People & Land is a new newspaper of as yet undetermined frequency. It is not an environmental publication, though it will be concerned with environmental issues. Its subject, as its name implies, is the relationship between people and land. In the process of covering this subject, it will deal with such matters as corporate power, taxes and government policy generally.

We begin publication at a precarious time in American history. The dictates of our economy have forced millions of Americans off the land and into crowded cities. Those who remain on the land are among the poorest, most exploited of our citizens. The exploitation and the exodus can be stopped—but only if concerned farmers, farmworkers and environmentalists, whites, blacks, chicanos and Indians, join together in the struggle.

A common theme throughout this and future issues is that all regions of the United States face the same essential problem: the takeover by wealthy outside interests of land and resources that should belong to the people. We hope that People & Land will serve as a link between citizens and organizations involved in the land reform movement in different ways and in different parts of the country.

This first issue has been produced by people in the San Francisco area and focuses chiefly on the First National Conference on Land Reform, which took place in San Francisco April 25-28. We want articles in future issues to be written by people all over the country, and invite our readers to send us stories, news items, photographs, ideas, whatever.
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### PEOPLE & LAND

**NEWSPAPER OF THE LAND REFORM MOVEMENT**

Volume 1/Number 1

Summer 1973

Published by the Center for Rural Studies, 345 Franklin Street, San Francisco, California 94102.

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**Printed at Rapid Printers & Lithographers, Hayward, California - a union shop.**

**Mailed free to persons in the land reform movement. Additional copies may be purchased for 50 cents each. Bulk rates upon request. Articles, photographs, correspondence invited for future issues.**

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**Panelists at First National Conference on Land Reform. From left: Jim Hightower, William Friedland (partially obscured), Randall Torgerson, A.J. McKnight, E.W. Smith.**

## The Conference That Was

The First National Conference on Land Reform took place in San Francisco late last April. It was a hectic four-day affair with nearly two dozen panels, workshops and luncheons. Subjects discussed included everything from the plight of the family farmer to the techniques of organizing in Appalachia. There was also an excellent photo exhibit and an evening of land reform films.

About 400 people came to the conference from 42 states, Chile and Israel. At the conclusion of the conference there was agreement on a declaration of principles (p. 15) and a commitment to keep in touch. It was felt that the main task over the next few years will be organizing at the local and regional levels.

It would be impossible to put together a document that fully captured the flavor and content of all that transpired at the land reform conference. Nevertheless, in this issues of *People & Land* we'll try our best. Beginning on Page 3 is a series of reports about panel discussions and other highlights of the conference.

If you were there, these reports should revive some memories. If you weren't there, they will tell you, in brief, what went on. ☞

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**A Reporter's Assessment**

If not yet a national movement, the concern over rural reform in the United States moved onto a decidedly larger stage with the recent San Francisco conference. Some 400 were in attendance, whereas barely 150 had been anticipated.

At this conference, Californians and Midwesterners heard of the successful controls over land use in Vermont and of zoning in Hawaii and of the rising hostility to the corporate dominance of the potato fields and timberlands of Maine. Montanans, worried over the effect of large resort developments, held hearings in the Burlington Northern, heard of measures tried in Arizona and of parallel problems in New Mexico. At the same time, they exchanged strip-mining information with speakers from Appalachia. North Dakota's prohibitions against farm ownership by corporations (the statute dates back to Depression days) were heartening precedent for those eager to see Congress adopt such a position.

The Conference generated wider understanding of and support for bills, now in Congress, which would place obstacles in the way of corporate farming; it noted especially the Family Farm Act sponsored by Sen. Gaylord Nelson of Wisconsin and Sen. James Abourezk of South Dakota. It strongly opposed strip mining. It dwelt at length on indices suggesting that corporate farming is, as Senator Harris put it, only "more efficient at farming Washington."

It exposed reports that the U.S. Department of Agriculture has understated the extent of conglomerate intrusion into agriculture and the implications of such dominance.

But the most important thing the conference did was bring together so many people who perceive that the American people are rapidly losing their relationship to the land. The scope of attendance and its concern for hard facts dealing with economics and taxation suggest a core of interest which will ultimately reach the politicians.

—Mary Ellen Leary

*The Nation*, June 4, 1973
Regional Reports

This Land Is Not Our Land

"Even the simple enjoyment of the woods and fields is being shut off. People who used to hunt and fish are now faced with barbed wire and 'No Trespassing' signs."

New England

George III was an absentee landowner," began Geoffrey Faux, former head of the Economic Development for OEO and presently with the Exhibitory Project for Economic Alternatives. "We think we've made progress, but after 200 years we've traded one set of absentee landowners for another: George III for Chase Manhattan and Scott Paper and ITT and Merrill Lynch."

The re-colonization of New England began in the late 19th Century when paper companies began buying large tracts of land in the northern counties. Today a dozen paper companies own more than half the land in Maine. The Great Northern Nekoosa Company, headquartered in New York, owns more than a million. Other large landowners include Scott Paper, St. Regis Paper, Georgia-Pacific, Diamond International and ITT.

These paper companies 'trade townships the way kids trade cards in Monopoly games,' Faux said. "Among the losers are those who cut wood. The price the paper companies pay to woodcutters is about the same as it was 20 years ago."

"And the paper companies now have company. The demand for recreational land has lured developers into Vermont, New Hampshire and Maine, eager to deplete the environment for a quick dollar. Along the coast, energy companies like Pittston Coal, which brought Appalachia the Buffalo Creek disaster, are moving in on Maine's deepwater harbors to build their refineries."

"Land speculation has reached almost epidemic proportions in many parts of the region. This pushes up taxes and rents and the cost of living to the point where rural people are literally being driven from their homes."

"As in other places, the family farm in New England is rapidly becoming a curiosity. In potatoes, blueberries and fishing, the corporations are taking over."

"Even the simple enjoyment of the woods and fields is being shut off. People who used to be able to hunt and fish and roam around in the woods are now being faced by barbed wire and signs reading, 'Keep Out—No Trespassing.' Out of

South

At this time in history whites own more of North America than ever," reported Robert Browne, director of the Black Economic Research Center and a founder of the Emergency Land Fund.

"Historically, the black community in America had been closely tied to the land. The job of slaves, and after the Civil War, of sharecroppers and tenant farmers, was to till the land."

"In 1910, blacks were operating 890,000 farms in the South. Of these, 218,000 were fully or partly owned, while the rest were operated by tenants.

Appalachia

Appalachia is a rural but mostly non-farm region that stretches from New York to Alabama, embracing parts of 13 states and a steadily declining population of 15 million. Its land is beautiful and rich with minerals, timber and water resources, but as Paul Kaufman, director of the Appalachian Research and Defense Fund, told the land reform conference, the wealth of the land is matched by the poverty of the people. The reason is that the land and its resources are not owned by the people, but by large out-of-state corporations.

"The great Appalachian heartland is ruled by King Coal, with throne rooms in New York, Pittsburgh and Chicago. Sharing his dominion are utility and manufacturing firms which have the same exploitative goals."

These companies get rid of workers as fast as they can find machines to replace them, Kaufman contended. As a result, unemployment is high and in some areas one out of four families is on welfare.
Regional Reports, continued.

The coal and power companies are interested in one thing—profits. These profits soared last year, Kaufman said, and part of the reason was exports: despite the alleged energy crisis, U.S. companies exported 37 million tons of coal from Appalachia last year.

The absentee colonizers of Appalachia neither pay a fair share of taxes nor obey the most basic laws. "At one time not too long ago, West Virginia collected less in taxes from the coal industry than it did from the sale of liquor—and mind you, moonshiners don't pay taxes."

While coal miners are sent to jail for protesting unsafe working conditions, coal companies defy government safety laws with impunity. Pittston, with more than 5,000 violations of the Federal Mine Health and Safety Act, has been fined $1 million—but hasn't paid a penny. Consolidation Coal owes the state of West Virginia more than $20,000 in fines for hundreds of safety violations.

"Since Mexicans are no better than Indians, I see no reason not to take their land."

How can this be? The explanation lies in the cozy relationship between Appalachia's political and economic power structures. Kaufman ran through an astounding list of conflicts of interest. The former chief of the reclamation division of West Virginia's Department of Natural Resources is a member and former chairman of the Interstate Research Association. The first colonial successors were the Spanish and Mexicans, who at least granted property rights to settlers and communities. Next came the Anglo cattlemen and speculators, whose motto was summed up by Sam Houston: "Since Mexicans are no better than Indians, I see no reason not to take their land."

The present colonizers of the Southwest, said Yzaguirre, are the "big money boys," especially the oil companies and corporate farms. These corporations receive huge subsidies in the form of tax loopholes and crop payments. One of the latest subsidies is the "rent-a-cow" scheme through which wealthy city-slickers become instant boys for the sake of avoiding taxes (see page 8).

The big Texas ranchers now have their eye on another soak-the-treasury scheme: a multi-billion dollar aqueduct from the Mississippi River to west Texas. "Ranchers in west Texas are now pumping underground water that is non-renewable. By state estimates, there will not be enough water left in 12 years to support farming or cattle. So the farmers are pushing for the canal. This would be money from your pocket and my pocket to subsidize the big corporate farmers of Texas."

Another struggle over water is taking place in the Rio Grande Valley, Yzaguirre said. "There is another issue: the family-type farm is the basic unit."

Midwest

"West Virginia collected less in property taxes from the coal industry than from the sale of liquor. And moonshiners don't pay taxes."
"Proposals of this nature have growing support from labor, consumer, church and environmental groups in the Midwest," Bobbaum said. "Unfortunately, with a few notable exceptions, the members of Congress are sleeping through this issue."

### Northern Plains

Dorothy Bradley, a Montana state representative, attacked the role of the Burlington Northern railroad in her home state.

In the late 19th Century, the federal government gave the railroads 1.5 million acres in Montana, or about one percent of the state. The Burlington Northern still owns 2.4 million acres throughout the northwest, and has mineral rights on another 6 million acres.

Operating a railroad is the least of the things Burlington Northern does with this land, Bradley said. It cuts timber, stripmines coal, and builds recreational developments. All of these activities interfere with sound land management.

For example, BN's management of its forest lands may have exacerbated that nation's timber shortage, Bradley contended. "The U.S. Forest Service controls one third of the nation's forest land but produces more than half of the nation's timber. Since BN is not bound to sustained yield and multiple use, a sequence consisting of improper cutting followed by recreation and second home development could become common."

BN, along with other large corporations, is heavily involved in Chet Huntley's Big Sky resort. "BN stands to gain substantial profit when Big Sky is completed, making its adjacent lands more lucrative for development. Land once available for the best public use will be available only for a few wealthy homeowners."

To recapture BN land for wilderness preservation, Bradley said it was "high time to think in terms of condemnation—with just compensation, of course. For BN, an appropriate price might be $2.50 an acre."

Another immediate problem in the northern plains is coal development. "The most recent figures I've seen show that over three-fourths of the coal leases are on private land, and one half of those—about 225,000 acres—are BN leases. A good initial approach would be enforcing the 160-acre Homestead Act, which prohibits railroads from transporting commodities in which they have an interest."

"Lest these proposals seem harsh, it should be remembered that BN has enjoyed a favored tax status on its holdings. Sanders County commissioner Wesley Stearns has stated that BN pays only 3 cents an acre on its forest holdings in the rich Thompson River country. He says, 'Under present tax schedules, I pay more property taxes on my home than BN does on 10,000 acres of timber lands.'"

### West

The land problem in the West is both environmental and economic," stressed Peter Barnes, west coast editor of the New Republic and a founder of the National Coalition for Land Reform.

"Open space in urban and suburban areas is fast disappearing. Millions of acres of farmland, mountain and desert land from Colorado to Hawaii are in the hands of developers. And the public parks set aside by the government are getting so crowded that syndicates are buying land for private parks and selling memberships for $2,000."

Environmental degradation is only part of the problem, Barnes said. "The other part is economic—the concentration of landed wealth in the hand of a privileged few. Barely a century ago, the land, water, timber and minerals of the West were all publicly owned. Today a few dozen families and corporations—mostly railroads, energy companies, timber companies and corporate farms—control the West's land and resources in a way that can only be described as feudal."

The recent Nader report on California land found that the ten largest landowners in the state own more than 12 percent of the privately held land, Barnes said. "On a county-by-county basis, the Nader team found that the top 20 landowners in rural counties—i.e., a fraction of one percent of the population—generally own 25 to 50 percent of the land. Even in a compact urban county like San Francisco, the ten biggest real estate owners (0.013 percent of the population) own about 8 percent of the assessed valuation, and land accounts for 27 percent of the cost of new single-family housing."

Barnes urged enforcement of the 160-acre limitation and residency requirement in federal reclamation areas, and the closing of tax loopholes that encourage absentee ownership of land. And he proposed buying back large quantities of land with the aid of state land trust funds—similar to the highway trust fund except that their purpose would be "to save the land rather than to pave it."

"Like the highway trust fund, the land fund would be a separate government account into which money would pour from special taxes—in this case, a tax on the inreased increment in land values, and a severance tax on timber and minerals. Revenues from these taxes would be allocated as follows: Half would go to cities, towns, counties and regional park districts for the purchase of open space land. The remainder would be granted to low-income cooperatives, community development corporations, public utility districts and non-profit land trusts for the purchase of land for housing, non-corporate agriculture, and community or cooperatively owned industries. Once established, such a trust fund would be self-perpetuating and relatively immune to political sabotage."

Barnes said environmentalists should link up with labor, minorities and other progressive forces to enact trust funds and other basic reforms. "It's often said that the interests of environmentalists are opposed to those of labor and minority groups but this need not be the case on the land issue. Land reform, properly designed, means land for migratory farmworkers as well as migratory birds; jobs and housing as well as open space; economic opportunities for minority groups as well as scenic opportunities for the middle class."

"What we need over the next few years is a two-front strategy. On the political front, we must build the coalitions necessary to transfer productive land from those who have too much of it to those who don't have any, and non-productive land from those who would despoil it to those who would preserve it. On the economic front, we must develop managerial capabilities and new institutions, such as co-ops, CDCs and land trusts, to keep pace with the political gains I think are possible."

"Land reform, well designed, means land for migratory farm workers as well as migratory birds."
Looking Backward

New Deal Land Reform: Bold But Brief

Land reform is nothing new under the American sun. It was the object of the Pre-emption and Homestead Acts, the Reclamation Act of 1902, and most recently, the New Deal. The failure of land reform efforts in the 1930's, and the lessons of the failure of the 1970's, were provocatively discussed in the opening sessions of the land reform conference.

Prof. Sidney Baldwin of California State University, Fullerton, author of Poverty and Politics: A History of the Farm Security Administration, argued that the FSA represented the "consciousness of the New Deal." It courageously sought to revolutionize the rural power structure, and was defeated only because its enemies were politically too strong.

Prof. Donald Grubbs of the University of the Pacific, Stockton, author of From the Cotton: The Southern Tenant Farmers Union and the New Deal, hotly disputed Baldwin's analysis. He contended that "FDR was definitely a conservative" and blamed the New Deal for spawning today's "let-them-eat-cheese" USDA policies.

Baldwin recounted the rapid succession of New Deal agencies designed to deal with rural poverty. There was the Agricultural Adjustment Administration, seeking to promote parity prices but actually worsening the plight of low-income farm families; the Federal Emergency Relief Administration, funneling unemployment relief money to the states; the Subsistence Homestead Division of the Department of Interior, settling poor families on improved land; the Resettlement Administration, with Reaford Tugwell as its prophet and director; and finally the Farm Security Administration, created by the Bankhead-Jones Farm Tenancy Act of 1937.

All the old programs were consolidated in the FSA, and thereupon began "an irresistible drive toward the flowering of this creative organization. From 1937 to 1942 there developed a comprehensive attack on almost every aspect of rural poverty.

First, the tenant purchase program combined financial credit with technical assistance to help landless low-income farm people become owner-operators of family sized farms. Later, when the books were closed, it was found that more than 98 percent of the borrowers repaid their loans on time.

Second, the rural rehabilitation program, provided a cluster of services designed to help the needier, less skilled farm families—loans and grants, encouragement of cooperatives, a medical care program, debt adjustment and tenure improvement.

"Roosevelt not only drove sharecroppers off the land, he promoted today's most reactionary industry."

"The Farm Security Administration was the conscience of the New Deal."

"Third, the resettlement program created a variety of cooperative farming communities, land leasing and land-purchasing associations.

"Fourth, the migratory labor program built and administered farm labor camps and provided succor to families as they followed the crop cycle."

These programs were successful for as long as they lasted, Baldwin contended. Unfortunately, the onset of World War II diverted New Deal energies from domestic reform, and groups like the American Farm Bureau Federation were able to emasculate the FSA, much as the Office of Economic Opportunity was emasculated in the wake of the Vietnam war. Finally, in 1946, Congress abolished the FSA entirely, creating in its place a docile Farmers Home Administration to carry on the agency's more conservative and politically tolerable programs.

"We should not conclude pessimistically that all future land reform efforts will be doomed to a similar fate," Baldwin contended. We should learn several lessons from the FSA experiences: that land reform must cope with the fact that affluent people and institutions live off the poor; that radical government agencies must carefully nurture political power; that social reform is usually a casualty of war; and that compromise is acceptable if done cunningly.

Grubbs wasted no time in debunking the "myth of New Deal radicalism." "Roosevelt not only drove sharecroppers off the land but promoted, with his subsidies, today's most reactionary industry."

The New Deal's subsidies, Grubbs contended, "went consistently and disproportionately to richer rather than poorer farmers," especially in the South. "The racist plantation landlords, who in the past had been willing to allow their sharecroppers to keep only half of the cotton they raised, now were paid by the New Deal to withdraw a third of their acreage from production. And the subsidy on each withdrawn acre was not split half and half—it was split eight to one in favor of the landlord."

"Often the tenant or cropper didn't even receive the pittance that Roosevelt's AAA was supposed to allow him. Wage laborers were entitled to nothing at all; thus a positive monetary inducement was offered to Southern planters to denounce their workers to the insecure status of casual labor. Eventually millions drifted out of the South altogether, probably the largest government-impelled population movement in all our history.

"The New Deal's strengthening of individual and corporate rather than cooperative or collective agriculture had two dramatic consequences. First, it meant that the heavily capitalized, tax-subsidized enterprises of the future would view labor as a cost to be cut rather than as a productive factor, so that today farm workers are less numerous than the unemployed.

"Second, the New Deal's strengthening of established institutions in agriculture was ominous politically. It was already apparent that Farmer-Labor parties were disintegrating, that the National Farmers Union would never win major influence, and that farmworkers were of marginal concern. Therefore to rebuild agriculture without restructuring it meant building power for the right-wing American Farm Bureau Federation and its allies."

Grubbs did agree with Baldwin about one lesson that could be drawn from the New Deal experience: "Congress is malleable, we must pay attention to shifts in political winds, and we should concentrate on getting what we can, when we can."

"We should not conclude that all future land reform efforts will be doomed to a similar fate."
Land Reform Works When Done Right

In Other Countries

People & Land/Summer 1973

Land and reform in other countries show it's possible to achieve a wider distribution of land and increase food production at the same time, according to several panelists at the First National Conference on Land Reform.

Peter Dorner, chairman of the agricultural economics department at the University of Wisconsin, said the overseas experience shows that large farms are not necessarily more efficient than small farms, despite propaganda to the contrary.

“Evidence on post-reform experience in Mexico, Bolivia, Japan, Taiwan, Egypt, Yugoslavia and elsewhere demonstrates that average productivity per unit of land increased rather substantially after the reforms—reforms which in all cases involved a reduction in size of farm units. In Taiwan from 1940 to 1965, cultivated land per farm was reduced by almost one-half while output per hectare more than doubled,” Dorner noted.

Increased production has not, of course, been the primary reason for land reform in other countries. The chief aim has been to redistribute wealth and power and thereby build more stable, democratic societies.

“You can’t help the poor by concentrating on the problems of the poor,” Dorner stated. “They need the resources of the rich.”

He quoted a statement by John Kenneth Galbraith: “Unfortunately some of our discussion of land reform proceeds as though this were something that a government proclaims on any fine morning—that it gives land to tenants as it might give pensions to old soldiers. In fact land reform is a revolutionary step. It passes power, property and status from one group in the community to another.”

Dorner, an expert on Latin America, noted similarities between the situation in rural areas there and in the United States: concentration of land ownership, migration of rural people to cities, rural unemployment and under-employment.

The kibbutzim could not have succeeded without the full support of the state.

Most of the agricultural land is held by the Jewish National Fund and leased on a long-term basis to kibbutzim (collectives), moshavim (communities in which individual and cooperative operations are blended), and individual families.

While the success of the kibbutzim is due in large part to the perseverance of the settlers, they could not have succeeded without the full support of the state, Kaddar contended. That support included financial, technical, professional and social assistance.

Kaddar emphasized the extreme complexity of the kibbutz movement, which involved complete changes in values and life patterns along with the development of new leadership. For these reasons Kaddar queried whether similar results could be achieved in the United States. “How motivated are potential settlers here, or for that matter, the agricultural extension agents?”

Israel’s experience in building a democratic rural economy was described by Gershon Kaddar, an Israeli economist with the World Bank.

Land reform has been a huge success in Israel’s agricultural sector, where 90 percent of the land is held publicly or in trust, but a failure in the urban sector, where only 10 percent of the land is publicly owned, Kaddar said.

“Chile’s reformed sector now includes 36 percent of the country’s farmland. It is worked and controlled by some 75,000 beneficiaries.”
Taxes & Fat Cats

How Rich People Farm The Treasury

A tax on the windfall profits of large landowners has been applied in Britain, Germany and Spain, and now in Vermont.

if you're a doctor, lawyer or movie star in the 50 percent bracket, or a big corporation in the 48 percent bracket, you are probably looking for a place to shelter your income from the tax man. And there's no better place to look than down on the farm.

That was the message of Charles Davenport, a law professor at the University of California at Davis and a former U.S. Treasury Department aide.

Davenport told a tax session of the First National Conference in Land Reform about the game called "tax-loss farming"-a game that only the rich can play.

Here's how the game works. First, federal tax rules permit investors in certain crops and livestock to deduct virtually their entire investment in later years, that income can be treated as a capital gain, and taxes need be paid on only half of it.

In the past, these tax loopholes were used by a relatively small number of "hobby farmers," Davenport noted. But lately there's been a massive proliferation of "syndications."

Syndications are arranged by promoters who sell tax-loss benefits to wealthy city slickers called "limited partners." In the years 1969-1971, offers totaling $280 million in citrus, tree nuts, vineyards and cattle were filed with the Securities and Exchange Commission. The total investment by syndications was much larger than this, however, because most offers are not filed with the SEC and because all of them are highly "leveraged.""Congress should remove the unfair competitive advantage given the tax farmer over others."

Specifically, Davenport said, it should adopt legislation sponsored by Senator Lee Metcalf of Montana that would deny the use of tax-loss farming rules to anyone having more than $15,000 of non-farm income.

Declare taxes on real estate are discussed by Jonathan Rowe, a lawyer with Ralph Nader's Tax Reform Research Group.

The property tax started out as a tax on wealth, but has now devolved into a tax on homeowners, Rowe emphasized. It was originally, and could again be, a very progressive tax, but it has been subverted by the big wealthy owners.

Assessment in many rural areas is very lax. In Kentucky, for example, coal companies set their own assessments by telling local authorities how many acres they think they own.

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Taxes and Fat Cats

How Rich People Farm The Treasury

A tax on the windfall profits of large landowners has been applied in Britain, Germany and Spain, and now in Vermont.

Other breaks for large landowners result from the contracting out of assessment functions to private firms, many of which also work for large mineral companies. In Texas, Rowe noted, one private firm handles 60 percent of the state's assessments. It also does appraisals for big oil companies.

Wealthy interests are sometimes in a position to draw the boundaries that determine who pays taxes and who doesn't. When the town of Osage, Oklahoma, decided to incorporate to raise revenue, the Consolidation Coal Company, a big property owner in the area, surprised it with assistance. The reason became clear when the final map was drawn. The map contained a minor indentation which left out the main office and machinery warehouse of the coal company, which thus paid no property taxes in Osage.

Abuses are also common in the farmland assessment laws recently passed by many states to relieve small farmers from rising property tax burdens. It is chiefly the larger, wealthier interests that benefit from these laws, Rowe said. In New Jersey, the utility companies are cashing in, with Atlantic City Electric getting a 90 percent reduction in one area. In California, 26 percent of the land receiving farmland tax reductions is owned by 12 large corporations.

Farmed assessment laws could be greatly improved, Rowe contended, by adding acreage limitations, residency requirements, and penalties for sales to developers.

Taxes and Fat Cats

How Rich People Farm The Treasury

A tax on the windfall profits of large landowners has been applied in Britain, Germany and Spain, and now in Vermont.

then...

"It is not too soon to provide by every means possible that as few as possible shall be without a little portion of land. The small landholders are the most precious part of a state."

--Thomas Jefferson

"An individual, or company, or enterprise requiring land should hold no more than is required for their home and sustenance....All that is not so used should be held for the free use of every family to make homesteads."

--Abraham Lincoln

"We are opposed to all further grants of land to railroads and other corporations. The public domain should be held sacred to actual settlers."

--1872 Democratic Platform

...And Now

"We consider land as an inventory, but we'll all for growing things on it while we wait for price appreciation or development. Agriculture pays the taxes plus a little."

--Simon Askin, vice-president, Tenneco

"We should enable the small uneconomic farmer - the one who is unable or unwilling to bring his farm to the commercial level by expansion or merger - to take his land out of production with dignity."

--Rudolph Peterson, director
Bank of America
Farm Subsidies

The Bigger You Are, The More You Get

There are many kinds of subsidies to corporate farms besides crop subsidies," explained Jim Hightower of the Agribusiness Accountability Project. And he ticked some off:

- $750 million a year is spent on research at land grant colleges. Nearly all of this research helps big farms at the expense of small ones. For instance, the University of North Carolina recently developed a tobacco harvester useful only for plots of 40 acres or more—yet 99 percent of tobacco farms are below 20 acres.

-Farmworkers are left unprotected by labor laws, thus supplying cheap labor for the 8 percent of U.S. farms that employ nearly all farm labor. Del Monte alone uses 42,000 farmworkers a year.

-Tax loopholes cost taxpayers hundreds of millions of dollars a year while they help tax-loss "farmers" like Ronald Reagan and Jack Nicklaus drive family farmers off the land (see page 8).

-The U.S. Department of Agriculture itself, with its annual budget of $12 billion, is a subsidy to corporate agriculture, argued Hightower. The entire range of USDA policies—from crop subsidies to the wheat deal with Russia—aid giant agribusiness corporations at the expense of family farmers.

Other panelists during the session on subsidies concentrated on federal crop payment programs. Ray Marshall, an economics professor at the University of Texas, cited statistics which showed that in cotton and peanuts, 20 percent of the farms got 72 percent of the payments.

The situation prevailed in other crops, Marshall said. "Crop subsidies are distributed unequally and this inequality has been and still is increasing."

None of the panelists were clear on just how should be used to promote the kind of agriculture we want in this country."

Philip LeVeen of the agricultural economics department at the University of California, Berkeley, was skeptical of the ability of crop subsidy reforms to reverse the trend toward corporate agriculture.

"As long as we pay subsidies—whether to output or to output—paying the subsidies in proportion to the amount a farmer can produce—we'll be paying much more to the larger farms," he argued. "In addition, the stability of prices which the subsidy programs aim at is advantageous to the large corporate farms, for whom risk is a very important factor in deciding whether to invest or not." 

North Dakota Know-how

North Dakota is one state in the union that has successfully banned corporate farms. It's also the only state that has state-owned grain elevators and a state-owned bank—legacies of the 1930's when the Non-Partisan League held sway.

E. W. Smith, president of the North Dakota Farmers Union, urged other states to adopt laws similar to North Dakota's, which prohibits corporations from engaging in farming or owning agricultural land. The law, he said, was successful in breaking corporate control of land in the state and reducing absentee ownership.

North Dakotans, first as an initiated measure, then with a march of 5,000 farmers to the state capital to defend the law, and most recently in 1967 when 76 percent of the people voted to retain the law at full strength.

While it prohibits outside corporations from engaging in farming, the North Dakota law does allow families to incorporate as cooperatives. This way farmers can have the advantages of a corporation, except that it must be one-man, one-vote, and it must be farmer-owned.

The Farmers Union president also recommended that "other ways be developed to transfer land from one generation to the next. We need to take another FSA approach with long-term loans at low interest to starting farmers."

Tenneco Bids Farewell to 'Cottage Industry'

On a Friday, April 27, in the midst of the land reform conference, the University of California School of Business Administration was holding another conference at the posh Fairmont Hotel on Nob Hill. Here was "the other side" in all its finery, vividly reminding us of the forces we must overcome.

"The family farmer, along with mom and the flag and apple pie, is one of the cultural heritages of our nation. At the same time you find that the cottage industry that is represented by family farmers is just not capable of producing food. So there are going to be fewer farmers, and consolidation of farm activities."

The speaker was Thomas H. Schott, vice president of Heggeblade-Marguleas-Tenneco, the agricultural subsidiary of Tenneco, Inc.

"We've come under significant criticism at Tenneco because one of our ill-chosen motto was, 'From seedling to supermarket.' " Schott admitted. "Since then we have divested ourselves of considerable acreage. Nevertheless, Tenneco remains 'both a farmer and a marketer of farm products, and to a smaller degree a processor.'"

Schott made several interesting predictions about future government farm policies. First, he predicted, "the food trade—not farmers—will emerge as the chief lobby on food and farm matters." This is because the ballot box power of farmers is declining, while the economic power of food corporations is rising.

As a result of this shift in political power, "there is going to be a basic change in the entire government approach to agriculture. It's going to shift from one of holding down production to hold up prices to a completely opposite approach of building production to hold down prices. This will speed the trend toward bigger in agriculture."

Other factors speeding the trend toward corporate agriculture, Schott noted, are the energy crisis and the weakening of the dollar. "We need farm exports to pay for energy imports." Presumably those exports cannot be provided by "cottage industries."
Fred Harris Runs It Down

"This business of widespread capitalism in America is a myth. Two percent of the households own 80 percent of the corporate stock and 90 percent of corporate bonds. These are the people who get better off."

One was that a man like Richard Gerstenberg, who has a base salary of $250,000 a year, needs some incentive to come to work. I wondered to myself, "What would he do if he didn't get it?" I guess he'd call in sick a lot—or take too long on the coffee breaks.

"Gerstenberg makes 90 times what the average automobile worker makes who turns the same screw 107 times an hour and has to hold up his hand to go to the toilet or slip around to take a smoke. Now that kind of system drives people mad. And it will not work. It will not work.

"What I call the 'Hazard-Drudgery Compensation Ratio' describes the fact that if the hazard or drudgery of a job is high, the compensation tends to be low. And if the hazard or drudgery is low, compensation tends to be high—a very weird effect in a work-ethic society.

Richard Nixon once said that there's as much dignity in emptying bedpans as in being President. No emptyer of bedpans has been heard to say that.

"Another weird thing about the work ethic is that if you buy Ford Motor Company stock at one price and sell it at a higher price, you're taxed on that income at a far lower rate than if you work all day making Fords.

"People don't have transportation problems, housing problems or health problems. They have income problems. And if you're not going to deal with that question of division of wealth, income and power, then you're just fooling around.

"A little more regulation isn't going to work. As we've seen with the regulatory commissions in this country, those with economic power always come to control the commission that's supposed to control them. If you control the government, you don't mind so much if the government controls you.

Winston Churchill once said that the monopolization of land was the mother of other kinds of monopoly. I've been with people in east Kentucky, east Tennessee and West Virginia where these huge landowners dominate whole counties and rip off the land and people with impunity, control the courthouse, control the whole government. That's a function of that kind of economic power.

"But I think we can begin to do something about it. Those in the coalition that we're talking about here today don't have to love each other. It would be good if they did, but they don't have to. All they have to do is recognize that they are common exploited, and that if they get themselves together they are a majority.

"There are a couple of assumptions that you have to make. One is that people are smart enough to govern themselves. The other is that you can make the democratic process work.

"I don't know if we can do it, I can't promise for sure that we can take this government over again, turn it around and make it a people's government. But I believe it's the fundamental thing we ought to be spending our time on. I believe there's existential value in the struggle itself."
'Give Us Land and Control'

A New Approach to Indian Policy

Indians have been in the forefront of the land reform movement for several centuries," declared Kirke Kickingbird, a luncheon speaker at the First National Conference on Land Reform.

Kickingbird is a Kiowa, a lawyer, and co-founder (with Vine Deloria Jr.) of the Institute for Development of Indian Law. He is also co-author of 100 Million Acres, a provocative new book about Indian land rights.

"One of the myths that has sprung up is that the Indian land question was settled in the 1880's," Kickingbird told the conference. This isn't the case at all. Indians have up-to-date conflicts with railroad, energy and timber companies, federal agencies and developers.

The roots of these conflicts go back to the 18th and 19th Centuries, however. That was when white men decided that land disputes would be "settled between competing Europeans, not between Indians and Europeans."

"The Northwest Ordinance gave lip service to the principle that Indian lands would never be taken without their consent, but the practice has been something else," Kickingbird said.

Restore...

Ada Deer, a Menominee chairperson, urged delegates at the land reform conference to support the Menominee Restoration Act now before Congress. The act would restore federal recognition of the Wisconsin tribe, make them eligible again for federal services, and put their land in trust.

"The importance of this act is that it represents a historic reversal of American Indian policy. It's as important to us as the 1954 decision was to blacks," Deer said.

Once a tribe with $10 million in the federal treasury, a hospital, land and lumber mills, the Menominees are now a sad example of the consequences of 'termination.' Much of their land has been sold to developers.

Deer urged people to write their Congressmen on behalf of the bill.

"All previous proposals for helping Indians have involved confiscation of their lands and pious admonitions to stop being Indians."

In the first half of the 19th century, the official policy was one of "voluntary removal." Federal policy then became one of getting Indians "to become like 'us' and give up those strange esoteric ways." This idea was embodied in the Indian Allotment Act of 1887, which assumed that "Indians would take 160 acres and immediately become white." During the period that the allotment policy was in effect, from 1887 to 1934, Indian lands shrank from 150 million acres to less than 50 million.

"After World War II there began a disastrous policy of 'termination' which ended in 1953. Termination had the effect of shutting off important services and protections in order 'to make Indians like any other citizens.' It also opened Indian land to state property taxes, and since Indians are generally at the poverty level, it was another method of separating them from their land."

Kickingbird proposed a new approach to Indian policy: a permanent land base of 100 million acres, based on existing treaty rights. "That we are saying is give Indians a chance to run their own property. Give them property for housing, for farming, for economic opportunity."

The fundamental issue, he said, is control. "That was what Wounded Knee was about. Too much power is in the hands of federal administrators."

...And Return

A great deal of surplus federal property is potentially and actually available for transfer to Indians or any non-profit corporation, says Grace Thorpe, director of Return Surplus Lands to the Indians.

Thorpe reported at a session on public lands that 290 parks are being transferred from the federal government to state and local governments.

Indian tribes and non-profit groups can apply to the General Services Administration for these and other surplus lands.

Two major problems facing transfers of surplus lands, Thorpe said, are making known the need for land and determining its availability.

More information on surplus lands is available from Return Surplus Lands, 1701 Massachusetts Ave., N.W., Washington D.C. 20036.

A Permanent Land Base

Today, out of the vast continent once "owned" by American Indian people, slightly less than 100 million acres remain.

But the type of ownership that American Indians enjoy today is only theoretical. The federal government still holds Indian lands through the administrative structure of the assistant secretary of land management of the Department of Interior. It is still accepted in the halls of Congress that Indians do not really own their lands but live on them at the pleasure of Congress.

We propose that the United States enter a new phase of its relationship with the American Indian by creating a new doctrine of Indian legal rights with respect to land titles and ownership. We propose a new category of legal status for Indian lands and a policy of Congress to stabilize the Indian land base at 100 million acres by restoring lands illegally taken from a variety of Indian tribes in the last century.

We recommend that a special fund be established to make interest-free loans to small Indian tribes for the purchase of lands to increase tribal income until the tribe can support its own governmental service functions and provide sites for economic development and housing programs. Such a fund should receive appropriations in the amount of $5 million a year for twenty years. The funds would be taken from the vast amounts now made available to scholars, bureaucrats, study centers, research agencies, and other groups who study why Indians are poor, uneducated, economically disadvantaged, hungry, sick and discontented.

Indian lands would not be subjected to the control of the Indian tribe to which the lands belonged...

All previous proposals for improving the conditions of American Indian people have revolved around the confiscation of their lands and pious admonitions for them to stop being Indians. We truly believe that motivational programs of any ilk are demeaning and serve merely to perpetuate problems, not to solve them. The federal government is now spending in excess of half a billion dollars a year trying to confiscate Indian lands and water rights, while motivating Indians to become something they are not, do not wish to become, and have steadfastly resisted becoming for four centuries.

Excerpted from One Hundred Million Acres by Kirke Kickingbird and Karen Ducheneaux
Macmillan, 1973; $6.95)
Trusts and Taxes

Holding Land For People, Not Profits

How to hold land in trust for people, not profits, was the subject of a stimulating session on land trusts and community land ownership.

Bob Swann, director of the International Independence Institute, explained that "there's nothing mysterious about a trust. Basically it's set up in the form of a non-profit corporation."

Swann, who has helped establish several land trusts, emphasized that "the most unusual if not radical" part of the concept is trusteeship. "We are going beyond traditional land reform in that we are taking the land totally out of the private ownership market. The land is no longer a commodity to be used for speculation and profit. We are trying to get at a very basic truth about land and all natural resources—that they are not to be owned privately."

In the Western world, Swann said, private ownership of land goes back to Roman law, and in this country began with the land grants made by European kings who had no right to make them. Today "the notion that divine right has determined the legal ownership of land is built into our Constitution and is the very basis on which we have built our whole system."

Until a movement for land trusts develops and people begin to donate land, trusts must rely on borrowed capital, as has New Communities, Inc., in Southwest, Georgia. But Swann contended that there are potential donors who would like to have their land both protected and accessible to deserving people.

The most important model for land trusts is the Jewish National Fund, which has been going since 1900, is independent of government and holds two-thirds of the land in Israel.

Henry Johnson, director of the Trust for Public Lands, told the conference that trusts are "one step toward the essential need for land stewardship."

Frankly, their most important result would be their educational value in inspiring the public to demand a workable policy that would turn over lands to future generations in usable condition.

We need policy, for example, which would permit access to all land, as in Sweden and Norway. Sweden doesn't need the millions of dollars we think we need to buy land.

"For me personally, the burning question is not so much who owns the land, but how the land is managed. We must find a land ethic backed by national policy which will assure the health of the land in perpetuity to every man."

The process of acquiring land for trusts is quite easy, Johnson maintained. His system "works by working within the so-called system." It utilizes a non-profit tax exempt structure during the acquisition stage, and first-rate management methods that give an air of confidence to major donors.

What is most needed, Johnson said, is "a new profession of people who can deal with a landowner so that he would consider making land available on a gift or partial gift basis." Johnson is presently writing a manual on how to engage in this "new profession" and hopes to have it available within six months.

Gifts notwithstanding, John McLaughry of Vermont outlined a number of public tools for channeling revenues into trusts and taking profits out of land.

One such tool is an unearned increment tax, which Vermont has just enacted (page 19). It puts a tax on capital gains on the sale of land with an exclusion for resident-occupied dwellings. It takes into consideration both the amount of profit realized and the length of time the land was held, and is aimed at the "fast turnover speculator."

A potential second tool is a property transfer tax "based on the dollar value of the sale, period."

If it's flat rate, it would unduly burden poor people, but it could easily be graduated.

Other possibilities are an off-highway gasoline tax with revenues allotted to a fund for land preservation and a tax on excessive agricultural marketing.

In South Texas you can count six men and one corporation who own almost all the land," Jose Angel Gutierrez of Crystal City, Texas, told the land reform conference.

"There's a fellow by the name of Dolph Briscoe, who happens to be governor. He owns all the land from about Laredo north to Uvalde. That's roughly the size of Vermont and Rhode Island put together."

"There's another fellow who's an ex-governor and ex-Secretary of the Treasury and a few other things, John Connally. He owns another section around Floresville and South San Antonio, all the way down to Victoria."

"There's another fellow by the name of B.K. Johnson. He owns most of the land between Floresville and Laredo where Briscoe and Connally don't own it."

"Down in the Rio Grande Valley we have a very distinguished U.S. senator by the name of Lloyd Bentsen. He owns almost all the valley."

"Then you have a fellow named Jack Bowman, who owns the land between the Valley and Laredo. And you have one other fellow in San Antonio who owns the land north of all the other places these other fellows own land."

"So you have South Texas as the domain of all these people plus the King Ranch, which owns almost everything towards the coast between Corpus Christi and the Valley. The King Ranch also has holdings in Argentina and other countries—it's a multinational corporation."

"In Zavala County, where I come from, 26 individuals own 87 percent of the land. Of these 26 individuals, 19 don't live there. One of them is John Connally, another is Briscoe. Another is a Japanese company."

A few years ago, Gutierrez and others in South Texas determined to do something about these injustices. "Given the reality that we were 90 percent of the population in Zavala County, we decided to resort to something we found in our civics texts in high school—that is, the good old democratic way of using majority rule."

"We organized a political party, La Raza Unida. We didn't see any reason why not. If it was good enough for white people to have two political parties we figured it was good enough for Mexicans to have one."

"We organized, we registered, and we voted. And we won. Now we are looking into several things."

"One is eminent domain. We chicanos found that the same well they told us back then was going to have an eminent domain. We registered, and we registered, and we registered, and we confronted the county, and we confronted the state, and we confronted the city, and we registered, and we registered, and we registered, and we confronted the federal government."

"Then we decided to buy land and farm equipment. We can sale and lease to those individuals who are in the professions of people who can deal with a landowner so that he would consider making land available on a gift or partial gift basis."

"What is most needed, Johnson said, is "a new profession of people who can deal with a landowner so that he would consider making land available on a gift or partial gift basis." Johnson is presently writing a manual on how to engage in this "new profession" and hopes to have it available within six months.

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Other possibilities are an off-highway gasoline tax with revenues allotted to a fund for land preservation and a tax on excessive agricultural marketing.
Energy Resources

Local Control Versus Absentee Rip-offs

Not just the land, but the resources under the land, should belong to the people who live near, work with and use those resources. That was the theme of the session on local control of energy resources.

"It is wrong to rely on outside corporations and capital to provide energy at an overpriced rate when we have demonstrated that we can do better by ourselves, as people, at the local level," declared Henry Curtis, executive director of the Northwest Public Power Association.

Curtis described the success of public utility districts in Oregon and Washington in providing low-cost power to residents of the Pacific Northwest. PUDs are publicly owned, multi-county energy agencies whose directors are elected by the people. In the Northwest they rely primarily on hydro-power, but they could just as easily make use of coal, nuclear or geothermal resources.

Daniel del Solar, an economist who worked with community organizations in the Imperial Valley of California, set forth the case for locally-owned development of geothermal power. The federal government, del Solar reported, is about to lease 60 million acres of public lands with potential for geothermal development.

Rather than allow the same corporations that already control our oil, coal and uranium supplies to gain control of geothermal sites, del Solar proposed that community-owned and cooperative enterprises be given preference.

"Geothermal energy has the lowest installed price per kilowatt. It has the depletion allowance attached to it. It is a damn good investment—in fact, it is a money-making machine. Letting private corporations develop it is like putting a tax on air."

The two chief problems in del Solar's view are stopping the federal give-away and getting people interested in geothermal control. "The people in the Imperial Valley are aware of what is happening but have not formed a cooperative. Meanwhile, the giant corporations are going ahead attempting to establish priority as the only people able to develop this resource."

Gordon Ebersole of the Congress for Appalachian Development outlined a plan for regional control and ownership of Appalachia's enormous coal resources. Under the plan, long advocated by Harry Caudill (page 22), local public utility districts would be established, similar to the PUDs in Oregon and Washington. The PUDs would be linked together in an Appalachian Mountain Authority whose directors, unlike TVA's, would be chosen by the people of Appalachia.

The difficulties of gaining enough political power to take over local energy resources were stressed by several participants. "We haven't won too many battles lately," observed Bert Calkins of the Basin Electric Power Cooperative. "Have the people given up? I don't know. They never give up, but sometimes they quit trying."

Mike Clark of the Highlander Research Center in Tennessee saw the beginnings of an awakening in Appalachia. "Across our region we are starting to see a lot of grass roots groups. People are beginning to link up in new ways."

Clark urged people in the land reform movement to focus on education. "By education I mean getting small groups of people together. I think by this process we can begin to push up some leaders who can help us take over this country."

The Earth Needs Land Reform

Richard Cournat

The adverse environmental effects of absentee corporate land ownership were repeatedly emphasized at the conference.

Paul Kaufman, a former West Virginia legislator and director of the Appalachian Research and Defense Fund, noted that stripmining by absentee corporations has caused vast and probably permanent damage to the environment. In West Virginia alone there are over 1,000 piles of coal waste, each roughly 20 stories high. Burning slag heaps create air pollution; abandoned mining equipment dots the landscape; the streams are filled with acid wastes.

William J. Bryan of Helena, Montana, called for a moratorium on stripmining. Both stressed that only 9 percent of the country's coal reserves require stripmining.

Harvey Mudd, director of the Central Clearing House in Santa Fe, New Mexico, cited the many environmental problems caused by needless subdivisions. Among these are water shortages, loss of prime farm land, destruction of marshlands and reduction of wildlife.

According to Mudd, a substantial portion of the millions of acres that have been subdivided will probably remain undeveloped because they reflect no housing need. He urged enactment of tax and land regulation reforms to control the cancer-like spread of subdivisions.

The corporate farm as a consumer of energy was discussed by Michael Perelman, an economist at Chico State College, California. Perelman contended that large-scale farming uses up five calories of energy in order to get one calorie of food.

Because of rapid mechanization, agriculture now consumes more oil than any other industry. In the farm belt, twice as much money is spent on fuel as on labor. The irony of this, Perelman noted, is that the United States is currently trying to improve its balance of payments with agricultural exports, which themselves rely heavily on the importation of crude oil.

Michael McCluskey, executive director of the Sierra Club, cited the preferential treatment given to exploitative industries in the dispensation of public lands. Examples include mineral leases under the Mining Act of 1872 (which enables corporations to explore and mine at no cost on public lands, including national parks), lumbering rights and free access roads in national forests given to big timber corporations that bid collusively, inadequate grazing fees and the granting of inexpensive hydro-power rights.

McCluskey urged passage of legislation pending in Congress which would place environmental restrictions and acreage limitations on lands leased by the federal government.
Educate and Organize

What Is To Be Done?

It was obvious to everyone at the land reform conference that those seeking land reform and other basic changes in America don't have the power to implement those changes on any kind of scale. Therefore, when discussion turned to what could be done, most of the emphasis was on local projects, local organizing and education at all levels.

At a panel on new rural communities, Bob Swann described the progress of New Communities, Inc., in southwest Georgia. New Communities based its legal form on the trust model of the Jewish National Fund and its practice on an American-founded moshav in Israel.

"The concept combines both the small homestead-size farm and the larger cooperative," Swann said. "Right now there are 2,000 acres being farmed this way in Georgia. The next step is to develop three or four small villages with 200 to 250 families per village. When you get above 250 families the ability to participate in community decisions is markedly reduced."

Manuel Santana, a consultant to the Co-operative Campesina in Watsonville, California, told how the cooperative began with six families all chicanos, semi-literate and with very little social or economic mobility.

"After six months on county-leased surplus land, working 18 hours a day and sometimes carrying water in buckets to irrigate the zucchinis, there was a profit of $1,000. A feasibility study showed the co-op would need 30 families and $250,000 in order to convert energies into sufficient cash. Unbelievably, they got it, and 14 months later they paid back the bank $171,000, ended up with $80,000 worth of equipment completely paid for, a cash income of $8,000 plus $3,000 equity.

"Once we showed that we could dramatically raise income by using traditional systems, we realized the limitation of one-crop farming and moved to a diversified system, including greenhouses. The next requirement is to build housing because the community needs housing, but it may take an income base of $15,000 per family to do it."

The difficult process of political organizing was discussed at another panel. John Gaventa of Clairfield, Tennessee, noted: "We've been living in sort of an ideal world here at the conference, saying 'These are the things we can do.' The reality is that it is very difficult to do those things and talk about those things at a local community level, where for poor people it means getting cut off from food stamps, losing a job or being thrown out of your house."

Former Congressman Jerry Voorhis.

J.W. Bradley, president of Save Our Cumbeland Mountains, an anti-strip mining organization in Tennessee, stated: "Getting people together, showing them you're going to stay with them, and showing that money isn't what's going to rule their community and their lives, is what you've got to do."

Jose Angel Gutierrez, organizer of the Raza Unida party, argued the case for political organizing outside the Democratic and Republican parties. "Everyone goes back to the books and says third parties are doomed to fail, never lasted, never done anything. Dammit, if we used a third party maybe we could do something on a local level. At least we might be able to get land reform on one square block.

"If we are going to get ourselves together, it won't be at conferences. We've got to start doing it at home, first with the wife and kids, then with the neighbors, then with the block and then with the neighborhood. This is what political organizing is all about.

James Simmons, a leader of the Gulf coast Pulpwood Association, said: "First you got to approach the people on the reason they should get organized. Most of the people who cut pulpwood are uneducated. Very few have been to school over the third grade.

"The paper companies came in looking for something for nothing, and they found it. First they found cheap timber, they found cheap land, and they found a group of people such as myself who wasn't worth anything and had to do something to make a living. And they used it.

"We put some people together that the companies did not think could get together—the poor whites and blacks. We won the Masonite strike."

"America is finally recognizing the need to reverse super-urbanization."

Photographs were taken by Karl Lawrence, Karl Lawrence and Robert Fitch.
Declaration of Principles

The following declaration was adopted at the plenary session of the First National Conference on Land Reform April 28, 1973, in San Francisco, California

Land and is a precious and finite resource and the birthright of the people. Its ownership and control, and the associated economic and political power, must be widely distributed.

A sound land policy should regulate the use of the land in the public interest; keep the land in the hands of those who live and work on it; put the land in trust for the public good; and prevent it from falling into the hands of large corporations and wealthy individuals who are absentee owners. It should preserve and strengthen the family farm, make it possible for people on the land to earn a decent living, and provide conditions that revitalize rural communities. Government policies that encourage absentee ownership, the corporate takeover of agriculture, and the exodus of people from rural areas to the cities must be reversed.

A broad range of Americans have a vital interest in regaining control of land from absentee corporations in which it is unduly concentrated. We urge environmental organizations, labor unions, independent bankers, small business groups, farmers and farm organizations, cooperative members, consumers, and low-income and minority groups to join forces in shaping and implementing policies that preserve land and jobs, create parks and housing, provide recreational and economic opportunities, and protect legitimate land ownership and use while discouraging the abuses of concentrated absentee ownership and irresponsible economic and political power.

Energy resources on public lands should be developed by public entities in the public interest and the give-away of public resources to large corporations must cease.

We urge national officials responsible for law observance to enforce national policy as expressed in acreage limitations and residency requirements for receivers of federal irrigation water. We also favor government purchase of excess lands at the pre-water price specified by law.

Timber on public lands should be made available on a preferential basis to independent woodcutters and cooperatives.

Absentee corporations with non-farm interests should be barred from agriculture.

Tax laws that encourage ownership of land by speculators, corporations, and absentee landlords should be repealed. “Tax loss” farming, preferential treatment for capital gains, depletion allowances, and under-assessment of corporate landholdings must be eliminated. Large landholdings should be discouraged through the use of progressive property taxes, taxes on the unearned increment in land value and increases in severance taxes. The proceeds of taxes on large landholdings should be used to provide human social services such as schools and health care for rural people, to preserve wilderness land, and to encourage small-scale farming, timber, and other rural enterprises through the financing of land banks and trusts.

Indians have been stripped of their historic claims to land. Shameful violations now occurring should be halted and the Indian land base preserved. In any land reform policy the Indian trust relationship with the federal government and Indian water rights should remain undisturbed. Treaties, executive orders, and hunting and fishing rights should be upheld. To provide for economic growth the tax-free status of Indian lands should be maintained. The policy of individual allotment was designed to alienate the land and break up the reservations; a positive government program should be initiated to consolidate these allotments under tribal control where the tribe so requests.

Land granted to railroads by federal and state governments other than rights-of-way presently retained by railroads should revert to original Indian tribes now on those lands. Mineral rights claimed or appropriated should also revert to said tribes. Remaining land not needed for rights-of-way should revert to the public domain. Additional mineral rights claimed or appropriated by railroads should also revert to the public domain.

Hispanic-Americans have been robbed of common and private lands on a massive scale throughout the Southwest in gross violation of the Treaty of Guadalupe-Hidalgo of 1848. These legitimate land claims must be resolved.

In any distribution or disposal of surplus lands, Indians and Hispanic-Americans with historic claims, along with low-income people generally, should receive priority.

The technical and financial assistance programs of the U.S. Department of Agriculture and the land grant colleges should be completely restructured. Their services should be offered exclusively to family farmers, farmworkers, and consumers. Moreover, the USDA should promote the development of new technologies that enable people to earn a decent living on family-sized farms. The crop supply-management program should be restored to its original objective of helping family farmers remain on the land by assuring that they receive a fair return for their labor and investment. New efforts, such as providing long-term, low-interest loans, should be given high legislative priority to allow able and willing young people to enter family farming.

The exploitation of rural labor must be halted immediately. We support the efforts of farmworkers, woodcutters and other rural workers to organize effective unions and associations. Decent minimum wages, unemployment compensation and union protection similar to the provisions of the original Wagner Act should be extended to all rural workers and the exploitation of child labor must be abolished. We support the non-violent struggle of the United Farm Workers and the boycott of non-union lettuce and grapes.

Abuse of the land must also be halted at once. Strip mining should be prohibited. Severe penalties should be applied to corporate offenders in all cases of excessive water and air pollution and irresponsible timber and mining operations. A shift away from monoculture which depletes the natural fertility of the soil should be a long-range goal of national farm policy.

We condemn the monopolistic market power of big corporations like General Mills, Del Monte, International Paper, Tenneco, Consolidation Coal and ITT in food, timber, coal and other land-based industries. We call for the vigorous enforcement of anti-trust laws in these industries.

To achieve these policies aimed at reclaiming America's land for the benefit of people, we conferes resolve to carry on the work begun at this First National Conference on Land Reform. We resolve to return to our regions and localities to help educate and organize a network of people committed to a redirection of the nation's land policies at the local, state and federal levels.

We urge the creation of a national land reform coalition to perform the following functions: (1) actively educate opinionmakers and public officials about the need for new policies toward land and people; (2) develop concrete programs to implement the principles contained in these resolutions; (3) stimulate and support local organizing efforts, and (4) publish and circulate a newsletter among all those interested in building a land reform movement.

The conference was sponsored by 36 national and regional organizations. The sponsoring organizations endorse the aims and purposes of the declaration though not necessarily each specific recommendation.

Sponsors

Agribusiness Accountability Project
Americans for Democratic Action
Basis Electric Power Cooperative
Black Economic Research Center
California Action
California Rural Legal Assistance
Center for Community Change
Center for Community Economic Development
Center for New Corporate Priorities
Center for Rural Studies
The Children's Foundation
Congress for Appalachian Development
Cooperative League of the USA
Emergency Land Fund
Exploratory Project for Economic Alternatives
Foundation for Community Development
Friends of the Earth
International Independence Institute
Inter-Racial Coalition on Housing
Montana Farmers Union
Mountain People's Rights
Movement for Economic Justice
NAACP - West Coast Region
National Coalition for Land Reform
National Farmers Organization
National Rural Housing Coalition
National Sharecroppers Fund
North Dakota Farmers Union
People's Policy Center
Rally Mountain Farmers Union
Rural Affairs: Archdiocese of Kansas
City, Kansas
Rural Housing Alliance
San Francisco Ecology Center
South Dakota Farmers Union
Southern Regional Council
Suburban Action
High Food Prices

Taking On The Jolly Green Giants

“Food monopolies overcharge consumers $2 billion a year.”

The Federal Trade Commission found in a 1972 study that consumers are being overcharged more than $2 billion a year for food because of monopolies within just 13 food lines.

But higher prices may not be the greatest cost that consumers pay for concentration in agriculture. The greatest danger may be the loss of the high-quality food supply that we have had from family farmers.

For the past 20 years there has been a technological revolution in agriculture, largely financed by taxpayers through the land grant colleges. Genetically designed melons, pesticides for all occasions, mechanically harvested strawberries, cattle fattened on drugs, red wax for apples and a vast array of other gadgetry are products of this technological fervor.

Although this arsenal has been developed in the name of consumers and family farmers, it was, in fact, designed for and to the specifications of the largest-scale farming enterprises. Corporate tomatoes today are assembled as though they were bars of soap—genetically tailored mechanically harvested, chemically ripened, electronically sorted and mechanically wrapped in cellophane. Rutgers University recently announced development of a new breed of tomato for this assembly-line process, naming it the “Red Rock.” Non-dairy coffee “lighteners,” lemon icebox pie without lemons, hamburger without meat, tomato juice without tomatoes and cheese without milk are just a few of the synethetics offered for sale today, many of them under old and trusted brand names.

Is this what Americans want? A new coalition of consumers, farmers and minorities says no. And they have launched a Food Action Campaign to mobilize public support.

Over the next few months, five public advocates will criss-cross the country to address the issue of corporate food power. They are former U.S. Senator Fred Harris; James Mclnle, a farmer and Pennsylvania Secretary of Agriculture; Kay Pachter, director of San Francisco Consumer Action; Jose Angel Gutierrez, chairman of the school board in Crystal City, Texas, and Florence Rice, director of the Harlem Consumer Council.

To deliver its message in specific terms, the Food Action Campaign will focus on the Del Monte corporation, the world’s largest canner of fruits and vegetables.

Del Monte’s Harvest: Farmers, Consumers

The Del Monte Corporation is a shining example of how far we’ve come since the Homestead Act.

Del Monte owns 40,700 acres and leases an additional 92,000 acres in the United States, Canada, the Philippines, Kenya and Latin America. The bulk of the food it processes comes not from these lands, however, but from 10,000 farmers under contract.

About 12 percent of the products Del Monte markets are sold under a variety of regional and private labels, often house brands of supermarket chains. There is little difference in the contents or quality of these other labels, yet the can bearing the red Del Monte shield is sold for an average of 14 percent more than the private brands.

Despite the higher price of products bearing its label, Del Monte retains its unrivaled sales leadership primarily through advertising. Its annual advertising budget of $15 million makes it one of the nation’s largest advertisers. Del Monte’s ads constantly bombard consumers with claims of superior quality, thus supposedly justifying the higher prices. But just how superior are Del Monte products?

Despite the corporation’s catchy slogan—“The better, the better for Del Monte”—a close examination of the Del Monte label does not tell the consumer very much about what’s inside. The USDA grade of its canned fruits and vegetables is not indicated. This may be because Del Monte chooses not to participate in a voluntary USDA in-plant inspection program.

Del Monte does not declare the drained weight of its canned fruit and vegetables. There is, therefore, no way for consumers to determine how much of a 14 1/2 ounce can of asparagus actually is asparagus, not water. A 1969 study by the USDA found that in 6 of 11 items, Del Monte products had the lowest drained weight of any of the brands compared.

Nor does Del Monte declare the percentage of its food product ingredients on the label. There is no way, for example, the consumer can know how much meat is in a Del Monte meat pie. And Del Monte refuses to utilize a system of open dating on its products.

Del Monte’s lack of concern for consumers is matched by its disregard for working farmers. A look at Del Monte’s operations in one commodity—-asparagus—is illustrative.

Del Monte uses its power over captive asparagus farmers in a number of ways. One is its determination of whether a given delivery is of “good quality and condition for canning.” There is no third-party evaluation. Any part of the delivery that does not meet Del Monte’s approval is exempted from the price agreed to in the contract.

In 1972, 8 percent of the asparagus crop was rejected in this manner. The cannery price for “acceptable” asparagus that year as 23 4/7 cents a pound. The asparagus that was culled out by Del Monte’s inspectors was bought by them for .005¢ a pound.

Although the corporation pays a pittance to farmers for their “inferior” asparagus, it uses these culls profitably. It is often these rejects that Del Monte packages and sells as asparagus soup, asparagus cuts and asparagus tips.

Lately Del Monte has begun shifting its asparagus operations to Mexico. There, it is possible to rent farmers even more cheaply than in the United States, to pay farmworkers 23 cents an hour and to pay cannery workers 27 cents an hour. (Though production costs in Mexico are 40 percent lower than in the U.S., Del Monte charges the same price for Mexican-grown asparagus as for American-grown.)

While Del Monte’s profits soar, the 3,210 farmers and 34,500 farmworkers engaged in production of asparagus in this country may well lose their livelihoods. A study in San Joaquin County, California—the leading asparagus growing county in the nation—estimated that unemployment rolls would rise by 17 percent and taxes would increase $1.7 million if the asparagus industry moved out.

G.

Waltney Smithfield hams and sausages are packaged and advertised to give off a feeling of old farm place and the unrushed process of a southside Virginia smokehouse. The reality is not nearly as down home as the image—Gwaltney is owned and managed by the world’s biggest conglomerate, ITT. Country goodness, made the old fashioned way, is the advertising pitch of Pepperidge Farm bakery products. The company is owned by the food conglomerate, Campbell Soup. Regional beer, brewed the local way, is the advertising pitch of Del Monte.
Notes From All Over—1

Vermont Land Tax

The Green Mountain State of Vermont is attacking fast-buck land speculators with a controversial—and apparently unique—capital gains tax. The new tax, the brainchild of Governor Thomas Salmon, bites hard on profits from selling parcels of undeveloped land of at least one acre, if the seller has held them for less than six years. It is aimed at out-of-state speculators who have been buying up Vermont farms and forests for quick resale to subdividers and investors dealing in recreational land—but the tax has many Vermonters upset, too.

In at least two court cases, the tax is being attacked as unconstitutional. Barre (Vt.) lawyer Richard Davis, representing a group of central Vermont landowners, charges that the tax arbitrarily singles out one group of citizens at the expense of others, in violation of the 14th Amendment.


Enactment of the tax by a wide margin in the Republican-dominated Vermont legislature follows through on a campaign promise by Salmon, a Bellows Falls Democrat who was swept into office in an upset victory last fall on his pledges—to reduce local property taxes and discourage land deals that threaten Vermont's rustic character. The gains tax fulfills both pledges—it is hurting speculators, and it could raise up to $3-million a year, which will be rebated, under another new law, to Vermonters whose local property taxes exceed four percent to six percent of their household income.

By penalizing short-term land-holders, the law is designed to slow down the rapid turnover of land and reduce the number of persons buying and selling raw land. A person who sells land he held for a year or less must fork over 45¢ on each dollar of profit, if the gain is 100 percent to 200 percent, and 30¢ on a lesser profit.

A landowner's tax obligation drops each year he holds his land, decreasing to 7.5 percent after five years. After six years, the tax does not apply.

The new tax appears to leave relatively untouched such major developments as the 6,000-acre Quechee Lakes developments near Woodstock, Quechee Lakes Corp., part of CNA Financial Corp., has held much of the Quechee land for four to five years.

On the other hand, hardhit newer companies that are buying up farm properties for resale to investors are raising their prices. Robert A. Danziger, president of Northland Investment Corp., of Newtonville, Mass., says he has increased prices 10 percent "nearly across the board."

Danziger believes the tax will hurt Vermonters in the future because wholesale buyers will figure in the tax cost when they acquire the typical 200-acre to 400-acre farms, which have been commanding a premium price.

Norris White, a legal adviser to Governor Salmon, sees the new law holding down inflated second-home projects in a hurry to squeeze out a return on their investment. "We want to put Vermont in a holding pattern, while we work out better environmental controls," White says.

Farm worker carries grapes picked at David Freedman, Inc., only major grape grower to stick with UFW.

Tenneco's Thirst

Tenneco, the Houston-based conglomerate that owns over one million acres in California, Arizona and Texas, is branching out.

On June 8, a Tenneco subsidiary named Intake Water Company filed an appropriation for 80,650 acre-feet of water from the Yellowstone river in Montana. That's about one-fourth of the river's minimum upstream flow.

Water is the life-blood of Montana agriculture, but it is fast being diverted by energy corporations for use in coal gasification and power plant cooling. Tenneco is now the latest entrant into this corporate water rush.

The company plans to build diversion works at Intake, Montana, and pipe the water to an extensive stripable coal reserve in North Dakota. It has claimed right-of-way for an aqueduct and the "right of location on any lands" of dams, flumes and reservoirs.

The U.S. Bureau of Reclamation has granted a license to Tenneco to build a pump plant on the Yellowstone despite the fact that an environmental impact study has not been completed. This would appear to be a violation of federal law.

But it's Tenneco, not the government, that is taking the legal offensive. Tenneco has sued the state of Montana to void the Yellowstone compact, which requires consent from Montana, Wyoming and North Dakota before water is diverted from the Yellowstone basin. Tenneco is also suing to avoid compliance with Montana's siting act. It contends that, since it does not intend to sell water exclusively for coal-related development, its activities cannot be regulated.

The slogan of Colorado's land activists is, "Don't Californicate Colorado."

Thanks to Hugh Gardner for this information.
Land/Resources

How We Gave Land Away

The Distribution of Public Land by the United States: A Contemporary Critique
By Sheldon Greene

It can be said that for its first one hundred years the work of the United States was to take possession of its vast empty land. This process engendered a running war between the ideal of an independent agrarian society of small holders and the reality of freewheeling speculators who accumulated vast blocks of the best farms, timber and mineral lands.

Both the settlers and the speculators had their champions, although the latter were always more generously endowed. Study reveals a cycle of reformist laws such as the Homestead Act, and the corruption of those laws by complicitous or indifferent legislators and a slow-moving and compromising Congress. The war was ultimately lost by the small holders as in county after county, state after state, railroads, timber companies, land companies and real estate syndicates came to control tons of millions of acres.

It should please many critics to know that George Washington was an expert in land speculation, in western lands. This activity, which might seem crass, was not unusual, since land was the principal agent of wealth, and land speculation was the stock market of the 18th century.

Fortunately Thomas Jefferson, and not George Washington, was the architect of the first land distribution law. The Ordinance of 1785 set the pattern for much of the land distribution policy which developed during the next one hundred years. Under the law, townships six miles square, subdivided into sections of 640 acres, were to be established by government surveyors. Preference was given to veterans of the Revolutionary War and the remaining land was allocated to the States to be sold for at least $1.00 per acre, plus the cost of survey. Significantly, mineral rights were reserved by the United States as were four additional federal sections in each township.

Patterns of land speculation, monopoly and inside dealing soon developed with the sale of one million acres for about 10 cents an acre to a syndicate known as the Ohio Company of Associates. Alexander Hamilton, the first Secretary of the Treasury, expanded the sale of large sections in each township.

The bill afforded the settler the opportunity of pre-emption embodied in the pre-Civil War land laws was an improvement over the earlier attempts to auction land which had largely benefited speculators, the system still left broad opportunity for fraud and corruption. For example, perfection of a claim was only in theory conditional upon actual settlement. Further, since improvements were similarly not mandatory, any interest acquired during the initial year could be transferred.

The development of the railroads paralleled the settlement of new lands. Initially, the federal government's land subsidy to railroads was simply the grant of a right of way. By 1862, security needs, the pressures of settlement and intensive promotion led Congress to authorize construction of a transcontinental railroad. To finance construction of the road, the Congrass initially granted five alternate sections of land per mile of railway to be located within 10 miles of either side of the road bed. A bond subsidy was also provided to finance construction.

The original Act was broadened two years later to provide 20 odd-numbered sections within 25 miles of the railroad for such completed mile of track from Omaha to the Pacific Ocean. More grants were to follow in ensuing years. Conditions of subsequent railroad land grants reflect the intention to clearly define the limit of the railroads' interest in the land.

In 1862 Congress adopted the Homestead Act. The bill afforded 160 free acres to anyone who was willing to improve, live on and work the parcel for five years. Intended to relieve the dual pressures of immigration and impoverishment in the East, the Homestead Act proved to be one more slice of pie in the sky for settlers of limited means who lacked the capital or technical skills to make a living out of the semi-arid western lands. Again, speculators accumulated vast tracts through fraudulent claims and manhandled control over indispensable water rights.

A federal commission estimated that 40 percent of the five-year homesteads were fraudulent due either to faulty administration, false residency, or superfluous improvement and cultivation accruing to the benefit of government officials. Fraudulent pre-emption entries in Kansas, the Dakotas, Colorado, Nebraska, and Northern Minnesota were estimated to range at between 75 and 90 percent of all the land claims. Between 1863 and 1880, over 250,000 homesteads were finalized but it's anybody's guess as to the percentage that negated actual residence and continuous cultivation of the land.

The successful exploitation of the Homestead Act whetted the appetite of land monopolists. On the supposition that 160 acres was insufficient for the semi-arid western areas and was unsuitable for mountainous timber lands, Congress enacted the Desert Land Act of 1877 and riddled it with loopholes and exceptions. Between 1877 and 1887, the Desert Land Act authorized the acquisition of 640 acres of the land on condition that the settler provide suitable irrigation.

"Intended to relieve impoverishment, the Homestead Act proved to be only a more slice of pie in the sky."

Consistent with the Desert Land Act was the Swamp Act which provided 640 acres to anyone who would drain swamp lands and make them usable. While speculative in one part of California supplying bucketsfull of water over 640 acres of dry land and verifying the establishment of irrigation, the notorious California land baron Henry Miller reportedly had himself dragged over land in another part of the state in a boat pulled by a team of horses in order to verify that the land qualified under the Swamp Act.

Although seventy years have passed since the bulk of our public lands were transferred to private interest, the task of providing a mansanitary and an economic base for much of our population still remains unfulfilled. Despite the lapse of time, land is still a realistic vehicle for the attainment of this objective.

The return of the railroad lands to the public domain, the establishment of regional public land bank and trusts, a tax policy which gives the public a greater share in the county leases, and the return of the speculative use of land, increased regional and national planning, and control of land use will restore to the public much of the interest in lands lost to predatory economic interests in the 19th century.

Sheldon L. Greene is an attorney and a founder of the National Coalition for Land Reform.

Our Coal, Water & Trees

Who Gets the Water, Minerals and Timber
By Angus McDonald

Most of the land underlain by minerals in the West is in Federal ownership administered by the Forest Service, the Bureau of Land Management and the Bureau of Indian Affairs. The conglomerates have not been dilatory about staking claims on these lands. According to a recent official report, the ten largest acreage holders of BLM coal leases include Peabody Coal (a subsidiary of Kentucky Coal), Atlantic Richfield, Pacific Gas and Electric, Consolidation Coal (a subsidiary of Continental Oil), and Kerr-McGee. Others holding leases of 50,000 acres include Kaiser Steel, Carter Oil and Sun Oil.

As of June 1970 in the Mountain states, there were 94,402 mineral leases covering 8,503,110 acres on public and federal lands. This exceeds the combined acreage of New Jersey, New York, Rhode Island, Massachusetts, Vermont, Connecticut and New Hampshire.

Federal land in the Mountain states is under the control of the Department of the Interior's Bureau of Land Management. The Bureau leases land for mineral exploration and production. Of the BLM's 33 lease offices in the Mountain states, there were 3,673 leases filed on national forest lands at a rate exceeding 10,000 acres per year. This figure is probably below the rate of the past few months since there is a frantic movement in North Dakota and no doubt other areas to lease everything in sight.

In McCleary County, North Dakota the Register of Deeds, R. Robinson, commented recently: "They just about gut the county leased up." As many as thirty three leases were filed in Robinson's office in one day. Companies leasing in that area include Hunt Oil, Consolidation Coal and North American Coal (which holds over a billion tons of North Dakota lignite for the Wisconsin Natural Gas Co.).

Most of these leases will be used to stripmine coal. Edwin P. Phelps, president of Continental Resources, the largest strip mining company in the nation, thinks the horizon is somewhat bleak.

"Beauty is indeed in the eye of the beholder... Nature created the Badlands of South Dakota as a monument of national beauty, but if any surface miner duplicated them, even on a small scale, it would be called a national disgrace."

There were 32 papers and statements presented at the First National Conference on Land Reform. The substance of many of them has been covered in the preceding pages. The pages that follow carry excerpts from many others. For a complete list of available papers, see page 30.
Energy companies are using up water and water rights to facilitate their mining activities. The American Natural Gas Service Co. seeks to reserve 375,000 acre-feet of the Missouri River in North Dakota where it has 1.9 billion tons of coal reserves and plans to build 22 gasification plants. Other corporations have been busy contracting for vast amounts of water in Montana and Wyoming. By January, 1971, the Water Resources Council had signed contracts to supply 473,000 acre-feet of water a year from Big Horn Lake. Among the companies getting huge amounts of water from the public domain are Gulf Mineral Resources, Peak Oil Co., Panhandle Eastern Pipe Line, Ayrshire Coal, Shell Oil and Worthington Associates.

Boeing Aircraft has been grabbing the public water of the Columbia River, which is located in the 160-acre or 1,500-acre acres in eastern Oregon and has begun to use this water for irrigation purposes. This water stream is similar to that of the Sacramento Rivers, which are directed illegally used water for more than 20 years. They were finally given a slap on the wrist and a settlement which is a disgrace to the administration of Secretary Stewart Udall.

Imperial Valley water users have been challenged over a period of years in and out of court but so far they have hung on to their water in violation of the 1902 Reclamation Act. Another example is the San Lui Project which benefits large landowners such as the Southern Pacific Railroad. San Lui, Imperial Valley and Sacramento River violations involve 160 acres of public water and water users who say that no one individual should get more than 160 acres worth of water for irrigation purposes.

The脑袋 in hand with the giveaway of minerals and water goes the mining of the public forests. The main problem, says the Sierra Club, is that U.S. forests are being over-cut. Whereas the basic principle of the multiple use by preemption of all forest uses, overcutting violates the basic ecological principle (and federal law) of sustained yield.

One hundred-thirteen million acres classified as commercial forest belong to the federal government. Since private forests are to a great extent exhausted, the timber companies are turning to the federal lands. "Clear-cutting violates the principle of multiple use by pre-empting all other forest uses."

Edward C. Craff, highly regarded forester with vast experience, said on March 23, 1973: "Right now the Forest Service is cutting about twice as much softwood saw timber as it is growing now."

"For many years ... the Service has predicted a prospective shortage of softwood saw timber and this is exactly what is happening today and why it is turning to the National Forests as its own lands have been depleted of mature timber. There is a time gap until second growth matures and depend more heavily on the past in the public timber. That time gap is now. There is also excessive mill capacity in relation to growth productivity and no one wants to go out of business."

The paper industry include Weyerhaeuser, which marketed nearly 2 billion board feet in 1969, Georgia Pacific, Boise Cascade, PacifiForest and U.S. Plywood-Champion, Northern Pacific (now the Burlington) through corporate dommies sold illegally 1.5 million acres to Weyerhaeuser years ago. Clearcutting by Weyerhaeuser is wrong.

Richard Nixon by executive order "passed a law" increasing timber cutting in national forests. The House of Representatives had previously rejected this proposal. The recent skyrocketing prices of lumber will undoubtedly increase the pressure on the Forest Service and other agencies to accelerate cutting on public land.

During the past few years there has been a terrible battle over the grasslands in the National Forests and the Taylor Grazing lands. Stockmen for many years have been permitted to use the grass on public lands for virtually nothing. Great corporations including railroads benefited 11 percent of the permits. The big stockmen benefited from almost free grass so long that they insisted they should have it for free while small stockmen who had to depend on privately owned grass paid up to ten times as much.

Three-fourths of the BLM forage is alloted to public use. In 1971 the Agriculture and Interior Departments for once did the right thing and raised the fees of 30 cents or so a month a few cents a year for a period of 10 years, the result was a terrific outcry.

Angus McDonald is a former lobbyist for the National Farmers Union.
and make the policy effective.
In the last session of Congress, seven Congressmen and four Senators sponsored a bill to create a Reclamation Lands Authority, empowered to purchase excess lands at the pre-water price stipulated by present law. The aims are to restore
landholdings. Kemp Houck and Monopoly, I think no state ever suffered from it more.
scramble for land which caused Horace Greeley to remark capable of drawing more than per minute, the competition for water has added to the
grains and sorghums and to manage pasture on a very large
Congress respond?
its opportunities
Another factor is that, with some western counties
concentrations are in the westernmost acres each.
Another factor. The ceding of Indian lands, and
regions and undertakings, thousands of people moved away and some of
forests. Thousands of people moved away and some of
low the state more than
"tenants by sufferance" in their hills.
Corporations about to
by
State mining laws were weak and vaguely enforced. Immense
in a cut-over timber land and other large tracts were semi-desert.

FOOTNOTES
1 Discussion delivered at Plymouth, Massachusetts, December 22, 1820, in conversation of the first settlement in New England, 53-4, (3 ed. 1825)
6 Hearings before Senate public lands subcommittee, 80 Cong., 1 sess., on S 912. (1947).
8 Public Land Law Review Commission, One Third of the
9 Bureau of Mines, "Excess lands of counties and the Flint Hills area. One reason is that, with some western counties
11 "The Eastern Kentucky Development District would formulate an over-all development plan--a program involving
12 A "depressed area" The Eastern Kentucky Development District would accomplish on an interstate basis the things I have dreamed
13 The concept could be expanded far beyond anything contemplated thus far. The people of western Maryland, West Virginia, northeastern Pennsylvania and perhaps
14 Kemp Houck works with the Kansas Farm Project.

Abundant cheap power has attracted new industry.
Good schools, a growing economy and a pleasant environment are drawing people into a county once threatened with widespread abandonment. The "surplus land area" has become a land of opportunity and growth.

A similar transformation has occurred in neighboring Grant County, Wash. That county has 41,881 inhabitants in 1960 and its income from electric power sales exceeded $20 million last year. The Grant County PUD is investing im-
pensive sums in the development of plant sites and other facilities designed to support a growing population.

These counties compare in population with Harlan County, Kentucky. They are bigger geographically, but they lack Harlan's huge mineral deposits. The immense potential of the \n
“During the 1960’s, 65 rural counties in Kansas suffered an outmigration of more than 30 percent of their male youth.” Kemp Houck

Harry Caudill is an attorney in Whitesburg, Kentucky, and author of Night Comes to the Cumberlands and My Land is Dying.
One, Two, Many TVAs
Regional Ownership of Resources in Appalachia
By Richard Simon and Roger Leser

The question of who owns and controls land is crucial in Appalachia as it is in much of the rest of the country. In Appalachia, the principal land exploiters are the coal and timber companies, as well as development interests which view the relatively cheap land in Appalachia as an exploitable market for recreational development.

Though no total land survey has been taken in Appalachia, data on West Virginia are fairly representative of the central area of the Appalachian region. West Virginia has 55 counties, 1.8 million people. The nine southernmost counties account for approximately 30 percent of the population and produce about 70 percent of the coal. Nine corporations own more than one-third of the land in these counties, and the top 25 landowners control more than half.

Of the nine dominant corporations, only one is a West Virginia company doing business principally within the state. The others are Pocahontas Land Corporation, a wholly owned subsidiary of the Norfolk and Western Railroad; Georgia-Pacific, a timber company headquartered in Oregon; Western Pocahontas Corporation, a wholly owned subsidiary of the Chesapeake and Ohio Railroad; Island Creek Coal Company, a wholly owned subsidiary of Occidental Petroleum; Rewind Corporation, a diversified company holding huge tracts of land; Union Carbide, one of the world's largest chemical enterprises; Beaver Coal Corporation and Bethlehem Steel.

In spite of the seriousness of land maldistribution in Appalachia, few organizations have specifically dealt with the problem, and there is a proliferation of organizations concerned with strip-mining. The purpose of the Appalachian Regional Commission.

The central area of the Appalachian region. West Virginia has been able to generate enough enterprises beyond the scale or craft-related industries which are generally supported by any agricultural experiment station. The agricultural experiment stations, and agricultural extension programs. The social life and the way in which information dispersal operates through the agricultural extension network, have made it increasingly difficult for small growers to remain in agriculture.

Agriculture and Social Welfare: The Case of the Tomato Harvester.

The second major consequence has been a pattern of land ownership. His basic findings, that social life and the way in which information dispersal operates through the agricultural extension network, have made it increasingly difficult for small growers to remain in agriculture.

Richard Simon is an assistant professor of economics at American University. Roger Leser is a research associate at the Institute for Policy Studies and a member of the People's Appalachian Research Collective.

Jointing the CDC and TVA ideas would allow the downward flow of profits and the upward flow of decision-making.

USDA Fairy Tales

A Rassessment of the Status and Trends in Family and Corporate Farms in U.S. Society
By Richard D. Rodefeld

The United States Department of Agriculture and others following its lead see no present problems with corporate farms, non-family farms or family farm decline. Furthermore, there is no indication they expect any of these problems in the immediate future. As a result, no need is perceived for "pou" family farms or "unti" corporate farm legislation. Unfortunately the USDA, Farm Bureau and others are more wrong than right on these issues.

If there is any piece of evidence most crucial to the USDA position, it is the results of a special Census of Agriculture tabulation carried out by R. Nikolicz. Nikolicz divided all farms into two categories: those where the majority of the work was done by the farm operator and his family, and those where hired labor did more than half the work. Most would undoubtedly agree that this classification is quite reasonable and useful.

Nikolicz classified all farms into these two categories for 1949, 1959, 1964 and 1969 (estimates) and then analyzed various characteristics of the two farm types for the various years. The USDA in testifying against the Family Farm Act of 1972 quoted one of the major findings of this research as follows: "Family farms, those using predominantly farming family, make up about 95 percent of all farms and produce 65 percent of all farm products sold in the U.S. Although these percent-

FARM POLICY

MACHINES & MEN

The Social Impact of Technology
By William H. Friedland

Over the past century, many millions of dollars have been expended on the development and dispersal of agricultural technology through the complex network of the "agricultural establishment". The United States Department of Agriculture, the land-grant complexes of universities, the agricultural experiment stations, and agricultural extension programs. The social life and the way in which information dispersal operates through the agricultural extension network, have made it increasingly difficult for small growers to remain in agriculture.

The second major consequence has been a pattern of land ownership. His basic findings, that social life and the way in which information dispersal operates through the agricultural extension network, have made it increasingly difficult for small growers to remain in agriculture.

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"Joining the CDC and TVA ideas would allow the downward flow of profits and the upward flow of decision-making."
Farmers as Pawns
Against the Grain: The Role of the Farmer in Foreign Economic Affairs
By Michael Perelman

The small farmer is presently being cast as a pawn in the global economic strategy of the United States. Currently, the United States is facing a massive balance of payments deficit caused by the expenses of war, inflation and funds sent abroad by American firms which are investing in foreign operations. American farmers blamed the impact of the balance of payments deficit by exporting $9.4 billion worth of products in 1972. This figure is expected to climb to $11.1 billion for Fiscal Year 1973-74, or almost twice the amount of the current balance of payments deficit.

The Administration plans to fight inflation by limiting government spending. The farmer, however, has little to gain by this strategy since the government intends to save money by cutting farm subsidies. By 1974-76, the Administration hopes to cut back annual direct payments to farmers by more than 60 percent. Thus, the farmer will find less government support at the same time as he is caught in an inflationary squeeze.

The U.S. no longer has the resources to maintain a massive military presence throughout the world. The balance of payments problems reflects this reality. The U.S. needs to sell its food for dollars to keep its expensive military structure going. Ironically, two of the best customers for food exports are the 'superpowers' whose threat is supposed to justify our military expenditures.

The effect of cutting American foreign policy through agricultural exports will be disastrous for the small farmer. Agricultural markets are notoriously unstable. Foreign markets that once vanished were planted and harvested. Apparently, farmers will have to bear this risk.

The real beneficiaries will be the large conglomerates which will be in a unique position to move into the boom-or-bust agriculture promoted by the Administration. They have the credit to absorb the erratic movement of foreign markets while at the same time they buy up small farmers who fall by the wayside.

A further need for agricultural exports is the rising cost of oil imports. Forbes magazine of March 15, 1973 suggests that by 1980 oil imports could rise from $4.2 billion to $20 billion.

The complexity of the problem becomes apparent upon realizing that agriculture uses more oil than any single industry. Farmers annually burned about 7 billion gallons of motor fuel alone, according to 1965 statistics. Fertilizers require about 6 billion gallons of fuel; petrochemicals, about 4 billion gallons; electricity for farm production, almost 1 billion. Food processing consumes the equivalent of about 1 billion gallons of fuel. About 7 billion gallons of fuel are burned in transporting food from farmer to consumer.

At approximately $3.30 per gallon, the U.S. food industry is spending $23 billion a year on energy. Should energy costs double, the U.S. would then be paying approximately $18 billion dollars for farm related energy. So the strategy of using farmers to save the dollar can never work unless food prices rise even faster than energy prices.

There's an ironic weakness to the energy crisis which the USDA overlooks. Since the advantage of large-scale farmers rests primarily on the substitution of fossil fuels for human labor, a sharp rise in energy prices will swing the advantage away from large farms to smaller, more labor intensive farms. The only exception would be if wages were to rise faster than energy prices, which seems unlikely unless a cheap source of energy is developed.

However, the USDA sees the small farm as a relic of the past. It prefers to pin its hopes on the large, highly mechanized farm. We in the land reform movement must help them to see more clearly.

Michael Perelman is an assistant professor of economics at California State College, Chico.

Subsidies Reform, Don't Kill
Legislative Outlook for Farm Subsidies
By Victor K. Ray

What is a subsidy? The defense industries refer to such benefits as "incentives." I heard a TV ad by Exxon which referred to it as "government cooperation" that is so necessary for the oil industry. The nearly identical analogy to farm subsidies is our tax system. Farm subsidies are, in fact, a revenue tax. The maximum farm subsidy was lowered to $55,000 for either of the basic crops covered in 1970. If one is for substantial change in the subsidy limit, one must be disappointed in the "progress" that was made. Indeed, the proposal was accepted precisely because it had minimal effect.

However, the reformers came close to their objective as they perceived it. They did so not because of their own efforts, but through the efforts of their enemies with whom they joined on the farm subsidy issue. Three times reformers joined with enemies of the farm program to pass $20,000 payment limitation legislation through the House or Senate. Yet in the crunch--where reform was the objective, not destruction--they could only get through a $55,000 limitation.

The strategy of using farmers to save the dollar can't work unless food prices rise faster than energy prices.

More and more of the reform movement in America is urban-based. To these reformers, agriculture is a theoretical matter. They do not see production in terms of real commodities--in millions of gallons of milk, load- ed first in tank trucks, then bottled in paper containers; in freight trains loaded with wheat that roar across the plains; in thousands of eggs that come from a single farm each day.

Unless more reformers can see their goal a little clearer, we may throw away the baby with the dirty bath water. How can the farm subsidy system be cleaned up?

It is my thought that the indispensable component

Richard D. Rodefeld is a sociology professor at Michigan State University.

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Percentage of All Farm Numbers and Sales by Non-Family Farms by Region, State, and Type of Production

<table>
<thead>
<tr>
<th>Region</th>
<th>% of Farms</th>
<th>% of Sales</th>
<th>State</th>
<th>% of Sales</th>
<th>Type of Production</th>
<th>% of Production</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific</td>
<td>13</td>
<td>71</td>
<td>Arizona</td>
<td>89</td>
<td>Vegetables</td>
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<td>S. Eastern</td>
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<td>56</td>
<td>California</td>
<td>79</td>
<td>Fruit &amp; nuts</td>
<td>17</td>
<td>71</td>
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<tr>
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<td>7</td>
<td>49</td>
<td>Colorado</td>
<td>57</td>
<td>Cotton</td>
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<td>11</td>
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<td>Maine</td>
<td>53</td>
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<td>21</td>
<td>Dairy</td>
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<tr>
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<td>13</td>
<td>Tobacco</td>
<td>3</td>
<td>18</td>
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<tr>
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<td>4</td>
<td>27</td>
<td>Louisiana</td>
<td>48</td>
<td>Cash grain</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>State</td>
<td>24</td>
<td>100</td>
<td>U.S.</td>
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"If we pay the large farmer $10 an acre to idle his land, should we not pay the small farmer $20 an acre?"

of the farm subsidy system is supply management. If supply management is less than perfect, then a measure of price protection is justified.

The commodity loan has worked very well to provide price protection. Let me point out that it has rarely cost the government any substantial amount of money. The loan provides a price floor under the commodity. So if the true market price falls below that floor, then it is the trade and consumers—who pay the cost.

I believe that stability can be added to the market system—to protect not only farmers, but the trade and consumers—by the establishment of reserves insulated from the market. Insulated reserves provide market stability are used in other segments of the economy—such as strategic metals, oil, and even currency.

How can we provide subsidies that will achieve the goal of a stable agriculture?

Some limitation of payment is necessary. But before talking about limits let's go back to our original premise—agriculture should be a family business.

Are we protecting the small farmers? If so, his subsidy—insignificant cooperation—should be higher than that which goes to his corporate competitor. If we pay the large farmer $10 an acre to idle his land, should we not pay the small farmer $20? If it is advisable to protect the price of the large farmer's cotton with a commodity loan of 20 cents a pound, should we not provide the small farmer a 30-cent loan?

A test of success will be if the subsidy program halts the trend to corporate bigness in agriculture. In this regard, let us be not too quick to assume that the subsidy system is the main contributor to the trend to corporate bigness in agriculture. An overwhelming majority of payments have gone, and are still going, to small, family farmers. The trend to concentration in agriculture would undoubtedly go much faster if it were not for the subsidy system, defective though it may be.

I do not believe that there is a sufficient number of the farm programs—particularly those living in the past, and those who believe they would profit in the absence of an orderly marketplace—to abolish it, and the incentives and government cooperation which are necessary to make it work. But if reformers join with them, as they have in a few instances in the past, then there will be enough votes to do it.

The future of the farm subsidy system is up to reformers.

Victor K. Ray is assistant to the president of the National Farmers Union.

Limits Are Not Enough
An Evaluation of Subsidy Reforms
By E. Philip LeVeen

Commodity programs give two types of benefits. First, direct "set-aside" payments are given to farmers who agree to divert some of their crop land from production. Second, this land diversion has the consequence of restricting market forces and has reduced the amount and price of various agricultural products. The principle involved is the idea that the demand for some products can be reduced to a certain level. The total effect is a combination of two equal proportions, of benefits in terms of higher prices and direct payments. (In 1973 the total cost of direct payments was a little more than $3 billion, but the public paid an additional $3 billion in higher food prices.)

These payments in the hands of large corn, wheat, and cotton farmers. The added income eventually is bid into land prices making it more difficult for small farmers to grow. The small farmer does benefit when he sells his land at a higher price than it would have received without government subsidies, but this means he must give up farming.

Limitation schemes will not have a dramatic impact on the distribution of government benefits, and will have an even smaller impact on farm income. For example, an estimate made for 1967 shows that if the payment limit were reduced to $10,000, the top 5 percent farmers would have their share of benefits reduced from 42 percent of total government payments to 34 percent, while top 20 percent would have their share reduced from 69 percent to 64 percent. The payment limitation does nothing for farmers under the limit because it is based upon output.

Furthermore, payment limitation policies only prevent large farmers from receiving proportionately larger direct payments; they do not limit their ability to obtain proportionately larger benefits from the high price supports which are also part of commodity programs. Because the payment limitation scheme has no effect on this basic advantage of the large farmer, it cannot have any meaningful impact on the trend toward increasing farm size.

Limitation policies, even if they are designed to elimi- nate payments to large corporations, will probably have little impact on the survival of the family farm. The reason is simple. Commodity programs are directed mainly at corn, wheat, and cotton, and with the exception of some large corporate cotton farms in California, the major pro- ducers of these crops are already family farmers. The commodity programs do not affect those crops and livestock areas where corporations are strongest and most likely to grow.

FOOTNOTE

E. Philip LeVeen is an assistant professor of agricultural economics at the University of California, Berkeley.

Leaping Loopholes?
Sowing the Till: A Background Paper on Tax-Loss Farming
By Jeanne Dangerfield

In the past twenty years, the tax load on farmers has increased by 297 percent. The price the farmers receive for his produce is increased by only six percent in that same period. Such skyrocketing production costs, coupled with low farm income, have made farming a mighty tough row to hoe. In fact, there are only about half as many farmers today as there were in 1952.

But, while many farmers have been losing and going under, an increasing number of corporations and wealthy individuals have learned how to lose at farming and still get away with a profit. Rather than working the land, they work the tax laws.

The key to tax shelter farming is a series of tax loopholes built up around six revenue acts that go back to 1916. The first was in the Revenue Act of 1916. It gave farmers the option of using either the "cash accounting method" used by individuals for their tax returns, or an "accrual accounting method," required of all other businesses, to compute their yearly income.

Cash accounting is important to both the farmer and the farm investor. To the farmer, cash accounting means some flexibility in adjusting year-to-year income; it also sim- plifies bookkeeping chores.

To the tax-loss investor, who is generally able to afford accountants and bookkeepers, cash accounting creates "artificial losses" by allowing premature deductions of expenses against high non-farm income. This lets him postpone paying taxes on that percentage of his income equi- valent to the amount of his farm deductions. In effect, he gets an interest-free loan from the government. When the produce is finally sold and profit realized, it is of course an interest-free "loan" to the investor can be extended if the investor chooses to reinvest his profits in another farm venture.

Under the cash accounting method a farmer can deduct expenses of materials and services that actually go into or are a part of, a final salable product—such as feed, seed, study fees, and management services. Other farm inputs, such as machinery and equipment and improvements to barns and farm buildings, are still classified as capital assets and are not immediately deductible.

Under the Revenue Acts of 1916 and 1919, farmers received another special privilege: the costs of raising livestock held for draft, breeding or dairy purposes, and the costs involved in developing vineyards and fruit and nut orchards, are all fully deductible, even though they are capital expenditures.

The Revenue Act of 1942 included another special provision: capital gains treatment are the keys to understanding tax shelter farming. This means that income from sales of these capital assets, which have been held for a specific minimum period of time, are taxed at rates equivalent to half the person's regular tax bracket.

The rationale behind this privilege is the special nature of farming. Many farm products—such as grape tree fruits and cattle—require substantial investment before they can return a profit. It might take an orchard or vineyard 8 to 10 years to reach maturity and a breeding herd at least four years before they bring any profit. There is a great deal of risk involved in farming, due to such factors as weather, disease, accidents, and price fluctuations.

The capital gains treatment for agriculture, like the other special agricultural provisions, works out better for a wealthy investor than for a small farmer. The investor can increase proportionately to the taxpayers income bracket. And, in many cases, to take advantage of the capital gains opportunity a farmer would have to sell all his land.

The tax "benefit" puts teeth in the old adage that farmers live poor and die rich. Some tax-loss companies have been held for a specific minimum period of time, are taxed at rates equivalent to half the person's regular tax bracket.

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It has been suggested that state legislators should be encouraged to take all revenues derived from severance taxes and place them in trust for use at some future date to purchase coal-bearing lands and make these lands part of the public domain. It is ironical that even state interests underlying national and state preserves in Appalachia today are owned by the public. In many instances they are owned by private industry which has the right to destroy the surface whenever necessary to extract what lies beneath.

United States Senator Lee Metcalf and others have long advocated a federal severance tax with provision for full credits to companies which pay a similar tax in the states in which they do business. Such a federal severance tax has the obvious advantage of prompting state enactment by eliminating any competitive advantage which might otherwise befall an enterprising state government.

Herefore, a federal severance tax has been opposed by the United Mine Workers of America as well as by the National Coal Association. However, the new leadership of the UMWA sees things differently and the prospects for Congressional action are now brighter than before.

The following table contains data for the year 1969 on the value of mineral production by states, and state collections of severance taxes on minerals for fiscal year 1970.

Paul J. Kaufman is a former West Virginia state senator and director of the Appalachian Research and Defense Fund.
Environment

Up the Subdividers!

Land Subdividers and the Human Environment

By Harvey Mudd

Although not as dramatic in appearance as strip mining or some other projects, the long run effects of land subdividing are equally destructive and irreversible. Subdividing is a huge, heterogeneous and unregulated industry, its dollar volume is estimated to be between 35 billion and 56 billion per year. The number of subdivisions is estimated by the American Land Developers Association and others to be between 10,000 and 13,000. The most feverish activity is in Florida, California, New Mexico, Arizona, Colorado, Vermont and New York. The amount of land involved is difficult to estimate. It is in the millions of acres. In New Mexico alone over a million acres have been platted. Some of the larger companies have inventories in the neighborhood of a quarter of a million acres.

The subdividers themselves range in character from the wildcat who blazes a grid on the desert and peddles his lots as being 400 feet from water (meaning straight down through basalt) to the sophisticated land merchant who is listed on the New York Stock Exchange. In this last category are such companies as Horizon Corporation, AMREP, GAC Corporation, Forbes, Inc. and ITT. These operations have a lot in common. They emphasize the investment potential of the land (it's a great investment for them); they play on the greed of the public and the discontent of the urban wage slave; they will intercede on installment; they provide little or nothing in the way of improvements; they finance their operation, both the building of improvements and the acquiring of new acreage, with the installment payments of those already hooked; their overhead is primarily sales expense; and they make tremendous profits (land purchased for $100 per acre is sold for as much as $4,000 per quarter acre).

"Within the 200 square miles of the Santa Clara Valley, not a single square mile is without a subdivision. If all the subdivisions were contiguous, they would cover only 40 square miles."

The lots they provide reflect no housing need and will probably not be sold. In 1966 the Bureau of Census estimated that there were 12,250,000 empty lots in the United States. That figure is certainly higher today. One Horizon Corporation project totaling 140,000 acres 45 miles south of Albuquerque had, in 1972, less than 200 homes built on ¼ acre lots. In California it is estimated that the empty lots would support the population growth anticipated for the next 100 to 300 years.

A number of companies like to describe themselves as developers or, even more grandiosely, as community builders and planners. Most of them do initlate a little developing - a club house, a golf course and perhaps a hundred homes. This core development is the bait; it is something to picture in the colored brochures. The real business is selling empty lots, some of which may be many miles out in the desert or under water.

A real developer does provide improvements, does expect that homes will be built on all or most of the lots sold, and is often in the home building business himself. But if not done carefully, and if not used properly, this kind of development comes at a cost. Conservation and other non-development areas should also receive important tax considerations, subject again to effective zoning controls.

"The hard tomatoes, watery potatoes and flavorless strawberries are the harvest of an agricultural system ripe for reform."
side usage by at least 50 per cent. Pimentel estimates that crop losses would be $12 billion if no pesticides were employed, or $2.1 billion over normal losses. "Contrast this estimated $2.1 billion loss with the estimated $4.8 billion spent in 1971 for the farm price support program, spending money paid for diverting nearly 60 million acres from planting crops like cotton, corn and wheat," says Pimentel. "Perhaps it is time to consider how much money could be saved if the government paid farmers for some crop losses due to pests if no pesticides were used rather than paying farmers to divert acres."

The various groups who want land reform should look at the way they affect the urban consumer. The hard tomatoes, the watery potatoes, the flavorless strawberries, the unripe peaches—these are the harvest of an agricultural system and a land use in dire need of reform.

In the past 12 months, rural-urban cooperatives have been forming throughout the United States to serve the specific needs of organic farmers and the market for their harvests. These cooperatives have names like the Northwest Organic Food Producers in Washington, the Organic Movement Association in North Carolina, the Maine Organic Foods Association, the Colorado Growers and Marketers Association, and the Brighton Organic Association in Kentucky.

Robert Swann, under the leadership of Jim Pierce, executive director of the Rural Advancement Fund, both the Eastern Georgia Farmers and the Southern Agriculture of Virginia are showing the relevance of the organic idea to small farmers and rural poor. The development of these groups show how foods—developed by a system of natural-agricultural system—can help to solidify the coalition between the needs of sharecroppers and small farmers and concern for the land. What the consumer needs is a "brand name" to identify foods harvested by alternative farming systems. Cesar Chavez has urged consumers to boycott all lettuce and grapes which do not have the UPW seal, and consumers have responded. The UPW has provided, certainly in one sense, an alternative. So has organic agriculture—here again consumers have responded.

In an organic agricultural system, the consumer can identify the farmer and the farmer can identify the consumer. The human identity of each can surface and interact for the money supply for its production and consumption—can become a real economic force for societal and environmental objectives.

A major obstacle to a consumer demand for change on the farm is that the constant emphasis that "our food supply is the cheapest and best." But now the consumer is finding that these statements are not longer valid.

In a New York Times article headlined, "Days of Cheap Food May Be Over," (3/11/73), Morton L. Topliff writes: "A case can be made that cheap food is a thing of the past that we are passing through a true watershed in food production and demand and that this is an economic development of historic importance all too little appreciated and most dangerous to neglect for any length of time."

Mr. Topliff, who is an editor for "Milling & Baking News" in Kansas City, goes on to say that "relatively few American farmers have considered land as a cost. Accelerating commercialization of farming will change that attitude... Much about the present situation heralds expansion of corporate participation in farming."

If the "days of cheap food are over," then why shouldn't there be a new consumer demand for a change away from the old policies? It would seem consumers could be made to understand now more clearly than ever the abuses of the old system that got us to the present point, and not accept national policies that call for even more of the same.

Some months ago, a large commercial farming magazine—after complaining about legislative restriction against DIS and DDT, concluded: "We may be headed into organic farming—like it or not." The American consumer is getting more vocal against fungicides and pesticides and hormones, each time new evidence is uncovered showing the reversals and dangers involved in their use. American consumer is obviously vocal about high food prices. "I imagine quite soon we'll be seeing Business Week, Fortune, etc. concluding: "We may be headed into land reform-like it or not." The way to a nation's land reform is through its streets. It's of course the only way, but it is a vital route. I hope the leaders of the land reform movement in this country will make use of it.

Jerome Goldstein is executive editor of Organic Gardening and Farming.
"Like the highway trust fund, the Land Conservation Fund would be a special government account into which money would pour from special taxes—in this case from taxes on the wealthy.

The unearned increment tax, if universally applied would be borne by all owners of land that is appreciating in value. It would be wise, however, to exempt land immediately related to low and middle-income residential property, small businesses. The tax would then be borne almost entirely by large landowning corporations and real estate speculators. Its impact would be greatest on large owners of urban and urban fringe land.

In practice, an unearned increment tax could take a variety of forms. I favor tacking on an annual land gains tax to the state income tax. This would be similar to the ordinary capital gains tax except that it would be payable while gains accrue, rather than at time of realization—a necessary difference from one objective of the tax is to induce large absentee landowners to sell.

Besides raising money to buy back the land, an annual land gains tax would, by itself, have several desirable consequences. By diminishing the tax advantages of investing in land, it would encourage the wealthy to put their money elsewhere, and perhaps prompt present large owners to lease back to small farmers and co-ops.

Another consequence of a land gains tax would be the creation of jobs and housing. A tax on land gains encourages construction of income-producing improvements on land, especially in the central city and on the urban fringe. Because of the exemption for low and middle-income homes and rental units, the greatest incentive would be to build low and middle-income housing, as opposed to luxury high-rise, shopping centers, and office buildings. If a differentially high rate were applied to land rezoning for this use, the incentive would be to build new housing in areas already zoned for it, rather than to sprawl into still unspoiled areas. If the housing were built by low-income co-ops or CDCs that received land acquisition funds through the LCF, housing costs could be cut by as much as 25 or 30 percent.

Who would get the money to buy land, and how would the allocations be made?

The law establishing the LCF would contain a formula for allocating funds by purpose, type of recipient, and location. Thus, 50 percent of the revenues might be allocated for open space acquisition. These funds would be distributed among state agencies, cities, towns, counties, and regional park districts in accordance with population density, quality and quantity of open space available, and other factors. Some funds would be used for preserving wilderness and wildlife refuges, some for recreational areas, some for urban parks and suburban greenbelts (in which land might be leased back to small farmers and co-ops). Grants from the LCF could cover up to 100 percent of land acquisition costs.

The remaining 50 percent of LCF revenues would be divided among the following types of recipients:

- Conservation of low-income families, for the acquisition of land for agriculture, related enterprises, and housing—for example, farmers would wish to buy a corporate farm and run it cooperatively.
- Community development corporations in rural and urban areas, for the acquisition of land for housing and non-polluting industries—for example, a chain of CDCs might buy back the west side of the San Joaquin Valley, now almost wholly owned by a handful of absentee corporations.
- Public utility districts, for the acquisition of land, water, or energy resources—for example, a district in Appalachia might acquire coal sites.
- Nonprofit land trusts, similar to the Jewish National Fund in Israel, for the acquisition of land for lease to farmers, co-ops, etc. A model would be the Jewish National Fund in Israel (although this is a private land trust). The questions raised by the trust fund concept include: (1) Are Americans ready to give up the tradition of private land ownership in favor of long-term leasehold tenure? (2) What values should the land held by a national trust, and how would such a trust fund be administered? In addition, how should such a trust fund relate to the Interior and Agriculture Departments?

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Another consequence of a land gains tax would be to slow the natural rate of increase in taxes instead of depress land values below their current level. In practice, an unearned increment tax could take a variety of forms. I favor tacking on an annual land gains tax to the state income tax. This would be similar to the ordinary capital gains tax except that it would be payable while gains accrue, rather than at time of realization—a necessary difference from one objective of the tax is to induce large absentee landowners to sell.

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List Of Available Land Reform Papers

Copies of the following papers are available from the Center for Rural Studies, or elsewhere as indicated. Prices are to cover xeroxing. Please add 25 cents per order for postage and handling. We cannot bill, so please enclose a check or money order made payable to the Center for Rural Studies.

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Baldwin, Sidney. Lessons from the New Deal: The Farm Security Administration. 15 pages. 60 cents.

Barnes, Peter. Land Reform in America. Reprint of three articles from the New Republic. 6 pages. Free.


Barnes, Peter, and Larry Casalino. Who Owns the Land? 13 pages. 35 cents.


Catholic bishops. Where Shall the People Live? 7 pages. 25 cents.

Costill, Harry. An Appalachian Mountain Authority. 11 pages. 45 cents.


Center for Rural Studies. A Land Reform Bibliography. 5 pages.

Center for Rural Studies. What A National Land Reform Act Might Look Like. 3 pages. 10 cents.


Dangerfield, Jeanne. Sowing the TII. A Background Paper on Tax Loss Farming. 40 pages. $2. Write the Agribusiness Accountability Project.

Davenport, Charles. Tax Loss Farming By Syndicates and Corporations. 7 pages. 25 cents.

Del Solar, Daniel. Local Control of Geohistorical Energy: History and Prospects. 18 pages. 75 cents.

Dorner, Peter. Land Reform in Latin America. 11 pages. 45 cents.


Goldstein, Jerrold. Land Reform Is Through Its Stomach. 9 pages. 35 cents.

Greens, Dobell. The New Deal and the Roots of Agribusiness. 70 pages. 20 cents.

Hewes, Lawrence. Reflections on the Japanese Land Reform. 13 pages. 50 cents.


Houck, Kemp. Concentrated Land Tenure in Kansas. 27 pages. $1.


Kaufman, Paul. The Severance Tax. 4 pages. 15 cents.


Krebs, A. V. Report on Major U.S. Corporations Involved In Agribusiness, 70 14th St., NW. Write the Agribusiness Accountability Project.


LeVeen, Philip. An Evaluation of Subsidy Reform. 68 pages. $2.50.

McCluggage, John. Tax Dis for Land Acquisition. 6 pages. 25 cents.


Mudd, Harvey. Land Subsidizing and the Human Environment. 12 pages. 50 cents.

Perelman, Michael. Against the Grain, Or The Role of the Farmer in Foreign Economic Affairs. 4 pages. 15 cents.

Ray, Victor K. The Legislative Outlook for Farm Subsidies. 11 pages. 50 cents.

Raup, Philip M. Corporate Farming in the United States. 4 pages. 15 cents.

Rivkin, Dean Hill. Anti-trust in the Model Valley: Preliminary Thoughts on A Legal Approach for Dismantling Contemporary Colonialism in America. 6 pages. 25 cents.


Simon, Richard and Robert Lesser. Land Reform and Regional Ownership of Resources in Appalachia. 15 pages. 60 cents.

Swann, Robert. Land Trusts as Part of a Three-Equal Economic Strategy for Regional Integration. 18 pages. 70 cents.

Taylor, Paul. The Battle for Acreage Limitation. 13 pages. 50 cents.

Get Involved: Some Groups To Do It With

Across the country, a great number of organizations are involved in various aspects of the land reform movement. Herewith a partial list. Get in touch with a group near you and pitch in!

Agribusiness Accountability Project, 1000 Wisconsin Ave., NW, Washington DC 20007

Alliance Federale de Pueblos Libres, 1010 3rd Ave., NW, Albuquerque, NM 87101

Appalachian Development Fund, 114 W. Clingh Ave., Knoxville, TN 37916

Appalachian Research and Defense Fund, 1116-B Baldwin, Sidney.

Association of Non-Violence, Box 95, Epes, AL 36025

American Indian Congress, PO Box 824, Freedom, CA 95019

Cooperative League of the Appalachian Development Fund, 114 W. Appalachian Research and Defense Fund, 1116-B Baldwin, Sidney.

Northern Cheyenne Land Owners Association, PO Box 62, Keene, CA 93531

Ohio Land/Summer Institute, 145 E. 52nd St., New York, NY 10022

Pacific War Memorial Institute, 1425 S. Marine St., Box 50312, Honolulu, HI 96814

Southern Regional Council, 437 7th St., NW, Washington DC 20001

Return Surplus Lands to the Indians, 354 3rd St., NW, Washington DC 20001

United Farm Workers, PO Box 62, Keene, CA 93531
Notes From All Over—2

New York Farms

The county executive of Suffolk County, N.Y., John V.N. Klein, has launched an exciting new program to preserve his county’s farmland. Suffolk County comprises the eastern end of Long Island and is only a two hour train ride from New York City. Until twenty years ago it was entirely agricultural, specializing in potatoes, cauliflower and other cool weather crops. Truck farms predominated, and the typical farm size was about 100 acres.

Since the 1950's the county has felt the effects of land speculation and residential development. Klein’s plan is for the county government to purchase farmland threatened with development and lease it back to family farmers.

Klein, a Republican, proposed to the county legislature that 3,000 acres a year be purchased, at an approximate cost of $5,000 per acre. The county would not use its power of condemnation, but would rely on voluntary sales. Money for the purchases would come out of the county’s capital outlay budget, be bonded out, and would affect the property tax only marginally.

Under the plan, farmers would lease the farmland for an annual rent roughly equal to the present level of property taxes.

Strip Mining The Earth In Tennessee

The growing impact of strip mining in America can be seen by a study of one of the hardest hit states, Tennessee. More than 3,000 acres a year are over-turned by strip miners in Tennessee, and the rate is steadily increasing. Over 80 percent of the strip mining takes place in five eastern counties: Anderson, Campbell, Claiborne, Morgan and Scott.

Some of the results are: scarred mountains, acid and mineral seepage into the water table and streams; loss of topsoil and vegetation; siltation of streams; reduced storm-carrying capacities of rivers and increased flooding; mountain slides and timber destruction.

Though strip mining is defended on the grounds that it is a big industry and necessary for the labor force in these counties,

Nor is strip mining safer for workers than deep mining. The national non-fatal accident rate is higher in strip mines than it is in deep mines. And strip mining, unlike deep mining, increases the dangers to communities from landslides, floods and dynamite blasting. The answer: to the safety issue is to make deep mining in America as safe as it has become in Europe.

What can be done? In Tennessee, a ‘Mountain People’s Strip Mine Law” has been sponsored by Save Our Cumberland Mountains and other grass-roots organizations. If passed, it would stop strip mining in the state within six months. It would also require coal companies to foot the bill for restoration of stripped land and streams, and to complete restoration by 1978. On the national level, a bill introduced by Rep. Ken Hechler of West Virginia would abolish strip mining throughout America.

Thanks to Save Our Cumberland Mountains for this information.

Food Grows Money

Wonder where your food dollar goes? In the old days the farmer got a healthy slice of the food dollar. Today the lion’s share goes to middlemen -- especially food manufacturers and distributors.

And, as might be expected, the biggest share of the profits go to just a few large corporations. The 1967 Census of Manufacturing counted 32,500 food manufacturing firms. But a study by the Federal Trade Commission found that the top 50 of these firms reaped 61 percent of the profits.

Here is a list of some of the biggest food middlemen and their profit rates for 1972. Keep in mind that the FTC has found that in competitive industries the average return on shareholders’ investment ranges from 5 to 9 percent.

<table>
<thead>
<tr>
<th>Company</th>
<th>Percent Return On Shareholders’ Investment, 1972</th>
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<tbody>
<tr>
<td>American Brands</td>
<td>13.0</td>
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<tr>
<td>Beatrice Foods</td>
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<tr>
<td>Campbell Soup</td>
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<tr>
<td>Carnation</td>
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<td>Coca-Cola</td>
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<td>Hygrade</td>
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<tr>
<td>Nabisco</td>
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<td>Norton Simon</td>
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<tr>
<td>Oscar Mayer</td>
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<td>Pepico</td>
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<td>Ralston Purina</td>
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<td>Stokely Van Camp</td>
<td>6.6</td>
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<tr>
<td>Winn Dixie Stores</td>
<td>19.7</td>
</tr>
</tbody>
</table>

Company Percent Return On Shareholders’ Investment, 1972

Food Action Campaign

The Inevitable Coupon: Clip It Now!

This first issue of People & Land has been mailed free of charge to people in the land reform movement. [Additional copies are available at 50 cents apiece.] If you wish to receive future issues free of charge please return the attached coupon.

We do, of course, need monetary help to keep publishing People & Land and to make land reform a vital national issue. You may become a member of the National Coalition for Land Reform for $10. Or you may make a tax-deductible contribution to the Center for Rural Studies. The address of both organizations is 345 Franklin Street, San Francisco, California 94102.

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