MORE BOUNTIES TO FARMERS ?

Two months ago, congressional leaders were plotting how to best bleed the treasury for additional pork barrel handouts, based on the theory that there would be huge budgetary surpluses to tap. It is uncertain whether the attack on terrorism and its appurtenant expenses will deter such raids on the treasury. Included in the proposed raids were to be billions for highways, construction and housing projects and farm subsidies. Searching our files for a pertinent discussion of this matter, your *Insights* writer came across a February 28, 1990 article by James Bovard in the Los Angeles Times, which, despite its age, is the most pertinent to the actual farm program that he has found. We therefore steal the whole article, word for word, in the hope that Bovard will not come across this larceny.

"President Bush and congressional farm policy leaders have carved out separate farm policy platforms, and both are bad news for the American public. In the coming months, Congress will complete a program for the next five years of federal farm aid that is likely to cost taxpayers and consumers $125 billion,more than $2,000 per American family. Unfortunately, neither Bush nor Congress appears to have learned anything from previous failures.

"Farm subsidies–roughly $20 billion a year in Federal dollars, $10 billion more in higher food prices–are the equivalent of giving every full-time subsidized farmer a new Mercedes-Benz every year. The annual subsidy for each dairy cow in the United States exceeds the per capita income of half the world's population. With the $260 billion that taxpayers and consumers spent subsidizing farmers in the 1980's, Uncle Sam could have bought every farm, barn and tractor in 33 states.

"But this is only a small part of the farm scam.

"The average full-time farmer (gross annual sales greater than $100,000) is a millionaire. In 1987, he or she enjoyed an income of more than $130,000. Typically, that farmer can receive more handouts a year than a needy family can get in food stamps in a lifetime. In 1986, the U.S. Department of Agriculture gave more than 150 times as much to each of these largest farmers as it gave to each of the smallest farmers. Farm policy is a bizarre tangle of contradictions. The USDA gives billions of dollars to farmers to encourage them to grow more wheat and corn than they otherwise would. The result: perpetual surpluses. Faced with these surpluses, the department also spends billions to encourage farmers not to work. In 1988, farmers were rewarded for not planting the equivalent of Indiana and Ohio. According to a USDA study, the 78-million acre shutdown reduced farm and farm related employment by an estimated 300,000 jobs. ☞

☞ "Farm programs are our most ineffective welfare programs. The sugar program costs consumers $10 for every dollar of income realized by America's 11,000 sugar producers. A Purdue University study found that the price tag for each farmer saved could be as high as $200,000.

"In California, farmers are heavily penalized by federal marketing orders. These restrict the percentage of a farmers harvest that can be sold. This year, the orders will force farmers to abandon or squander hundreds of millions of lemons and oranges, 100 million pounds of raisins and millions of plums and nectarines. In rationalizing this waste, the USDA says it must protect fruit growers from the forces of the free market. Unfortunately, there is no one to protect farmers from the USDA.

"Farm-credit subsidies have destabilized American agriculture. The Farmers Home Administration begged incompetent farmers to borrow more and more. The General Accounting Office found that 25% of the bankrupt FHA borrowers were ruined, in large part, by taking too many of these loans. Furthermore, farm credit programs have inflated land values and rental rates, thereby increasing all farmers' cost of production and decreasing American competitiveness on world markets.

"Farm programs have devastated the productivity of American farmers. The more welfare farmers have received, the less competitive they have become. Every crop on which the USDA has lavished benefits has ended up with either strict controls or huge excess capacity. Paying farmers to idle some of their land has sharply increased their real cost of production per bushel and decreased exports.

"Farm subsidies have been an environmental disaster. In order to qualify for subsidies, a grain farmer is effectively prohibited from adopting normal crop rotation methods. As a result, the land loses its productivity and the farmer must blanket it with chemical fertilizers and pesticides. Generous subsidies also have encouraged farmers to plow up millions of fragile acres that would not otherwise have been sodbusted.

"The vast majority of farm products produced in America are not federally subsidized. Dairy, corn and wheat producers receive billions in federal benefits each year; cattlemen, soybean and potato producers get few or no handouts. There is no fundamental difference between the subsidized and unsubsidized farm products only a difference in the political clout of their commodity lobbies. If most farm products can be produced profitably for market, there is no reason why any farm product should be subsidized.

"Riding a tractor should not automatically entitle a person to other people's paychecks. The surest way to end the 'farm problem' is to abolish our maze of self-defeating farm programs. ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ✍