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Subsidies

The Free Lunch Farmers Don't Want

BY DAN P. VAN GORDER* IN *American Opinion*, MARCH, 1967.

Farmers are the victims, not the beneficiaries, of cash subsidies paid from the federal treasury. Farm subsidization serves now, as it was intended to serve from the beginning, as a tranquilizer to the man on the land, not as a remuneration or reward. Unless this is clearly understood, the full depth of deception and scope of dangers implicit in the agricultural overproduction theory cannot be detected, much less accurately measured.

What, therefore, were government's purposes in establishing subsidy payments to farmers?

The first Agricultural Adjustment Act was written into law in the spring of 1933. Its aim was specifically designated in Section Eight of the Act: ". . . to provide for the reduction in acreage or reduction in the production for market, or both, of any agricultural commodity . . ." Yet, curiously, the United States had been on an import basis for farm products since the calendar year of 1925. In plainer language, for eight years before drastic curbs by legislation were clamped on American farmers under the guise of diminishing mountains of surplus food, our farms had actually been *failing to produce enough food to supply export demands and meet domestic consumption requirements*.

Why, then—in the face of actual under-production, easily verifiable by the statistical records of the United States Department of Agriculture and by the foreign trade records of the United States Department of Commerce—was not our first venture into centralized farm regimentation based on the truth, on deficient production, instead of on the false notion of over-production?

In answering this long-unasked question, let's look for a moment at the obverse of the coin.

Suppose, for the sake of clarity, that farm regulatory legislation had in 1933 been predicated on the truth that nationally we had lost self-sufficiency in basic foods and were dependent on imports from foreign farms. Then, quite logically, subsidies might have been paid to farmers by the government to stimulate production. And, as farmers had demonstrated through World War I, they might thereby have bridged the gap in major crops in one or two years and the livestock gap, chiefly in beef, dairy products, eggs and wool, in no more than three or four years. Thus, by 1936 or 1937, the problem would have been solved and the emergency passed. Federal assistance would no longer have

been needed. The farmer could have resumed his unrestrained way. Instead, the government began paying farmers not to produce.

The agricultural overproduction theory, which is refuted as we have noted by the government's own statistical evidence, was apparently adopted because: (a) It was a well disguised pretense for fastening continuing government control on farming; (b) compilation and publication of future statistics to "prove" the theory were in the hands of those who originated the deception and therefore the fraud might go undetected; (c) subsidy payments for *not* producing would go far to appease the farmer's historical opposition to socialism; (d) the subsidy scheme provided an effective opening wedge for eventual control over food consumers as well as food producers, and therein lay the most direct and least vulnerable avenue to the establishment of government control over the most basic areas of America's social and economic life.

It is pertinent, of course, to ask: How can the proposition be justifiably challenged at this late date after the American people have seemingly accepted the surplus production concept and lived so unprotestingly under its restrictions for more than three decades?

No little part of the explanation is found in the Biblical truism: "By their fruits ye shall know them."

The Fruit Of Conspiracy

It is no longer an idle rumor or biased speculation that the Agricultural Adjustment Act was conceived, planned, and written in the same section of the United States Department of Agriculture in which was located the infamous Ware Cell,* the first Communist apparatus inside the New Deal Government. Congressional investigations established this long ago, as any perusal of the Hearings, footnoted will readily establish. Substantiating the Congressional findings is the statement of George N. Peek, appointed by President Roosevelt as the first Administrator of the A.A.A. Of the group that wrote and pressured farm control through Con-

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*See Hearings and documents of the House Committee on Un-American Activities: ai 76; cm 511, 538, 539, 565, 566, 568, 575, 580, 638, 646, 651, 652, 685, 930, 997, 998, 1021, 1023, 1024, 1032, 1036, 1037, 1145, 1147, 1157, 1159, 1169, 1170, 1178, 1180, 1272, 1279, 1351, 1353; co 1381, 1473; d 2850, 2852, 2860, 2868, 2898, 2929, 2930, 2934, 2939, 2944, 2953, 2954, 2956, 2987, 2988, 2995, 2996; dk 10; a 1886, 2889, 1893, 1897, 1911-1913, 3361, 3362, 3410; ec 100; ee 55-57; f 3785. See also, Senate Internal Security Subcommittee: f 2798-2802, 2808, 2874, 4720, 4737, 4754; m 711, 712; n 24; o 489; q 4, 11, 12, 23, 117, 118, 328-331, 385, 386, 623, 643, 644, 708, 709, 722, 1119, 1156, 1161, 1182, 1183, 1187, 1619, 2217; wc 5-9, 44; AU 762, 786, 790; K 78.

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Facts of the Case

The *New Christian* commends a pamphlet called "Rhodesia and Ourselves" which the Joint International Department of the British Missionary Societies has recently published. The paragraph headed "Know your Facts", deplores that a Conservative M.P. who protested against the views of the *New Christian* on Rhodesia was unacquainted with the British Council's views, and he is a member of the Church Assembly.

The booklet, says the writer, ought to be in the hands of "all who are concerned about the moral issue of Rhodesia and who have to speak and write from the Christian standpoint."

But the *New Christian* is selective in its "facts", and we find a different selection in the articles written by the Duke of Windsor for the *Sunday Express* (March 12 and 19, 1967). The Duke regrets the decline of British influence and commends the administration which he saw in the British colonies, while independence in Africa has often brought "a reversion to violence, misery and tyranny." He twice visited Rhodesia in his youth and saw the fertile lands "redeemed from savagery", and finds it unthinkable—"all but unthinkable anyhow"—that a British Government "should ever set its hand against its brothers there."

He further notes how the U.S. supported revolutionary elements in Asia who were mostly determined to expel the whites, and he gained the impression that F. D. Roosevelt feared the restoration of European and especially British imperialism more than he felt concerned about Communism.

And the facts which the Duke selected have had further confirmation since they were printed. For Sierra Leone has become a military dictatorship—after a few casualties—and many viewers have seen a harrowing film, said to be German, about life in Southern Sudan. For the black Sudanese, many of them Christian, are revolting against the Arabs of the North who threaten to exterminate them.

I do not know whether the British Council of Churches or the Archbishop or even the *New Christian* have taken up the cudgels on behalf of their black brothers of the Sudan, but the Prime Minister is as unlikely to meet Sudanese leaders off the East African coast as he is to talk to the

colonels of Sierra Leone on a battleship in the Atlantic Ocean: in fact the excuse of "growing pains" seems to give carte blanche to mass murder. A calm "police state" would seem a haven of refuge to many a persecuted African.

But while the politicians and such writers as we have quoted ignore the realities of life in Africa, the Rhodesians have taken them into account and have refused to sacrifice order and civilisation to appease their distant critics.

—H.S.

Subsidies

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gress he said: "They deeply admired everything Russian . . . To them Russia was the promised land and the sooner the United States became like Russia the better for everyone." Such an admission against interest can hardly be taken lightly.

Concerned American citizens of 1967 may logically and advisedly inquire: What kind of legislation could and would such a group devise? Would it be beneficial or detrimental to our preferred and established way of life? Was control intended to aid the farmer or to subject him to collectivization. In other words, what were the motives of those who planned and set into operation our first steps into government domination of the American farming industry? Mr. Peek answered these and scores of related questions in one terse and pregnant sentence:

The A.A.A. became the means of buying the farmer's birthright as a preliminary to breaking down the whole individualistic system of the country.

Seldom in human history, as subsequent events have amply and tragically demonstrated, have four simple words encompassed so much prophetic significance as "buying the farmer's birthright."

Yet, one remembers that the wise architects of this God-favored Republic did not leave the farmer's rights to conjecture or loose interpretation. Through the long summer of labor at Philadelphia in 1787 these men made indisputably plain the right of all our people, chiefly by the expedient of specifying central government powers. Then later, lest they may have left a possible loophole unguarded, they nailed down the deck against any future likelihood of federal encroachment on individual liberties by adding Article Ten to the Bill of Rights: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

That the rights of the farmer have been so widely breeched is but indicative of the general attack on the rights and privileges of all Americans.

From the gradual but deep erosion of agrarian liberties in the United States since 1933, two paramount questions rise to loom against what we had long taken for granted were invulnerable and inviolate bulwarks provided by the Constitution: (1) What is the American farmer's inherent birthright? (2) How did the ardent admirers of Communism in places of policymaking authority plan to "buy" the rights of this most important and essential segment of the American citizenry?

There has not been and is not now room or reason for quibbling in tiresome detail about rights which farmers were intended to hold and enjoy under the Constitution. Reducing these to their simplest terms, the individual farmer

may farm if he wants to; quit farming if he desires. He may grow whatever crops he prefers or not grow anything. He may plan, plant, and harvest according to his own judgment and preferences. And, he may sell his produce in a free and open market. All these and many more liberties are implied in the words of Thomas Jefferson: "The true foundation of republican government is the right of every citizen in his person and his property."

The furtive ways by which collectivists and conspirators set about to curb the farmer's freedom to own and operate his business as he wants to are not easily detected. Only when the camouflage of widely and loudly proclaimed promises of "voluntary cooperation" is stripped away and the light of motivation is turned on the authors of the farm regimentation concept does "buying the farmer's birthright" stand forth in the full scope of its evil intent. There were, in fact, four main steps in the deception. These were the claims that:

(1) *Everything was to be done by "democratic processes."* (2) *Government control of farming was to be a "temporary" measure.* (3) *Control was to be applied to only seven commodities—wheat, corn, cotton, pork, rice, tobacco, and dairy products.* (4) *"Cooperating" farmers were to be paid cash subsidies.*

Let's briefly examine these four descents into agrarian socialism.

Suppose a motorist is crossing the Mohave Desert and sees a man lying beside the highway, feebly waving for help. The driver stops, grabs a Thermos jug of water, and rushes to the man's aid. The emaciated, sun-scorched victim mutters hoarsely, "Water! Water!"

The motorist unscrews the cap from the life-giving container and holds it just beyond the reach of the desiccated man. "I'm here to help you," he smiles, "but first you'll have to sign over to me control over any property you may own."

Is this a farfetched, exaggerated example of how the government planned to help farmers in 1933?

Not by any means. Worldwide economic recession had already swept across Asia and Europe in the wake of World War I, and by 1929 it had reached America. Mainly because farming was, among our leading industries, the least organized to withstand the impact, it became the first victim in our industrial let-down. Numerous farmers were driven into bankruptcy; thousands faced imminent insolvency. The farmer was prostrate in an inhospitable desert.

In the fullest sense of its assumed Constitutional duties "to promote the general welfare," the government hastened to the farmer's rescue. So-called *benefit payments* were the life-giving water. But, there were strings attached. The farmer must meet certain requirements. He must reduce crop acreages according to arbitrary orders from Washington. He must limit livestock numbers to levels determined by appointed "farm experts." He must grow the particular crops decreed by edict. He must market only that portion of his production which the overlords of collectivism permitted. In other words, he must give up his liberty to farm as he pleased and "cooperate" by becoming a supine ward of the federal government. Then and only then could he have a sip from the socialistic jug.

But this dagger-in-the-back approach was greatly softened

by misleading propaganda. Writing about the methods of benefit payments to farmers in his 1934 annual report (Page 5), Chester Davis, Administrator of the Agricultural Adjustment Act, explained:

It (the act) provides a method of giving financial assistance through benefit payments to farmers who, voluntarily and not otherwise, cooperate with the Government in making the necessary adjustment. Therefore, it offers an incentive for cooperation and none for not cooperating.

Yet, according to Section Eight of this Act, if a group of businessmen or farmers sold any of the seven named commodities without a license from the Secretary of Agriculture, they would be subject to "a fine of not more than \$1,000 for each day during which the violation continues." Again, "Any person violating any of the provisions of this subsection shall, upon conviction, be punished by a fine of not more than \$5,000 or by imprisonment for not more than 2 years, or both." Or again, under the Potato Control Act, an amendment to the Agricultural Adjustment Act added in August of 1934, any farmer who sold potatoes above the government-decreed allotment not bearing a special federal stamp, or any housewife who purchased such *unstamped potatoes*, was subject to a fine for the "first offense." There is, of course, no alternative meaning to "first offense" than that heavier fines or jail sentences would be imposed for second and subsequent violations. Yes, the collectivists wrote into the law a plan to throw American housewives into jail for failure to comply with farm control laws!

To citizens of 1967 these early examples of the "democratic process" by which the federal government arbitrarily and insidiously started its march toward farmer control should be ample, more than ample, evidence by which to measure the perils of greatly expanded control today.

And So Topsy Grew

An unjustified degree of gullibility is necessary to believe that the originators of agrarian socialism intended to confine their control schemes to the seven commodities named in the first A.A.A. In fact, sugar and potatoes were added the following year. Peanuts, citrus fruits, vegetable oil crops, and almost all other farm production eventually fell under at least some degree of centralized control and regulation. That the Department of Agriculture's Soviet sycophants of 1933 aimed to blanket the whole farm industry with their ruse was indicated in George N. Peek's diary: "They think the place to start is with the farmers because it is the farmers who in other countries have formed the chief obstacle to Socialism."

The deceptiveness behind the subsidy payment scheme can best be explained by taking a careful look at what it has done to the production and consumer cost of a single commodity. Let us take the single case of sugar.

A bit of background history at this point is illuminating. In its 1933-1937 propaganda for farm control the government was explicit. The problem, they said, was *overproduction*. The solution, they said, was *acreage curtailment*. The means they demanded, and got, were *subsidy or benefit payments* to induce farmers to cooperate in the adjustment program. Let's see how these three factors square with the sugar situation.

From 1920 to 1932, for example, our farms produced seventeen million tons of cane and beet sugar. We exported

2.7 million tons *but imported fifty-one million tons*—an export-import ratio of one to eighteen.

Yet, against this factual background, sugar was included among regulated crops. Why?

Since the revised sugar control act was passed in 1937 the statistical record is even more paradoxical. In the past twenty-nine years we have produced seventy-five million tons of sugar, exported three million tons, but imported over 105 million tons—an export-import ratio of one to thirty-five.

In 1933 the United States led the world in sugar imports. We occupy the same dangerous and unenviable position in 1967. Yet, since 1937 the federal government has paid out to sugar growers more than 1.8 billion tax dollars. To increase production? No, *to decrease cane and beet acreage*. Or perhaps it would be nearer the full truth to say: *just for the sake of control*.

Those last six words take on more ominous connotation when it is remembered that the 1937 sugar control act empowered the Secretary of Agriculture, an appointed official, to set wages of farm workers in cane and beet fields. Here the "democratic process" emerges into an even more tyrannical perspective. In substance it tells the farmer, "If you want to receive benefit payments, you'll have to pay the wages your all-knowing government establishes."

That over seventy million man-hours of labor and over two million acres of farm land would be required to produce the sugar we now import annually seemingly means little to one Congress after another that supports this costly farce. That American consumers are compelled to buy their sugar at prices above the world level apparently does not enter into administrative and legislative considerations.

Farmers Want Freedom

What does the individual farmer think of the subsidy payment idea? Is he satisfied with the *status quo*?

After talking to thousands of farmers—north, south, east, and west—I can tell you that farmers want to see subsidies ended. Though thousands of examples could be cited to establish this, my space requires abbreviation. Let me instead note two indicative, typical, and important instances. An *Associated Press* dispatch from Minerva, Ohio, under dateline of April 2, 1958, tells of 215 irate farmers congregating at the farm of Dr. P. Scott Whiteleather, a wheat grower who had waged a long fight against federal interference. Four government crop surveyors were arriving to dictate to Dr. Whiteleather the acreage limitation he must adopt and let him know by their official presence that he already owed the government \$530 in penalties for overplanting the previous year. When the federal snoopers arrived they found ninety-eight cars of irate neighbours lined up in front of the Whiteleather home. The automobiles bore stickers reading: "Vote Control-Minded Congressmen Out," "Twenty-Five Years of Government Farming is Too Much," "Take the Police Powers Away from the A.S.C. [Agricultural Stabilization and Conservation Committee]." The scene was more typical than isolated.

A far more encompassing example occurred five years later. It was embodied in the national wheat referendum of May 1963. Here was a clearcut case, one of the rare instances where farmers were openly afforded an opportunity by their government to express their opinions and desires on the subject of farm control by edict and federal force.

After several weeks of intense, wholesale, and coercive propaganda from Washington, including gross misrepresentations

bordering on official threats, wheat growers overwhelmingly defeated the Administration's new supply and management program.

What was the government's reaction to this outburst of agrarian demand? Were wheat controls removed or even modified? Were the wheat growers' wishes respected? They were not.

Farmers were supplied with one more example of impregnably entrenched and unrestrained bureaucracy in an atmosphere of public apathy and political intrigue; they were provided yet another demonstration of the premeditated duplicity concealed in the government's assurances of "temporary" farm control; another belated lesson in the perils of letting down the bars of vigilance against the encroachments of big government.

Federal domination of agriculture has probably succeeded far beyond the dreams of the close-knit group of collectivists who originated and fabricated the stratagem. Like a horse trying to catch up with an ear of corn suspended from the end of a pole a few feet from his nose, the American farmer has for thirty-four years chased subsidy payments down the narrow, one-way detour toward occupational bondage. However, in the light of his traditional love of liberty and his historical opposition to tyranny in all its forms, and judged by scores of his determined but futile efforts to throw off the yoke of regimentation, it is now evident that his pursuit of the elusive bait has resulted not from choice or preference, but from economic compulsion. This fact alone renders his shackling the more tragic and his government's role in ruse the more reprehensible.

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by Dan P. Van Gorder

There never has been, and there is not now, any food surplus in America. The overproduction thesis is a hoax designed to bring America to its knees.

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Rhodesia and Independence

by Kenneth Young

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