and Kevin Ristau, *The Deadly Connection: U.S. Farm Policy and World Hunger* (Minneapolis, Minn.: League of Rural Voters, 1985).

16. James Wessel, *Trading the Future* (San Francisco: Institute for Food and Development Policy, 1983); and Mark Ritchie, *Disappearance of Family Farm Agriculture in the U.S.*, unpublished manuscript of a speech presented to the World Food Assembly, Rome, 1984.

17. The best example of this approach can be found in legislation proposed by Congressman Foley during the 1985 Farm Bill debate, and approved by the U.S. House of Representatives, Agricultural Subcommittee on Wheat, Soybeans, and Feed Grains, on 16 June 1985.

18. The best examples of this approach can be found in HR 2383, which Congressman Alexander proposed as an amendment to the 1985 Omnibus Farm Bill, and Congressman Bedell's amendment to the same, which was passed by the full House Agricultural Committee.

19. Food and Agricultural Policy Research Institute, *Agricultural Policy Alternatives, Modified Current Policy or Mandatory Supply Reductions: Expected Economic Consequences* (Columbia: Center for National Food and Agricultural Policy, Department of Agricultural Economics, University of Missouri, 1985).

20. Ray Dennison, unpublished letter to the U.S. House of Representatives on the Omnibus Farm Bill, 24 September 1985; and unpublished letter to the U.S. Senate on the Omnibus Farm Bill, 28 October 1985.

21. Food and Agricultural Policy Research Institute, *An Evaluation of Proposed Program Designs for the 1985 Farm Bill* (Columbia: Center for National Food and Agricultural Policy, Department of Agricultural Economics, University of Missouri, 1985).

22. For an excellent study of the issue of world grain price elasticity, see Chase Econometrics, *The Impact of U.S. Wheat Prices on U.S. Exports* (Bala Cynwyd, Penn., [ca. 1985]).

23. William M. Wilson, Ph.D., *Structural Characteristics of the International Wheat Market*, unpublished paper presented to the American Agricultural Economics Association's annual meeting in Ames, Iowa, 4-7 August 1985.

24. Jack Anderson and Dale van Atta, "Argentine Tightrope," *Washington Post*, 7 April 1985, p. F7. This article is a reprint of an interview with Argentine President Alfonsin.

25. For another interesting look at this issue, see Heritage Foundation syndicated feature by Warren Brookes, "How a Strong Dollar Drives Farm Subsidies Up," *Richmond Times-Dispatch*, 4 February 1985.

26. An excellent series of articles on the problem of extremist organizations in rural areas was published by the *Times Bulletin*, Rochester, Minn., 10-16 November 1984.

27. Merle Hansen and Fred Stover, *Parity: An American Farm Program That Works* (Hampton, Iowa: U.S. Farmers Association, 1977).

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