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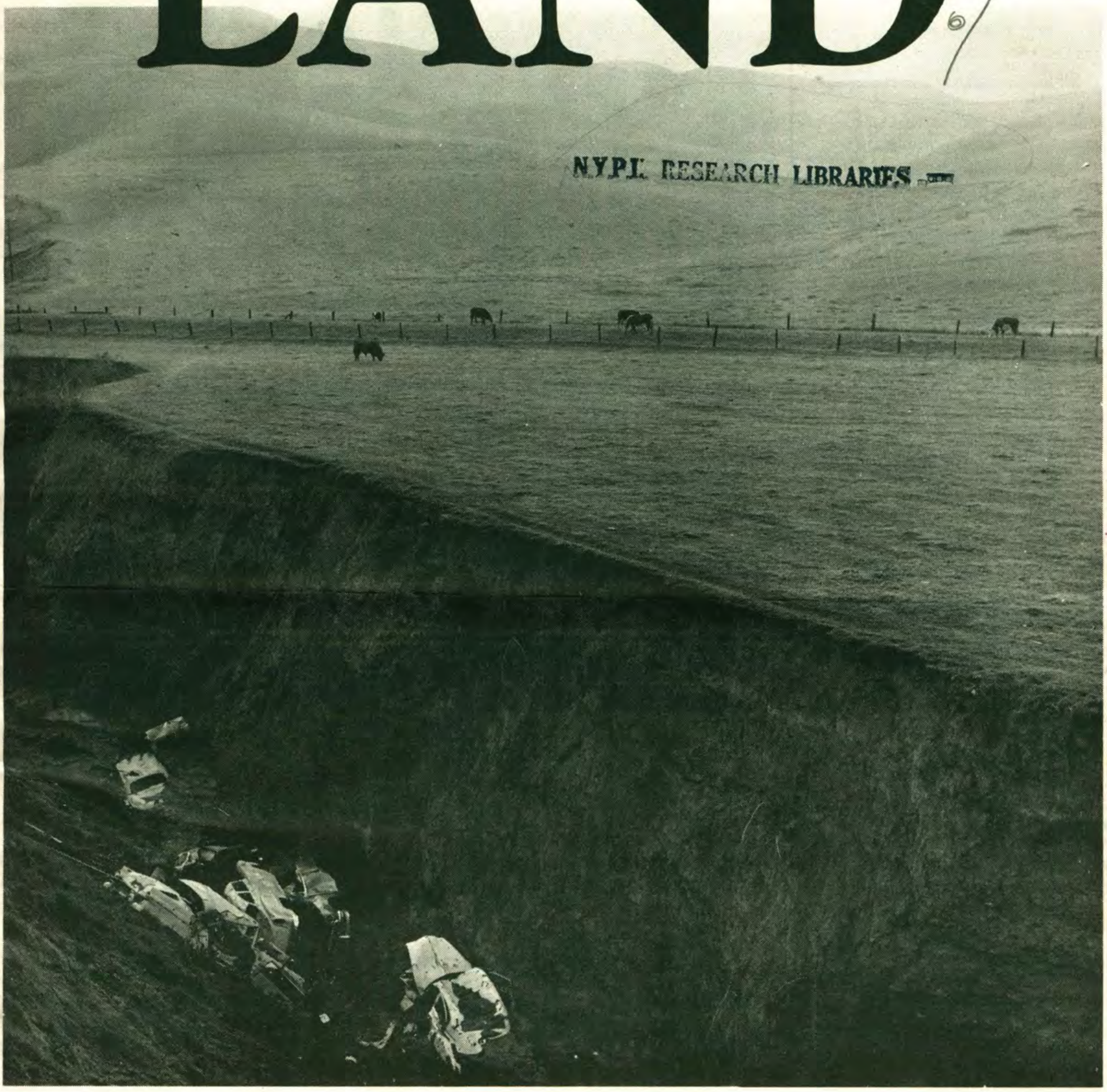
PEOPLE & LAND



Richard Conrat

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

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Bob Fitch

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.

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 on landholdings of 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."

Who owns the land and resources of the United States? A series of regional reports to the First National Conference on Land Reform gave the answer. Though the cast of characters differs from region to region, the plot is depressingly the same: big absentee owners exploit both land and people with little regard for the environment or human well-being.

New England

"George III was an absentee landowner," began Geoffrey Faux, former head of economic development for OEO and presently with the Exploratory 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-Pacifica, 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 the 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 despoil 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 the 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 3500 miles of coastline in Maine, only about 100 are open to the public today."

As remedies, Faux suggested a progressive property tax, an unearned increment tax on the increase in land values, and the closing of tax loopholes which make it profitable for corporations to invest in land.

"We also need alternative institutions for working the land," he told the conference. This means local control of resources and development so that benefits can be distributed locally. "We have to develop land trusts, cooperatives and local community development corporations for farming, timber and fishing."

Some land reform efforts have already begun in New England, Faux reported. "Maine saw its first statewide land reform conference this spring. Represented were farmers, woodcutters, fishermen, environmentalists and a variety of Maine people.

"Up in Aroostook County, where we grow rocks and potatoes, in that order, a large out-of-state corporation recently acquired a group of small potato processors. The first thing the corporation did was to lay off some workers and cut the price it offered to farmers for potatoes. The workers struck the plant, and the farmers organized a boycott.

"In the past there hasn't been a lot of natural alliance between workers and farmers. But finally, perhaps for the first time, they're beginning to understand that they have a common enemy, and they've begun to talk to each other. It's only a beginning, but we feel good about it."

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.

"Without benefit of the Homestead Act, and often in the face of hostility and violence, blacks nevertheless managed to become full or part owners of 15 million acres of Southern land in 1910. But that was the peak. By 1950, black land ownership had declined to 12 million acres, and in 1969 it was down to 5.5 million acres."

What separated blacks from their land? The chief forces were racial and economic, though they have shifted over the years. "The exodus of blacks from the rural South was stimulated during the two World Wars by the *pull* of job opportunities in western and northern factories. But the great black trek to the cities during the 1950's and 1960's was stimulated by the *push* of farm mechanization and set-aside programs."

Many poor and elderly blacks are losing land today because of failure to pay taxes on time, Browne said. The Emergency Land Fund is trying to stop this trend by providing financial and legal aid.

The land lost by blacks in the South has not gone to poor whites, Browne noted. Primarily it has gone to wealthy whites and large corporations. He proposed a Southern land bank to buy bank land in the South and redistribute it to low-income people.

"At the end of the Civil War there was a great deal of talk about giving blacks 40 acres and a mule, rather than just freeing them and giving them nothing. Of course nothing was done. This failure to give blacks their own land is the root of many of the problems in the South and in the cities today," Browne concluded.

"Without benefit of the Homestead Act, blacks became full or part owners of 15 million acres. Today they own only 5.5 million acres."

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, Pittsburg 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.

Please turn to next page.

Bob Fitch

From left: Sheldon Greene, Fred Harris, Raul Yzaguirre, Robert Browne, Peter Barnes.

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 became director of the states's Surface (strip) Mining Association. The president of the Amherst Coal Company is a member and former chairman of the West Virginia Air Pollution Control Commission. The chairman of the West Virginia Senate Committee on Natural Resources is a Union Oil distributor. The executive vice-president of Consolidation Coal and the counsel for Humble Oil are both former West Virginia tax commissioners. And the list goes on.

Kaufman urged enactment of a federal severance tax on all extractive industries, as proposed by Senator Lee Metcalf of Montana; abolition of strip mining except when total restoration can be carried out promptly and effectively; elimination of industry representatives from all regulatory agencies; and establishment of an Appalachian Mountain Authority, similar to TVA but owned by the residents of Appalachia rather than the federal government.

Southwest

"The Southwest has always been a colonized land," said Raul Yzaguirre, director of the Interstate Research Association. The first colonial landlords 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 cowboys 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 the issue is clear: are we going to use publicly subsidized water for cattle and crops, or are we going to use it for people?" Colonias del Valle is fighting to get decent water systems installed in Mexican-American communities.

Another controversy in the Southwest concerns the *ejidos*, or common lands, that were granted in perpetuity to Hispanic communities by the Spanish and Mexican governments. Many Chicanos contend that these lands were stolen in violation of of the 1848 treaty of Guadalupe-Hidalgo, which protected the rights of former Mexican citizens.

The fight over the *ejido* lands is most heated in northern New Mexico, where per capita annual income is about $700. Sixty percent of the land in northern New Mexico is owned by the U.S. Forest Service, much of it former *ejido* land. In 1965, the Forest Service reduced grazing and timber cutting permits by 45 percent. One effect of the cutback was to drive 20,000 people from the northern counties. Another was to give impetus to Reies Tijerina's *Alianza Federal de Pueblos Libres.*

Midwest

"The Midwest is an area where most of the land is still in private ownership, where mining has had only a limited impact thus far, and where the family-type farm is the basic unit," reported Roger Blobaum, a consultant to the National Farmers Organization.

Despite the prevalence of the family farm unit, the trend toward bigness and corporate control is evident, Blobaum said. "A recent report shows, for example, that nearly all the growth in cattle feeding is in lots with a capacity of 8,000 head or more. Most of the poultry and much of the eggs formerly produced on family farms have passed to feed suppliers and poultry product processors. An attempt is being made to produce pork in factory-like set-ups."

Despite these trends, the U.S. Department of Agriculture and Secretary Earl Butz continue to deny that a corporate threat exists, citing a USDA study on corporate farms. This study has been thoroughly discredited by Prof. Richard D. Rodefeld of Michigan State, Blobaum said.

"In an analysis of corporation tax returns in Wisconsin, Rodefeld found, among other things, that the USDA study had missed 252 farm corporations altogether. He also found that the USDA had underestimated the total number of acres owned by corporations by 37 percent, acres rented by 269 percent, number of cattle fed by 80 percent, and acres of vegetables by 37 percent.

"A county-by-county survey of land ownership by the Kansas Farm Project found 28 corporations owning in excess of 5,000 acres. This is in spite of the fact that Kansas has a law banning corporate involvement in most farm production areas and putting a 5,000- acre limit on their land holdings."

Some Midwest states have taken steps to curb the corporate invasion, or at least expose it. North Dakota voters recently reaffirmed the state's 35-year-old ban on corporate agriculture by an overwhelming margin. The Minnesota legislature passed a law requiring all corporations owing or leasing farm land to file reports on these holdings each year. Similar disclosure bills, and several different versions of the Family Farm Act, have also been introduced in Midwest legislatures.

"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," Blobaum said. "Unfortunately, with a few notable exceptions, the members of Congress are sleeping through this issue."

"It's high time to think in terms of condemnation -- with just compensation, of course. For the Burlington Northern, an appropriate price might be $2.50 an acre."

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 15 million acres in Montana, or about 16 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 BN 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."

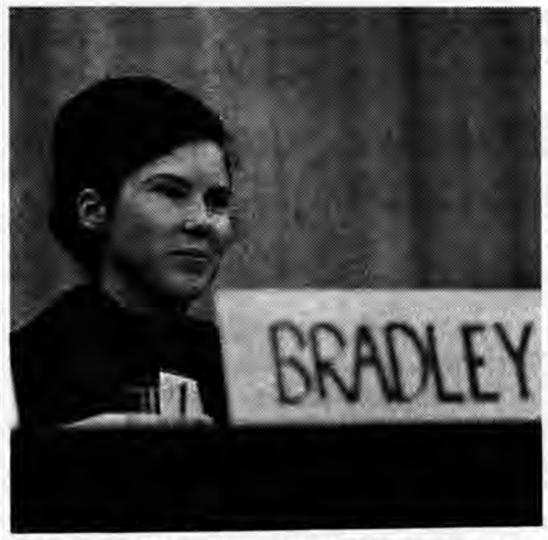
BN, along with other large corporations, is heavily involved in Chet Huntley's Big Sky resort. "BN stands to gain substantial profit when Big Sky is completed, making its adjacent lands more lucrative for development. Land once available for the best public use will be available only for a few wealthy 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 1906 Hepburn 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.' "

Bob Fitch



Montana state representative Dorothy Bradley.

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 hand 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 (.0013 percent of the population) own about 8 per 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 unearned 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."

Timber!

A total of 100 million acres across the South is directly or indirectly controlled by large pulp and paper corporations, Jim Draper of the Georgia Council on Human Relations told the land reform conference. This is an area as large as Georgia, Alabama and Mississippi combined. Much of this land was once in cattle and is now in pines that are harvested by machines and don't need people. The black and white woodcutters who harvest the remaining timberland are among the most exploited workers in America, Draper said.

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 for 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 "conscience 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 *Cry 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 Homesteads Division of the Department of Interior, settling poor families on improved land; the Resettlement Administration, with Rexford 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.

Bob Fitch

Sidney Baldwin talks; Clay Cochran listens.

Golf, Anyone?

The Farm Security Administration began as a genuine land reform agency. It envisaged a sweeping attack on farm tenancy. But the revolution died aborning. By the 1940's, the fire-breathing FSA had been replaced by the mild-mannered Farmers Home Administration.

And just what does the FHA do these days? We quote, in full, a recent item in the *Wall Street Journal:*

Many federally funded golf clubs are in shaky condition, and the Farmers Home Administration has hired a team of experts to help solve their problems. The Agriculture Department agency loaned about $85.5 million to build, or expand, 548 private, rural-area golf courses. Almost 25% of the courses are financially troubled, officials said.

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 demote 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 reconstructing 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: "Congresses are 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."

In Other Countries

Land Reform Works When Done Right

Land 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 inherently 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."

"You can't help the poor by concentrating on the problems of the poor. They need the resources of the rich."

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, a highly skewed income distribution, and a wide gulf between farm laborers and the upper classes in income, education and culture.

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

Bob Fitch

Lawrence Hewes, land reform aide in Japan.

Six Latin American countries have redistributed substantial amounts of land: Mexico, Cuba, Bolivia, Chile, Peru and Venezuela. But land redistribution alone is not enough, Dorner stressed.

"Agricultural policies must be reoriented to serve the reorganized system. Even with the widespread reforms of Mexico and Bolivia, agricultural policies have tended to favor the new commercial farming areas and to neglect the small farmers and those operating under cooperative or communal forms of tenure."

Dorner summarized the progress and problems of land reform in Chile, which dates from the Christian Democratic administration of Eduardo Frei. The reformed sector–including areas expropriated by both Frei and the current Allende administration–now includes about 36 percent of the country's farmland. It is controlled and worked by some 75,000 beneficiaries, who make up about 12 percent of Chile's farm work force.

The big task now is to increase production to satisfy the enlarged demand for food in the cities. "While total farm production has gone up in the past two years, consumption has increased even more rapidly as the result of massive income redistribution favoring those in the lower income brackets. Though food imports have doubled, there are recurrent food shortages in Santiago and other cities.

"The problem remains basically one of organization, planning and incentives, as it was before the reform. But with over a third of the productive land expropriated and nearly all the agricultural credit and farm inputs under government control, effective planning to raise production should be more feasible than it was in the past."

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.

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?"

It's not only small or underdeveloped nations that have implemented successful land reforms. Japan–an advanced industrial nation if there ever was one–underwent a highly successful land reform after World War II, according to Lawrence Hewes of the Center for the Study of Democratic Institutions.

Prior to land reform, Hewes reported, 60 to 70 percent of Japan's farmers were tenants, controlled politically and economically by a feudal class of landlords. In a two-year period following Japan's surrender in 1945, 80 to 90 percent of the country's arable land was transferred to those who actually cultivated it. The average size of these units was under 15 acres.

The reform program was instituted by Japanese liberals and professionals and was strongly backed by General Douglas MacArthur, Hewes, who had previously worked in the Farm Security Administration, was an agricultural advisor on MacArthur's staff.

As in other countries, land reform in Japan involved more than the transfer of land ownership. A key factor was support for credit, purchasing and marketing cooperatives. Also of great assistance to the reformers were Japan's high literacy rate and the fact that the basic economic infrastructure was in place.

Twenty-five years later, the effects of the Japanese land reform are notable and lasting. Productivity has risen greatly. While there has been a slight increase in tenancy in recent years, this has been "the result of voluntary choice by individual farmers and not of general impoverishment of smaller farmers or re-emergence of landlord power.

"On the whole, the general impression is that Japanese farmers have been permanently freed of the bonds of inferior social status imposed by the former tenurial system. As a class they are reasonably prosperous. And conditions throughout rural Japan have generally improved."

"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 on 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 from current income, thus sparing it from the IRS. Then, when income from the investment is realized 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, offerings 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 offerings are not filed with the SEC and because all of them are highly "leveraged."

The effect of these tax loopholes is to increase absentee ownership in rural areas. "Wealthy individuals and corporations can survive on less economic profit due to the huge tax subsidies they are receiving. The consequence is a driving out of those who are dependent upon farming for their livelihood, because they do not have another source of income."

"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.

Inequities in the property tax were 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 wealth 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. This information generally goes unchallenged, and most local revenue ends up coming from the poorest farmland in the area.

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, West Virginia, decided to incorporate to raise revenue, the Consolidation Coal Company, a big property owner in the area, surprisingly volunteered 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.

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

Though present tax laws benefit the rich at the expense of working people, there *are* ways for taxes to serve progressive ends. One way recommended by Wilma Krebs, an economics professor at Sacramento State University, is to use revenues from a tax on the rise in land values–the so-called "unearned increment"–for open space land acquisition and other socially desirable purposes.

Most land rises in value not because of any effort of the owner but because of general growth and government zoning decisions. This socially-created rise in value should be recaptured for public use.

As envisioned by Krebs, the "unearned increment tax" would be a transfer tax applied when a piece of real estate is sold. The "unearned increment" would be calculated by subtracting the acquisition price of the property from the sales price, and adding any improvement costs (which would represent an "earned increment") and any transfer costs. An exemption for small farmers and homeowners would place the burden of the tax on large landowners and speculators.

Krebs suggested a progressive rate of taxation ranging from 10 to 25 percent. She estimated that a flat 10 percent tax would yield about $1.75 billion a year nationwide, or $200 million in California alone. And, she said, it would be an easy tax to administer.

The idea of taxing the windfall profits of large landowners is not a new one. It goes back to the 19th Century American writer, Henry George, and has been applied in Germany, Austria, Spain, Britain and other countries. Earlier this year Vermont became the first American state to adopt an unearned increment tax.

In Kentucky, coal companies often set their own assessments by telling local authorities how many acres they think they own.

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're 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 same situation prevails 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

> "Crop subsidies are distributed unequally and the inequality is getting bigger."

the crop subsidy programs should be changed, although all agreed with Victor Ray, assistant to the president of the National Farmers Union, that "subsidies are a reverse tax and as such 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 link payments 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.

Smith told a session on the future of the family farm that the anti-corporate farming law has repeatedly received the popular support of 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."

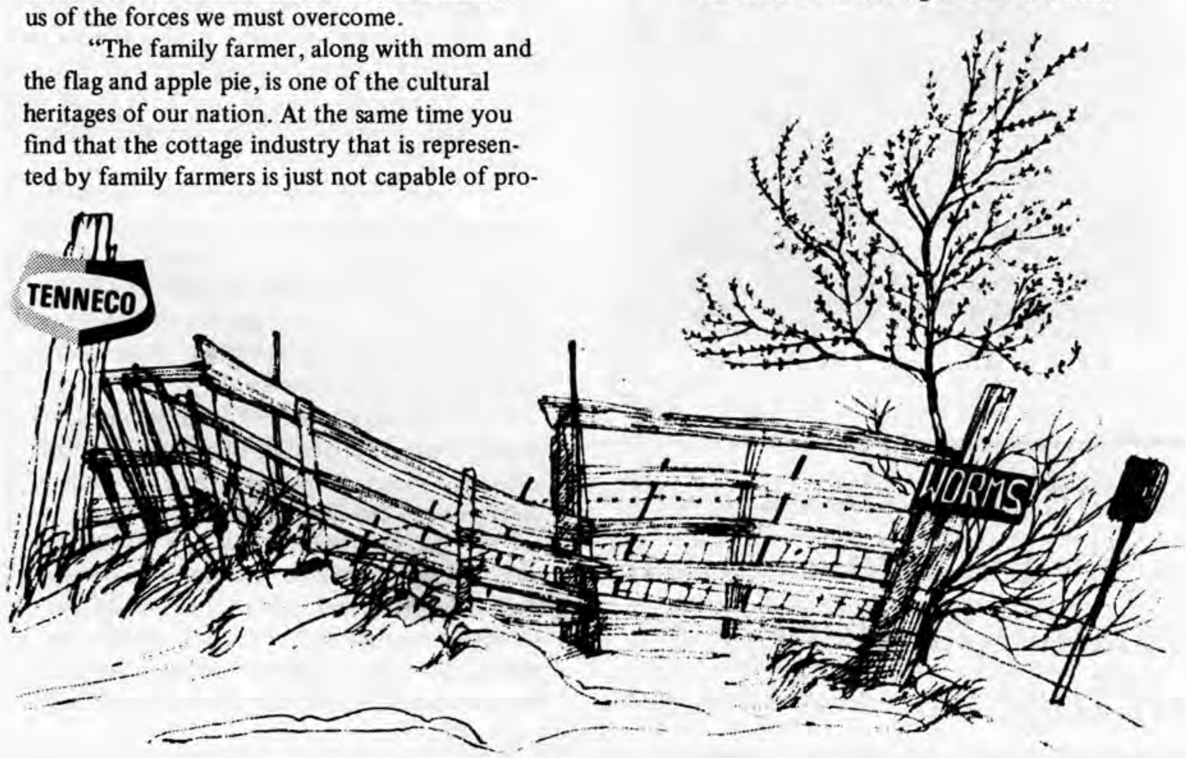
Tenneco Bids Farewell to 'Cottage Industry'

On 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 providing 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 mottos 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 processer."



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 up production to hold down prices. This will speed the trend toward bigness 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."

Populists of America, Unite!

Fred Harris Runs It Down

You could almost hear the echoes of William Jennings Bryan at the First National Conference on Land Reform as Fred Harris, son of an Oklahoma sharecropper and former United States Senator, delivered a spellbinding oration on the new populist movement that is rising in America.

"We call it the *new* populism because there was a strain of racism in the old populism," Harris declared. "But the old populists were blunt and plainspoken people who dealt with fundamentals and dealt with power, and that's what we're doing. We're talking about economic and political power, its concentration, and how you break it up."

Herewith some excerpts from Harris' speech:

"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."

Tom Jefferson and James Madison wondered whether you could have a democratic society if wealth were so concentrated that economic power overwhelmed the political process. They were thinking primarily about land. Today we not only have concentration of land ownership, but concentration everywhere in the economy. Sixty percent of the manufacturing in this country is controlled by 200 corporations. That's up from about 45 percent at the end of World War II.

"If you look at a chart of mergers you'll see that just before Teddy Roosevelt came into office, mergers were going up on the chart about like Pike's Peak—and then down again. Then just before Franklin Roosevelt came in, mergers went up again like Mt. Everest—and then back down again. Then during the Kennedy, Johnson and Nixon administrations, mergers have gone up and up and completely off the chart, so that today 35 percent of the industries are industries in which four or fewer firms control 70 percent or more of production in that industry.

"Take soup, for example. Campbell Soup Company produces 90 percent of all soup produced in America. Now that's some kind of system, but it damn sure isn't the free enterprise system and we ought not to fool ourselves about it.

This business of widespread capitalism in America is a myth. Two percent of the households in this country own 80 percent of all individually held corporate stock and 90 percent of all individually held corporate bonds. The growth of our economy is corporate growth, and 96 percent of it is internally generated either by retained earnings or borrowings that have to be paid out of retained earnings.

"So it's simply untrue to say that growth is going to make us all better off. Rather, as we grow, the few people who own corporate stock in this country are going to be better off.

"Another thing that happens in concentrated industries is these unconscionably high executive salaries which they pass right along to us. I found out some intriguing things at the General Motors stockholders' meeting I went to last year. 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 bed pans as there is in being President of the United States. With the latest goings-on, that could be true. But so far as I know, no emptier of bed pans 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.

Former U.S. Senator Fred R. Harris

"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.

"Nixon once said there is as much dignity in emptying bedpans as in being President. No emptier of bedpans has been heard to say that."

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 commonly 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 you 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.

"I can't promise that we can take this government over and make it a people's government. But I believe it's the fundamental thing we ought to be spending our time on."

'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.

> "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 acre 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. "What 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."

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.

"This damn teepee leaks."

...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 transfered 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 effecting 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 Bureau of Indian Affairs or the Department of the Interior. They would be under 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 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.

Huey 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 marketings.

How It Is In South Texas

"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."

> "We're looking into eminent domain because the 'public welfare' to us means to feed the people."

A few years ago, Gutierrez and others in South Texas determined to do something about these injustices. "Given the reality that we were 80 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 have a peculiar way of looking at things. To us, the 'public welfare' not only means a highway, a bridge, or a park. It means to feed people, to give them houses and health care. So now that we are the mayors, the school board, the supervisors, the judges and the sheriff, we are looking into the possibility of taking the land under eminent domain. To us that's the public welfare.

"Another thing we're looking into is oil and gas wells. The owners of these wells will render them, with official state approval, at perhaps $1 million, and we must tax based upon what these authorities say. But we have found that the same well they told us back home was worth $1 million is at the Chase Manhattan Bank as collateral for a loan on many many millions. So we're going to file suit for back taxes and do all kinds of other things.

"Third, we have a corporation in Crystal City called Del Monte. This corporation owns a lot of land down there, and a lot of other things in other places. Del Monte doesn't want to hire people according to their ability. It has labor camps where you can't visit people because they're treated as if they're property of Del Monte. It doesn't pay taxes to the city because it's right outside the line, though it uses city water and fire protection. In conjunction with our friends, we're going to do something about Del Monte (see page 18).

"Fourth, there's revenue sharing, which isn't such a bad thing if you have a government to share the revenue. We can use revenue sharing to buy land and farm equipment. We can buy some of that expensive equipment that small farmers can't afford, and lease it to them, and buy land so we can create jobs too.

"If capitalism is here to stay, we might as well make it county capitalism."

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.

"Letting private corporations develop energy resources is like putting a tax on air."

"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 Burt 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 Conrat

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.

Kaufman and 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 McCloskey, 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.

McCloskey 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 *Cooperativa Campesina* in Watsonville, California, told how the cooperative began with six families all chicano, "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 zucchini, there was a profit of $1,000. A feasability 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 stabilizing, 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."

Karl Limvere

Former Congressman Jerry Voorhis.

"We put together the poor whites and the poor blacks and we won the strike."

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

Bob Fitch

U.S. Representative George Brown

James Simmons, a leader of the Gulfcoast 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."

Bob Fitch

Participants caucus at land reform conference.

Despite the overwhelming political power of big corporate landowners, several participants stressed the importance of drafting and pushing for legislation at the federal and state levels.

Boren Chertkov, former counsel to the Senate Subcommittee on Migratory Labor, outlined the major elements of a comprehensive land reform act. These included a land transfer mechanism, financial and technical assistance to new owners, marketing assistance, tax reform, anti-trust reform, and reform of the land grant college system.

Peter Barnes of the National Coalition for Land Reform spoke of the possibility of land redistribution trust funds, financed by severance and unearned increment taxes, and enacted through state-level initiatives.

Paul Kaufman urged support for a national severance tax, as proposed by Senator Lee Metcalf, and a moratorium on stripmining.

Action at the state level was Roger Blobaum's theme. He stressed the need for state hearings, referenda and publicity efforts. These might focus on land ownership disclosure bills, such as recently passed in Minnesota, state versions of the Family Farm Act, tax reform measures and land use legislation.

Congressman George Brown of California, a member of the House Agriculture Committee, contended that the nation is "finally recognizing the need to reverse super-urbanization." But redistribution of land, he added, is only one aspect of the need to redistribute economic and political power away from massive corporations.

Bob Fitch

Philip Raup makes point from floor.

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 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 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 her people, we conferees 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 newspaper 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

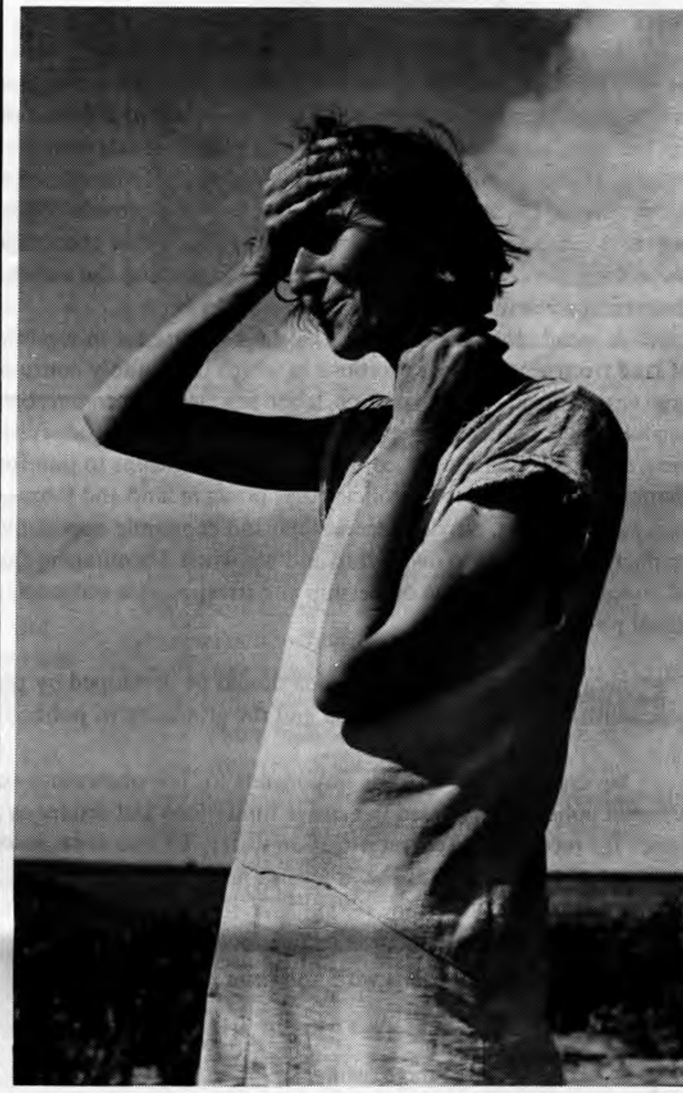
Agribusiness Accountability Project
Americans for Democratic Action
Basin Electric Power Cooperative
Black Economic Research Center
California Action
California Rural Legal Assistance
Center for Community Change
Center for Community Economic Development
Center for New Corporate Priorities
Center for 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-Religious 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
Rocky 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

Bob Fitch

PEOPLE

Dorothea Lange

Dorothea Lange



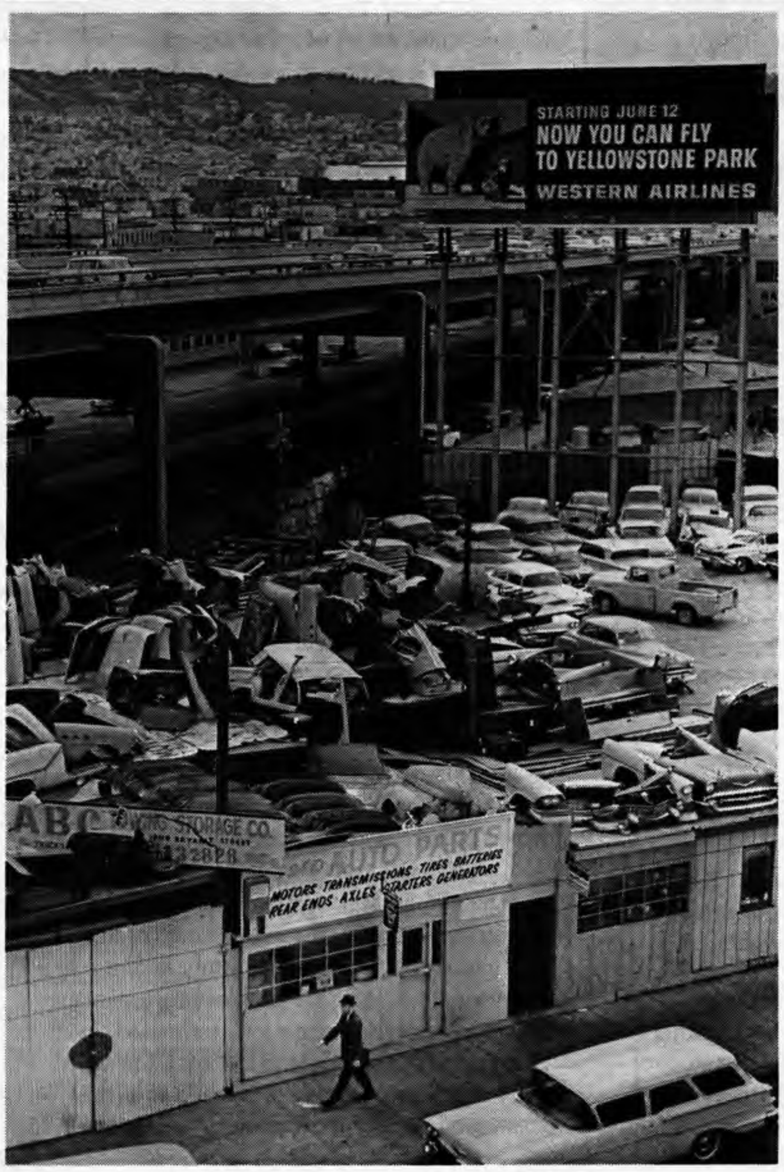
Dorothea Lange

LAND

Bob Fitch

Dorothea Lange

Bob Fitch



Bob Fitch

Bob Fitch

High Food Prices

Taking On The Jolly Green Giants

Gwaltney 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. Is regional beer, brewed the local way, a source of enjoyment for you? Maybe a Burgermeister, a Hamms, a Waldech or a Buckhorn? They all are now a product of Heublein, Inc.

To consumers and family farmers alike, the most significant reality of modern agriculture is the concentration occuring in every phase of the food system, input, production, processing, packaging and marketing. Tenneco—which not only makes farm machinery, chemicals, fuel and food containers, but also grows, packages, markets and retails food—has an appropriate slogan to sum up its pervasiveness: "Seedling to Supermarket." Del Monte assures consumers it can take care of food needs "from womb to tomb."

In a concentrated, non-competitive food system, prices do not go down, they go up. Competition is replaced by coordination and market power.

"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 thirty 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 synthetics 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 be criss-crossing the country to address the issue of corporate food power. They are former U.S. Senator Fred Harris; James McHale, a farmer and Pennsylvania Secretary of Agriculture; Kay Pachtner, 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 more you know about peaches, 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 ½ 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 ¢ a pound. The asparagus that was culled out by Del Monte's inspectors was bought by them for .0005¢ 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 as 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.

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.

"The tax is discriminatory," says Brooks Barron, a Hyde Park (Vt.) real estate man. "An outrageous, foolish piece of legislation," fumes a Boston lawyer in a message to Salmon.

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 fulfils 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. in 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.

Reprinted from *Business Week*, May 19, 1973.

More notes may be found on page 31. Readers are invited to send in notes for future issues.

Bob Fitch

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

Farm Workers Say: Boycott Scab Grapes!

What is the United Farm Worker-Teamster struggle all about? Joseph Franzia, president of Franzia Brothers Winery and a major California grower, said on July 12 that he would "stay with Chavez" if the UFW would agree to three things: (1) Abolish the hiring hall; (2) accept grower terms for mechanization; and (3) "let us dust them" with pesticides now and then.

In other words, Franzia and other growers would happily deal with the UFW if the UFW would only stop worrying about unfair hiring practices, unsafe working conditions and loss of jobs to machines. How reasonable can you get?

The UFW didn't stop worrying. A few days later, Franzia signed with the Teamsters.

Tenneco's Thirst

Tenneco, the Houston-based conglomerate that owns over 1 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 strippable 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.

Thanks to the Northern Plains Resources Council, Billings, Montana, for this item.

Californication

Colorado today has 2¼ million people, an outstanding climate, friendly citizens, and of course the mountains, with their sustaining promise of beauty and adventure. A somewhat less romantic way of looking at the state is through the eyes of the land developers who are plotting (literally) to despoil it.

In 1965, the number of new subdividers registering in Colorado was 30. In 1970 it was 158 and in 1971 over 300, a leap of 1,000 percent in eight years. Taken together, Colorado's subdividers had by the end of 1972 platted out enough tracts for 12 million newcomers, mostly in a strip running from Wyoming south to New Mexico.

Since the state is short on water, the only way to accommodate so many people would be to abandon agriculture altogether -- and then to import water as well. Then there'd still be the problem of polluted air.

Last fall Coloradans took a swipe at aimless development by approving a ballot initiative that effectively barred the 1976 Winter Olympics. Now a petition drive has begun to place a strong land use control bill on the ballot in 1974.

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

Thanks to Hugh Gardner for this information.

Special Supplement

THE LAND REFORM PAPERS

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.

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 block of the best farm, 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 tens of millions of acres.

It should please many cynics to know that George Washington speculated extensively 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 at public auction 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 tracts to speculators, discarding the more costly and complex survey system. Under Hamilton, land sold for 30 cents an acre with credit for volume purchases in excess of ten square miles.

As might be expected, the land auctions conducted in the territories by federal land officers were for the most part a gaming room for speculators. The interests of the inside dealers continually clashed with those of illegal settlers who staked claims to virgin tracts by virtue of improvement. Even the use of the Army to destroy settlers' homes did not deter illegal occupation and pressure was soon mounted for legislation authorizing squatter purchase of their improved land.

Finally adopted in 1830 after an extensive campaign, the Pre-emption Act authorized the purchase of up to 160 acres by settlers "now in possession" of the land. In 1830 and 1831, 800,000 acres were secured under the Pre-emption Act. Nevertheless, the justice of the pre-emption laws was tarnished by their extensive use by speculators.

The sell-off of lands east of the Mississippi did not satiate the demand for land and eyes soon turned toward the Pacific Coast. As early as 1826 Americans had crossed the Great Plains and reconnoitered California and Oregon. By 1842 American settlers under the leadership of John Bidwell were already laying down land claims in California. As Mexican authority waned, the earlybirds managed to gain title to many of the vast Spanish land grants, thereby establishing the basic land ownership pattern which prevails in California today.

In 1850, the prospect of extensive fertile areas west of the Rockies combined with the desire to promote settlement prompted Congress to enact the Donation Act which increased grants to 320 acres. Women's rights were recognized in a provision that wives might claim an additional 320 acres "to be held by her in her own right." Three years later Congress further liberalized the land acquisition laws extending pre-emption to unsurveyed lands for a one year period.

While the notion 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 speculation. 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, Congress 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 each 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 acceded to by 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 which represented actual residence and continuous cultivation of the land.

The successful exploitation of the Homestead Act whetted the appetites 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 and Timber and Stone Act of 1878. The Desert Land Act authorized the acquisition of 640 acres of the land on condition that the settler provide suitable irrigation.

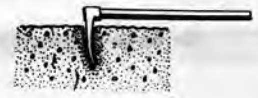
"Intended to relieve impoverishment, the Homestead Act proved to be one more slice of pie in the sky."

Consistent with the Desert Land Act was the Swamp Act which provided 640 acres to anyone who would drain swamp lands and make them arable. While speculators in one part of California were throwing bucketsful 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 permanent security 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 unearned increment and discourages 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 largests acreage holders of BLM coal leases include Peabody Coal (a subsidiary of Kennecott Copper), Atlantic Richfield, Pacific Gas and Electric, Consolidation Coal (a subsidiary of Continental Oil), and Kerr-McGee. Others holding leases of more than 5,000 acres include Kaiser Steel, Carter Oil and Sun Oil.

As of June 1970 in the Mountain states, there were 94,402 mineral leases covering 58,905,110 acres on public and acquired federal lands. This exceeds the combined acreage of New Jersey, New York, Rhode Island, Massachusetts, Vermont, Connecticut and New Hampshire.

New mineral locations are being filed on national forest lands at a rate exceeding 10,000 a 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 McLean County, North Dakota the Register of Deeds, R. Robinson, commented recently: "They just about got the county leased up." As many as three dozen 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 R. Phelps, president of Peabody Coal, the largest strip mining company in the nation, thinks the horrible devastation left by strip mining is beautiful. "Beauty is indeed in the eye of the beholder . . . Nature created the Badlands of South Dakota and they were made a national monument, but if any surface miner duplicated them, even on a small scale, it would be called a national disgrace."

Energy companies are tying 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 Bureau of Reclamation had entered into 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, Peabody Coal, Panhandle Eastern Pipe Line, Ayrshire Coal, Shell Oil and Westmoreland Associates.

Boeing Aircraft has been grabbing the public water of the Columbia River. Boeing leases 100,000 acres in eastern Oregon and has begun to use this water for irrigation purposes. This water steal is similar to that of the Sacramento River, where diverters 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 Luis project which benefits large landowners such as the Southern Pacific Railroad. San Luis, Imperial Valley and Sacramento River violations involve 160-acre limitation which says that no one individual should get more than 160 acres worth of water for irrigation purposes.

Hand 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 clear cutting violates the principle of multiple use by preempting all other forest uses, over cutting violates the more 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. Crafts, 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. This situation cannot last.

"For many years . . . the Service has predicted a prospective shortage of softwood saw timber and this is exactly what is facing the industry now 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 when the industry must depend more heavily than in the past on public timber. That time gap is now. There is also excess saw mill capacity in relation to growth productivity and no one wants to go out of business."

The big boys in the timber cutting industry include Weyerhaeuser, which marketed nearly 2 billion board feet in 1969, Georgia Pacific, Boise Cascade, Potlatch Forests and U.S. Plywood-Champion. Northern Pacific (now the Burlington) through corporate dummies sold illegally 1.5 million acres to Weyerhaeuser years ago. Clearcutting by Weyerhaeuser is common practice.

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 lands.

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

Three-fourths of all the BLM forage is alloted to be paid for their "rights." When 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 ten years, the result was a terrific outcry. □

Angus McDonald is a former lobbyist for the National Farmers Union.

The Law Says 160 Acres

The Battle for Acreage Limitation

By Paul S. Taylor

There are those who would have us believe that the primary, if not sole criterion for distribution of land and water is the unit cost of agricultural production. So limited a view was never accepted as a sufficient guide to public policy in the past. On the contrary, the structure and form of society built upon the distribution of these vital resources was regarded as controlling.

Expressing the New England tradition of widespread division of the lands, Daniel Webster declared that this resulted in "a great subdivision of the soil, and a great equality of condition; the true basis most certainly of popular government."[1]

In the same spirit the House committee reviewing the reclamation bill in 1902 declared:

> If we were willing to abandon our time-honored policy of inviting and encouraging small individual landholdings, and were prepared to turn over all of the public lands under a large irrigation system to the control of a single individual or a corporation, we could undoubtedly secure the construction of extensive works.....But no one contemplates paying such a stupendous price for irrigation development.[2]

On the floor of the House the chairman of the committee in charge of the bill gave assurance to Congress that:

> In order that no such lands may be held in large quantities or by non-resident owners, it is provided that no water right for more than 160 acres shall be sold to any landowner, who must also be a resident or occupant of his land. This provision was drawn with a view to breaking up any large land holdings in the vicinity of government works and to insure occupancy by the owner of the land reclaimed.[3]

Congress placed it confidence in the provisions for acreage limitation and residency, and the bill became law.

Three years later the now-familiar attacks upon the law began. The first effort by large landowners was to try to persuade the 1905 session of the National Irrigation Congress that acreage limitation was a mistake. Their plea was rejected emphatically.[4]

In the early years of the New Deal a new tactic appeared, designed to remove acreage limitation through Congressional action, project by project. The Colorado-Big Thompson project was so exempted, with no committee hearing, no floor debate and no record vote. This tactic produced similar exemption of a Nevada project.[5]

The same tactics were employed in 1944 to exempt the Central Valley project in California from acreage limitation and residency. No mention was made of exemption during protracted hearings on a rivers and harbors bill, and the proposal to exempt came to the floor as a committee amendment without warning. An attempt by supporters of acreage limitation to compromise failed, and the House passed the exemption within minutes.

With the issue out in the open, it became a different story. Public hearings were held, first in Washington and then in California. As result of the hearings the Senate removed the exemption from the bill, but it was restored in conference. Replete with appropriations for local rivers and harbors construction projects, the fate of the entire "gravy train" was tied to the exemption. Notwithstanding its obvious attractiveness, the bill went down to defeat under the threat of Senator Robert M. LaFollette, Jr., of Wisconsin, to deliver a three-hour speech against the exemption if the bill were pressed.

A fresh attempt to persuade Congress to remove acreage limitation and residency from the statute books was made in 1947. The six senators from California, Colorado and Texas joined to seek exemption for projects within their states. Among the witnesses against exemption were spokesmen for organized labor, the Grange, the Farmers Union, National Catholic Rural Life Conference, American Legion, American Veterans Committee, Veterans of Foreign Wars, and administrators of the law, notably Commissioner of Reclamation Michael W. Straus and Central Valley Regional Director Richard L. Boke. Testimony filled 1300 pages, and the bill died in committee.[6]

Though outright repeal of the 160-acre limitation was not achieved, the tactic of seeking piecemeal erosion of reclamation policy through successive exemptions of small projects yielded results. President Truman vetoed exemption of the San Luis Valley, Colorado, the first time it passed. In 1952, however, a modified version became law, raising the limitation to 480 acres and stating that the change furnished no general precedent. In 1954 Congress exempted the Owl Creek, Wyoming, and Santa Maria, California, projects. In each instance reasons special to the particular project were cited as justification.

The next try was to remove the limitation on all projects financed with less than $5 million of federal money, i.e., on all "small" reclamation projects. The "Engle formula," included in the small reclamation projects bill, gave owners of excess lands receiving an opportunity to buy their way out of compliance with the acreage limitation law by making a money payment. This was struck out by the Senate but restored in conference. Senator Wayne Morse, of Oregon, described final passage:

> I think there is real doubt that Senate passage would have been possible had an extended debate developed . . . in the confusion of the closing days of the session the 160-acre provision was lost in the shuffle. Public supporters of the anti-monopoly provision had little opportunity to mobilize . . . [7]

The next drive against acreage limitation was couched as a flank attack, and it came soon. While the unsuccessful 1944 effort to exempt California's Central Valley project was still in progress, an alternative already was being readied in case it should fail. As *Business Week* reported on May 13, 1944, the proposal was to "sidestep the 160-acre limitation" by having "the State of California . . . take over the Central Valley project, paying the entire bill."

"Though outright repeal of the 160-acre limitation was never achieved, the tactic of piecemeal erosion yielded results."

The first obstacle to this tactic was that taking over a federal project already constructed would be very costly to the state. Another was Interior Secretary Harold Ickes' assertion that federal acreage limitation would follow the transfer of title. So the tactic was modified: the state would construct its own project to transfer northern water southward.

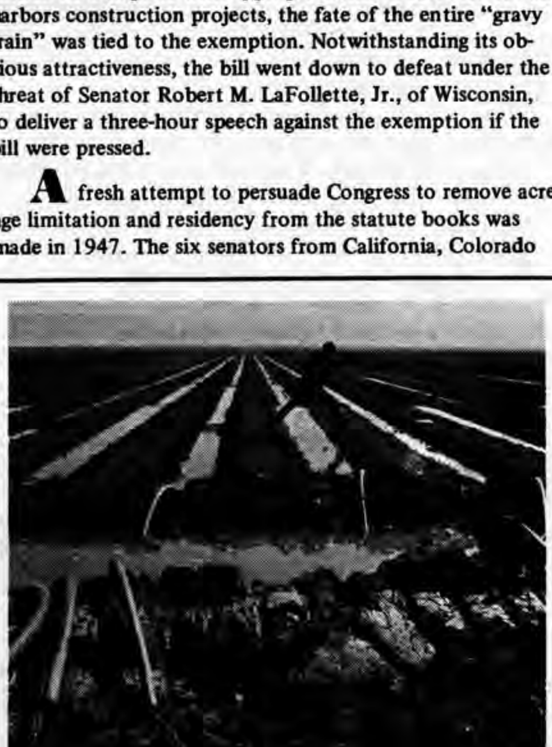
One obstacle remained. Since geography offered but one route for moving water southward, whether federal or state, the state needed federal permission to use joint facilities—a reservoir, canals and pumps—without having to observe federal policy.

Spokesmen for the state requested exemption from federal acreage limitation. Congress debated the request four days in the Senate and two in the House. Both Houses approved joint use of facilities but rejected exemption from federal law. Nevertheless, when the contract covering the transaction was drafted under the auspices of Secretary of Interior Stewart L. Udall and Governor Edmund G. (Pat) Brown, obligation to observe federal policy was omitted. Six days of Congressional debate apparently had gone for nothing. Now four small farmers have taken the issue to federal district court.

Attacks upon the acreage limitation are endless. Governor Ronald Reagan of California, appointed a Task Force on the Acreage Limitation Problem, a majority of whose members professed belief that the limitation is "wrong in principle and should be repealed." The recommended alternative was in essence the "Engle formula," i.e., to provide large landowners an option to buy their way out cheap. In 1970 the Public Land Law Review Commission, chaired by former Congressman Wayne Aspinall, of Colorado, recommended elimination of "artificial and obsolete restraints such as acreage limitation on individual holdings, farm residency requirements and the exclusion of corporations . . . [8]

It is relevant to note that water subsidies under reclamation law are estimated to range from $600 to $2,000 an acre.[9] It is well also not to overlook that reclamation, despite its location in the West, gives away public waters and public monies that belong to the entire nation.

The story of unceasing attack upon this national policy is but one side of the history of reclamation law. On the other side are the efforts of its supporters to preserve



Bob Fitch

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 recapture windfall profits for the public treasury, create opportunities for the landless, check the sprawl over prime agricultural land, preserve greenbelts and open spaces.10

The bill is supported by the Sierra Club, Friends of the Earth, family farmers, organized labor, educators, veterans, church social action and other groups which have supported national reclamation policy over two generations of its life. The practical question of the moment is: How will Congress respond? ☐

FOOTNOTES

1Discourse delivered at Plymouth, Massachusetts, December 22, 1820. In commemoration of the first settlement in New England, 53-4. (3d ed. 1825)

2House committee on arid lands, report on reclamation of arid lands, H.R. Rep. No. 1468, ser. 4404, 57 Cong., 1 sess., 3. (April 7, 1902).

3Congressman Frank W. Mondell of Wyoming, 35 Cong. Rec. 6678. (1902).

4 Proceedings of 13th National Irrigation Congress, Portland, Oregon, 61. (1905).

5Taylor, "Excess land law: legislative erosion of public policy." 30 Rocky Mt. Law Rev. No. 4, 1, 6-29. (1958).

6Hearings before Senate public lands subcommittee, 80 Cong., 1 sess., on S 912. (1947).

7103 Cong. Rec. 7548. (1957).

8Public Land Law Review Commission, One Third of the Nation's Land, 182-4. (1970).

9Joseph Alsop, "And the rich get richer." San Francisco Examiner, Nov. 20, 1964.

10Reclamation Lands Authority Act. 119 Cong. Rec. H8256-7, daily ed. (April 21, 1971).

Paul S. Taylor is professor emeritus of economics at the University of California, Berkeley, and author of numerous articles on acreage limitation.

Feudal Prairies

Concentrated Land Tenure in Kansas
By Kemp Houck

This report is based on a survey of county plats by the Kansas Farm Project, P.O. Box 362, Lawrence, Kansas 66044.

According to the survey of county plats, 28 corporations and 164 individuals, families, partnerships, estates or trusts, own more than 5,000 acres each.

The major concentrations are in the westernmost counties and the Flint Hills area. One reason is that, with increased agricultural industrialization, it has been possible (whether it is necessary is another question) to produce grains and sorghums and to manage pasture on a very large scale.

Another factor is that, with some western counties having more than 100,000 acres under irrigation by systems capable of drawing more than 1,000 gallons of ground water per minute, the competition for water has added to the demand for land adjacent to lakes and rivers.

History is another factor. The ceding of Indian lands, combined with the subsequent granting of one-sixth of the state in forty mile rights-of-way to railroads, brought on a scramble for land which caused Horace Greeley to remark about Kansas: "As to the infernal spirit of Land Speculation and Monopoly, I think no state ever suffered from it more severely than this." Intended to encourage homesteading, the checkerboard pattern of odd-numbered sections owned by the railroads and even-numbered alternating sections owned by the federal government, laid the ground for large landholdings.

Most Kansas counties reached their peak population during the golden age of American agriculture in 1911-1914. After that, the general decline was accelerated by depression and dust bowl, wars and shifts in international trade. With each population loss came a new aggregation of large holdings.

During the 1960's, 65 rural counties in Kansas suffered an outmigration of more than 30 percent of their male youth.

Land policies decided in the 1970's will inevitably determine future vintages of the grapes of wrath. ☐

Kemp Houck works with the Kansas Farm Project.

> *"During the 1960's, 65 rural counties in Kansas suffered an outmigration of more than 30 percent of their male youth."*

Appalachia/Energy

Keeping Wealth at Home

An Appalachian Mountain Authority
By Harry M. Caudill

After the Civil War, agents of coal and iron companies and ambitious speculators moved into Appalachia to corner title to the mineral deposits scores of geologists had been working to locate and measure. These mineral buyers soon learned two things: Appalachia's mineral wealth was vast, varied and of high quality; and the mountaineers were so poor and undiscerning that they would sell cheaply.

Some genius produced a printed deed form with appropriate blank spaces for names, dates, and boundary descriptions, and purchasing got underway. The price ranged from as little as a dime to as much as five or six dollars per acre, and the "northern" or "broad-form" deed was recorded thousands of times in hundreds of deed books.

These documents transferred to absentee steel and coal corporations and to huge holding companies ownership of "all coal, oil and gas, all salt and salt water, all stone, slate and shale, all mineral and metallic substances, and all wells, to store wastes and residues, to pollute and divert surface and underground waters, and to do any and all things deemed "necessary or convenient" in order to get out the minerals and send them to market." Thus the majority of land-owning mountaineers became by contract and law little more than "tenants by sufferance" in their hills.

Corporate arrogance knew—and knows—no bounds. State mining laws were weak and weakly enforced. Immense slate dumps piled up near hundreds of tipples and sent palls of black, sulfurous smoke down into town and across farms. the tipples rained clouds of dust and grit onto the same communities. The trees were cut down for lumber and mine props and flood waters roared down from the denuded slopes to drown and to sicken.

Coal trains, lumber trains, barges, trucks and pipelines have carried half a trillion dollars worth of raw materials out of Appalachia in the last 140 years. Scores of counties have been systematically plundered for wood, limestone, talc, marble, clays, copper, iron-ore, coal and gas. As the much-touted "energy crisis" deepens, the exploitation will steadily worsen unless the region's minerals—particularly its coal—are put to work in new and rejuvenative ways.

The people of eastern Kentucky can bring their counties to economic health and social well-being by an enlargement of a device pioneered in the state of Washington—the public utility district. This tool has been thoroughly tested in that state and would involve little pioneering in Appalachia.

Forty years ago much of the state of Washington was cut-over timber land and other large tracts were semi-desert. After the lumber companies had logged the forests, fire swept through the wood residues leaving the earth blackened and naked. Erosion did immeasurable harm, but slowly the land healed itself with thickets as nature struggled to restore her forests. Thousands of people moved away and some of the counties were threatened with extinction. The people who remained came to the desperate realization that they, too, must abandon the territory or rebuild their economy along new and diverse lines. And for the task they could rely only on themselves.

They stumbled upon a novel, practical and democratic concept. The legislature authorized the forming of public utility districts as bodies corporate and politic having the right to own land and to exercise eminent domain. The PUD's were authorized to sell revenue bonds, to generate and sell electricity and to devote the proceeds of such sales to public purposes. A PUD could consist of a part of a county or of a number of counties.

In 1960 Chelan County, Washington, contained some 40,744 inhabitants. Since the Chelan County Public Utility District was established thirty-five years ago it has sold more than $460 million worth of bonds and invested the money in hydro-electric dams and generators. It now owes $353 million, having retired the balance through its sinking fund. Total power sales amount to $30 million per year. More than a million dollars out of such income are contributed annually to the county and municipal governments to finance schools, hospitals, libraries, land reclamation, reforestation and other essential public facilities and services.

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 wholesale abandonment. A "depressed area" has become a land of opportunity and growth.

A similar transformation has occurred in neighboring Grant County. That county had 41,881 inhabitants in 1960 and its income from electric power sales exceeded $20 million last year. The Grant County PUD is investing impressive sums in the development of plant sites and other facilities designed to spawn new economic muscle.

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 Washington counties dwarfs into insignificance the pathetic revenues of Harlan County—less than a million dollars a year.

Kentucky should emulate Washington by enacting a similar enabling law. Under its terms the state should organize an Eastern Kentucky Development District composed of all its mountain counties. Like the West Coast PUD's the agency would be corporate and politic, with the right to own land and exercise eminent domain. Its board would be appointed by the Governor or elected by the inhabitants.

Since a single county in Washington has sold $400 million worth of tax free revenue debentures, a huge territory in Appalachia ought to be able to raise by the same method the three or four billion dollars needed for regional rehabilitation.

The Eastern Kentucky Development District would formulate an over-all development plan—a program involving land, water, scenery, minerals, timber and people. It would build huge dams at strategic locations and create a vast complex of lakes. The lakes would generate hydro-electric power and, more importantly, would provide cooling water for thermal generators. Most of the power would be fed into the growing national electric power grid for transmission to urban load centers. A part of the profits from power sales would be used for bond retirement and the balance would finance long-deferred public facilities and services, including schools, colleges, hospitals, health centers, libraries, land reclamation and sewage plants.

> *"Public utility districts would purchase, by condemnation if necessary, the holdings of absentee corporations. Part of their profits would go for bond retirement and the balance would be used for schools, health centers, libraries and land reclamation."*

The EKDD would purchase, by condemnation if necessary, the holdings of many of the absentee corporations. These minerals would be leased for mining, with guarantees written into the contracts for protection of the land and streams. Strip-mining would be prohibited except in those limited areas where total restoration of the land could be assured. Royalties would go into the treasury and substantial sums would be invested in water-shed development, riding trails, camp sites and other facilities designed to convert the land into a recreation area.

The concept could be expanded far beyond anything contemplated thus far. The people of western Maryland, West Virginia, eastern Tennessee, eastern Kentucky, northern Alabama, western Virginia and western Pennsylvania share many similar problems and afflictions. All suffer in varying degrees from worn out lands, dwindling populations and absentee ownership. All are mountainous and all have important mineral deposits. By compact the states could create an Appalachian Mountain Authority to accomplish on an interstate basis the things I have dreamed of for eastern Kentucky.

The territory of the AMA would be as big as that of TVA. Its power to raise money would be vast. Its opportunities for service to the nation would be immeasurable.

Such an interstate authority could return the mineral wealth to the people without doing an injustice to the present owners. It could put the immense profits now flowing out of the region to work within the mountains. It could educate the highland people to a level equal to that enjoyed by America's most fortunate communities.

And it could demonstrate to the ranchers and Indians of the coal-rich western states that if their lands are to be ransacked for fuel the profits don't necessarily have to go to Wall Street. There are alternatives, and the profits could demonstrate the feasibility of a Western States Coal and Energy Compact. ☐

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 Lesser

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 and, increasingly, land development companies 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-Pacifica, 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; Berwind Corporation, a diversified company holding huge tracts of land; Union Carbide, one of the world's largest chemical companies; Beaver Coal Corporation and Bethlehem Steel.

In spite of the seriousness of land maldistribution in Appalachia, there are no grass-roots organizations dealing specifically with the issue of land, although there is a proliferation of organizations concerned with strip-mining. The lack of a more careful definition of what is meant by land reform perhaps explains the lack of grass-roots support for the issue.

We need to spell out in fairly specific terms how land reform might be accomplished and what it might tangibly mean.

Legislation dealing with the issue of land in its broader context has already been introduced in at least one western state (Wyoming). As proposed, the legislation would create locally-owned public energy districts with popularly elected directors that could own coal land, build generators and sell electric power. These districts would operate under environmental roles that reflected local concerns and would retain their profits for local purposes. The proposal put forth for Appalachia suggests essentially the same approach.

The conventional analysis of Appalachia is to define the "problem" as the isolation of the Appalachian region. The solution proposed is to integrate Appalachia with government help into the national market economy. This is the purpose of the Appalachian Regional Commission.

This conventional approach has been challenged by increasing numbers of mountain people who recognize the need to control Appalachia's valuable resources. Some have been urging that revenues from a severance tax on coal be used to promote community development. A smaller but growing number now carry this idea to its logical conclusion, that local areas should control not only the revenues from local resources but also the nature of their development.

It was immediately clear that the Appalachian Regional Commission with its heavy emphasis on highway expenditures would not create jobs in the rural areas of Appalachia. Local groups became interested in economic self-help. Several of these groups found that the Community Development Corporation (CDC) provided a legal framework for development, while allowing for flexible control.

The major problem for CDC's has been their lack of financing. In the late 1960's, OEO and SBA loans and grants were the main source of capital for CDC. These funds, are becoming increasingly scarce. In addition, CDC's have not been able to generate enough enterprises beyond the small-scale or crafts-related industries which are generally low-wage and highly unstable. What is needed is a reliable source of funding for CDC's, especially at the early stages of development. A regional public power authority similar to TVA, could provide these funds through reinvestment of its profits in local CDC's. Representatives of the CDC's could serve as the board of governors of the regional authority. By using the CDC as the basic unit of the regional authority, decentralized control would be assured. In short, tying together the CDC and TVA ideas would allow the downward flow of profits and the upward flow of decision-making. ☐

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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 complex of universities, the agricultural experiment stations, and agricultural extension programs. The social effects of technological change has been studied accidentally, however, rather than systematically.

The degree to which research is geared to technological rather than social research is evident in a walk through any college of agriculture or a perusal of the research being supported by any agricultural experiment station. The overwhelming bulk of the faculty is involved in entomology, genetics, engineering, plant pathology, and similar kinds of research. In California, specialized work is carried on in pomology, enology, and many other technical subjects. In contrast, the number of agricultural economists is small and the rural sociologists are insignificant.

Three distinct sets of social consequences have been produced by the patterns of research in agriculture. First, the increased complexity of agriculture, a product of scientific and technological research, has contributed to the shift of population from rural to urban society.

The second major consequence has been a pattern of income distribution that I would characterize as anti-social. Thus, in a study of agricultural sections of the United States, Smith (1969) found that in Imperial County, California, and Palm Beach County, Florida, only 4.4 percent and 2.3 percent of farm personnel were "upper class" while 87.3 percent and 90.0 percent were "lower class," respectively. While the pattern in other agricultural areas shows a larger "middle class" segment, the trend toward a small number of even-richer growers and a large number of poorer rural classes is pronounced.

The third consequence of research has been to exacerbate the growth of large agricultural production units. Thus, we have not only seen small farmers being pushed out of agriculture but large corporations–some with no previous connections to farming–being attracted in. Current economies of scale have produced a continuing process of land aggregation which, together with credit arrangements 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.

Consider the case of the tomato harvester which was introduced in California after 1964. While Schmitz and Seckler (1970) have argued that the net effect of its introduction was economically beneficial, no information is systematically available as to *who* benefited, e.g., which segments of society are enjoying the economic savings produced through this equipment.

Consider the experience of Walter Goldschmidt, an anthropologist who studied the California communities of Wasco, Arvin and Dinuba, to determine the effects of patterns of land ownership. His basic findings, that social life was more satisfying in Dinuba with its smaller land-holding patterns, was anathema to powerful landed interests in the state. The melancholy chronicle of how Goldschmidt was hounded and the way in which his professional work was impeded at the early stages of his career have been documented elsewhere by Kirkendall (1964). Goldschmidt found it

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

"The Land Tenure Center at the University of Wisconsin knows far more about land tenure outside the U.S. than inside."

easier to conduct his social science work in Africa than to be harassed by powerful forces in American society.

Similarly, the University of Wisconsin hosts the Land Tenure Center, an organization which knows far more about land tenure outside the United States than inside. At the University of Iowa, an enormous amount of research has been conducted on the way innovations are diffused and adopted by farmers (Rogers, 1962), but relatively little has been done on the increasing corporate structure of agriculture in that state.

It should be clear that any proposal for change in agricultural research confronts an establishment of staggering size spread through fifty states. Moving such a network will not be easy. While states such as California are beginning to feel some pressures and a tiny number of social research projects are being funded, "two swallows do not a summer make."

If a significant shift is to be made a more powerful lever is needed. I propose the following:

1. Require every proposal funded by an Agricultural Experiment Station to contain a social impact statement delineating the anticipated social effects of the particular piece of research.
2. Require each experiment station to create and fund an evaluative unit. This unit, which should be administratively separate from the experiment station would seek to determine the extent to which social predictions made by researchers are fulfilled, and to open to public discussion what the directions of re-research *ought* to be. ☐

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USDA Fairy Tales

A Reassessment 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 "pro" family farms or "anti" corporate farm legislation. Unfortunately the USDA, Farm Bureau and others are more wrong than right on these issues.

If there is any one piece of evidence most crucial to the USDA position, it is the results of a special Census of Agriculture tabulation carried out by R. Nikolitch. Nikolitch 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 this classification is quite reasonable and useful.

Nikolitch classified all farms into these two categories for 1949, 1959, 1964 and 1969 (estimates) and the 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 family labor, make up about 95 percent of all farms and produce 65 percent of all farm products sold in the U.S. Although these percentages have fluctuated slightly, they have been substantially the same for the last 30 years, despite the decline in total farm numbers."

The evidence used by the USDA has several errors associated with it. One is the exclusion of information inconsistent with the conclusion reached. It is true that from 1959 to 1969 little change occurred in the numerical proportion of family farms to all farms. The same cannot be said concerning sales. Family-sized farms experienced a decline in their proportion of total sales from 70 percent in 1959 to 62 percent in 1969. Assuming conditions in the future will be more similar to the 1959-69 period than the 1949-59 period, then what has happened to family farms in the last ten years should have higher predictive ability.

Another error is of rather major dimensions. For the 1949 figures, Nikolitch states in a footnote that "sharecropper operations are not considered as independent farms, but as parts of respective multiple-unit operations." The numbers and sales of non-family farms in 1949 were thus inflated vis-a-vis the 1959-69 figures because plantations were included in the 1949 figures as single operations. In 1959 and later, however, these "multiple-unit operations" were not counted as single units but instead all the sharecropper units on these places were counted separately. Hence, non-family farms experienced a big drop from 1949 to 1959; while family farms increased their proportion of sales, merely through a definitional change. If consistent definitions had been used, the conclusions reached would have been the exact opposite of those reached by Nikolitch and the USDA.

"Contrary to the USDA contention, non-family farms were predominant in most regions other than the Midwest from as early as 1964."

The status of family farms would also have been perceived differently if the USDA had presented its data by region, state and type of production, as well as for the entire U.S. A summary of this data appears in the accompanying table.

It is quite clear from the table that, contrary to the impression given by the national level figures quoted by the USDA, non-family farms were predominant (or close to it) in most regions and states other than the Midwest as early as 1964. This was also true for most types of production other than those concentrated in the Midwest.

Even on a national basis, the USDA data indicate that owner-operated family-sized farms, while accounting for almost 80 percent of all farm numbers, accounted for only 50 percent of sales in 1959 and less than 50 percent (49) in 1964. It is on the basis of this evidence I argue that family farms have not been predominant in sales since as early as 1959. Tenant farms also account for a lower proportion of the total sales than one would expect on the basis of their proportion of farm numbers.

The total amount of sales by all farms increased about 15 percent from 1959 to 1964. Tenant farms were the only farm type experiencing an absolute reduction in sales over this period. Family farms increased, but at a rate lower than the average for all farms. Larger-than-family farms, and especially industrial type farms, experienced substantial increases, the former by 24 percent and the latter by 73 percent.

The pattern of family farm decline takes on added credibility when viewed in conjunction with the high levels of land concentration by farms exceeding 1000 acres; the proportion of all sales accounted for by farms with sales exceeding $100,000; the concentration of hired workers on these largest farms; and the high levels of production concentration in some areas pointed out by the USDA in its testimony against the Family Farm Act.

I do not think that society has been receiving accurate, adequate and correctly interpreted information on the present and changing status of family farms and farmers. Furthermore, policy recommendations which have been made to society by the USDA and others based on this inaccurate information are questionable.

In light of the evidence presented in this paper, the USDA should begin systematic review of the data and definitions of farm types it has used in making assessments of proposed legislation and public pronouncements concerning family farm characteristics and trends. ☐

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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 blunted 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 1972-73, or almost twice the amount of the current balance of payment 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 'superenemies' whose threat is supposed to justify our military expenditures.

The effect of financing American foreign policy through agricultural exports will be disastrous for the small farmer. Agricultural markets are notoriously unstable. Foreign markets may vanish between planting and harvest. Apparently, farmers will have to bear this risk.

The real beneficiaries will be the large conglomerates which will be in an ideal 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 suggest that by 1980 the cost of 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 8 billion gallons of fuel. About 5 billion gallons of fuel are burned in transporting food from farmer to consumer.

At approximately $.30 per gallon, the U.S. food industry is spending $9 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 wrinkle to the energy crisis which the USDA overlooks. Since the advantage of large-scale farmers rests primarily on the substitution of cheap fossil fuels for human labor, a sharp rise in energy prices will swing the advantage away from large farmers to smaller, more labor intensive farmers. 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. ☐

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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 reverse 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, loaded first in tank trucks, then bottled in paper containers; in freight trains loaded with wheat that roar across the prairies; 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 out the baby with the dirty bath water. How can the farm subsidy system be cleaned up?

It is my thought that the indispensable component

Percentage of All Farm Numbers and Sales by Non-Family Farms by Region, State and Type of Production 1964

Region	% of Farms	% of Sales	State	% of Sales	Type of Production	% of Farms	% of Sales
Pacific	13	71	Arizona	89	Vegetables	17	85
S. Eastern	6	56	California	79	Fruit & nuts	17	71
Mountain	9	54	N. Mexico	63	Other field crops	20	70
Delta	8	51	Colorado	57	Cotton	10	58
N. England	11	49	Mississippi	55	Poultry	8	43
S. Plains	6	45	Maine	53	Other livestock	3	31
Lake States	2	14	Texas	52	General	5	30
Corn Belt	2	13	Arkansas	50	Dairy	6	23
N. Plains	2	18	Louisiana	48	Tobacco	3	18
Appalachia	4	27	Wash.-Ore.	46	Cash grain	3	15
			Georgia	43			
			Michigan	21			
			Wisconsin	13			
			N. Dakota	13			
			Iowa	9			

Source: R. Nikolitch, *Family-Size Farms in U.S. Agriculture,* USDA ERS No. 499, February 1972, pp. 7, 9, 10.

"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 ultimately 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 to 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 for protecting the small farmer? If so, his subsidy–incentive–government cooperation–should be higher than that which goes to his corporate competitor. If we must 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 not be too quick to assume that the subsidy system has been 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 weren't for the subsidy system, defective though it may be.

I do not believe there are enough enemies of the farm program–purblind economists 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. □

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Limits Are Not Enough

An Evaluation of Subsidy Reforms
By E. Phillip 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 supply; hence it raises the market price above what it would be under free market conditions. The government also agrees in the event of over-supply, to support the market price at a certain level. The total effect is a combination, in about equal proportions, of benefits in terms of higher prices and direct payments. (In 1971 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 programs explicitly put money 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.[1] 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 eliminate 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 producers 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

[1] J.A. Schnittker, "Distribution of benefits from Existing and Prospective Farm Programs," Center for Agricultural and Economic Development, *Benefits and Burdens of Rural Development* (Iowa State Press: Ames, 1970), p. 96. The single best review of the impact of subsidies is Charles Schultze, *The Distribution of Farm Subsidies: Who Gets the Benefits?* (Brookings: Washington, 1971.)

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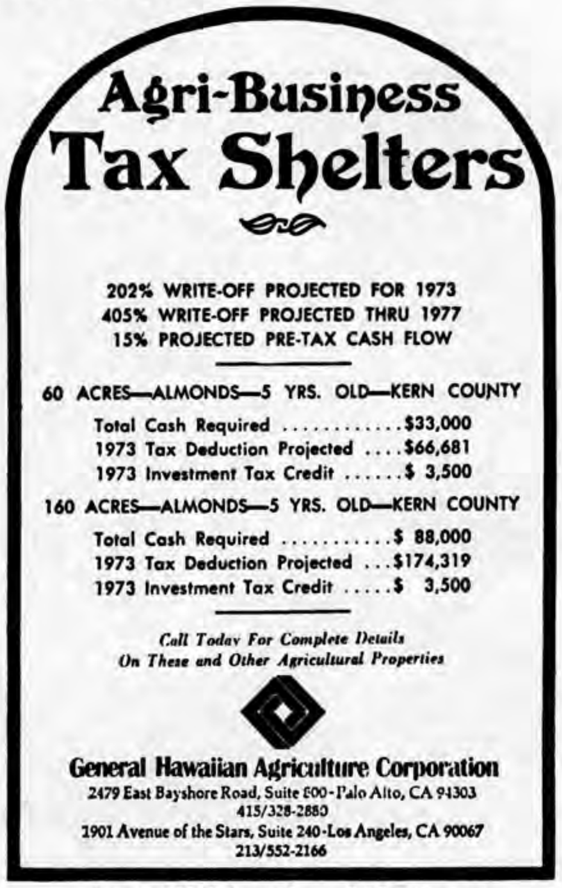
Taxes

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 farmer receives for his product has 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 urbanites have learned how to lose at farming and still get away with a profit. Rather than working the land, they work the tax laws.



A typical Wall Street Journal *advertisement.*

"Confucius said, 'The best fertilizer is the footsteps of the landowner.' Current tax laws work against that wisdom by encouraging absentee ownership."

In detail, it's complicated. In concept, it's simple: lose money in farming and write those losses off against non-farm income. The impact is to lower the amount of income that is taxable. There's a bonus: the losses are not real, only paper losses. That is because the costs of "farming" can be written off on one year, even though the product will not be sold until another year. Thus, there are tax losses this year, profits next year. And those profits can be re-invested for still another tax loss. In 1972, these farm losses cost the U.S. Treasury over $840 million.

The key to tax shelter farming is a series of tax loopholes built into 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 on their tax returns, or the "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 simplifies 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 equivalent to the amount of his farm deductions. In effect, he gets an interest-free loan from the government. When the product is finally sold and profit realized, the public's 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 saleable product–such as feed, seed, stud fees, and management services. Other farm inputs, such as machinery and equipment and improvements to barns and farm buildings, are 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 pruposes, 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 on farm assets such as trees and vines. A later court decision expanded this provision to include draft and dairy breeding animals. 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 grapes, tree fruits and cattle–require a substantial time of investment before they can return a profit. It might take an orchard or vineyard 4 to 8 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 real farmer. The benefits 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 his source of support. This tax "benefit" puts teeth in the old adage that farmers live poor and die rich.

Cash accounting, deduction of capital expenditure and capital gains treatment are the keys to understanding tax shelter farming, but there are certain other benefits available to farmers which have implications for the non-farmer investor, too. Under the Revenue Act of 1971, the investment credit was made available for purchase of livestock and various kinds of real property, such as feed bins and farm buildings. The investment credit allows a dollar-for-dollar reduction of the tax bill of an amount equal to 7 percent of the cost of eligible property.

A final inducement to investing in ranching is the availability of accelerated depreciation rule (ADR) on certain assets, including cattle and real property. Although the cash-basis taxpayer does not inventory cattle born into the herd, he can use the ADR to depreciate rapidly any animal he buys to build up the herd. ▷

The primary mechanism which makes "farmers" out of tax shelter investors is the limited partnership. It is an organizational form that has been used in oil, gas, and real estate for some time, but it is relatively new in agricultural enterprises. A limited partnership allows the pass-through of profits and losses–and tax deferrals–straight to the individual partners. The partnership itself is not taxed, but rather each partner is taxed in proportion to his share of the venture.

A different possibility for the investor would be to enter into a contract with an agency that specializes in managing farm investments. Oppenheimer Industries is one such firm that will purchase breeder or feeder cattle for clients, contract with ranchers or feedlots to care for them, and arrange putting the cattle on the market. Kaiser Aetna's Ventura Operations in California will manage absentee owner's citrus or walnut groves.

A principle common to most farm investments is the concept of leveraging one's capital–that is, using one's actual cash investment as collateral for a loan to increase the total working capital. Tax laws provide that an investor can deduct not only the expenses incurred by the actual cost to him of his investment, but also expenses incurred by borrowed money. In other words, if the investor's actual cash contribution is $5,000, and that money is used as collateral to borrow an additional $10,000, the investor may be able to make deductions worth two to three times the real cost of his investment.

Confucius said that "The best fertilizer is the footsteps of the landowner." The current tax system works against that wisdom, fostering absentee ownership. High-income lawyers, doctors, movie stars, athletes and other investors might not recognize fertilizer, even it was on their boots, but they do recognize a good tax deal. □

Jeanne Dangerfield works with the Agribusiness Accountability Project.

Sharing Nature's Gifts

The Severance Tax

By Paul Kaufman

At least $502 billion worth of coal, oil, gas and timber has been removed from Appalachia during the past 130 years. Had these resources been taxed at a rate of 5 cents per dollar, the tax take (counting all sources) for the coal-bearing Appalachian states would have doubled over the past century. Putting it another way: all state taxes paid by Appalachians during the past century amounted to less than would have been produced by a five percent severance tax. The benefits in terms of roads, schools, health care, housing and other badly needed public services would have been enormous.

In West Virginia, in the year 1970 alone, just under $50 million could have been raised by a 5 percent severance tax for the use of poverty-bound mountaineers. West Virginia, like other Appalachian states, has never had a severance tax. Kentucky finally enacted a modest tax on minerals about a year ago. Its constitutionality immediately came under attack by the coal industry which for so long prevented its enactment. One former Governor of West Virginia during his administration had the effrontery to urge the passage of a tax on coal. He was literally chased from the state, became an alcoholic and wound up as a Chicago taxi-cab driver.

Most of Appalachia, or at least most of the mineral wealth of Appalachia, is owned by non-Appalachian multinational corporations. Not only are the inhabitants denied the use and benefit of "their" land but the exploitation and abuses to which both land and people have been subjected over the years by absentee interests are beyond measure.

One way to enable the people to protect and enjoy the land on which they live is to expropriate it for them as has been done in Central American countries previously colonized by huge American corporations. This is not likely to happen.

Local acquisition of the land through public utility districts, cooperative development, land trusts and the like also has possibilities. But adequate depletion taxes, as opposed to depletion allowances as we have come to know them, can be utilized in short order to enable the people to share, in a small way, the great wealth being held just beyond their reach.

"Adequate depletion taxes, as opposed to depletion allowances, would enable the people to share in the great wealth being held just beyond their reach."

It has been suggested that state legislatures 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 ironic that not even minerals 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 disadvantage which might otherwise befall an enterprising state government.

Heretofore, 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 UMW 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.

Severance Tax Data
(in thousands of dollars)

	1969 value of mineral production	Fiscal 1970 severance taxes
Alabama	$ 284,736	$ 1,362
Alaska	257,776	8,254
Arizona	859,303	—
Arkansas	208,126	3,376
California	1,850,527	1,246
Colorado	368,494	1,058
Connecticut	27,767	—
Delaware	2,080	—
Florida	295,376	248
Georgia	190,992	—
Hawaii	29,539	—
Idaho	118,309	264
Illinois	659,815	—
Indiana	241,881	322
Iowa	119,880	—
Kansas	577,816	605
Kentucky	591,048	191
Louisiana	4,635,326	249,590
Maine	20,186	—
Maryland	83,460	—
Massachusetts	49,843	—
Michigan	668,247	965
Minnesota	636,636	18,976
Mississippi	243,184	13,343
Missouri	367,232	—
Montana	282,631	4,730
Nebraska	78,000	766
Nevada	168,295	50
New Hampshire	8,120	—
New Jersey	83,107	—
New Mexico	935,746	35,398
New York	302,339	—
North Carolina	90,455	—
North Dakota	91,048	3,198
Ohio	580,667	—
Oklahoma	1,090,809	50,539
Oregon	60,164	—
Pennsylvania	967,367	—
Rhode Island	4,433	—
South Carolina	55,865	—
South Dakota	54,921	16
Tennessee	205,451	—
Texas	5,769,870	273,213
Utah	543,282	4,272
Vermont	27,759	—
Virginia	317,587	—
Washington	88,626	—
West Virginia	948,480	—
Wisconsin	78,792	—
Wyoming	647,442	4,268

Sources: 1969 Bureau of Mines *Yearbook* and *State Tax Collections in 1970,* Bureau of the Census.

To Tax and To Buy

Taxes for Land Acquisition

By John McClaughry

Perhaps the most logical and possibly most lucrative source of tax revenues to finance a land reform program is the *increment value tax*, sometimes called the "unearned increment tax" or (somewhat erroneously) "capital gains tax." This tax is based on the theory that much of the increase in value of land is due to society, and not the landowner.

So far as I know a comprehensive increment value tax on land has never been tried in this country. Mabel Walker of the Tax Institute of America reports in the August, 1971 *Tax Policy* that increment value taxation has been tried in Austria (1822), imperial China (1890), imperial Germany (1911), Denmark and Taiwan with varying results, but has rarely been the object even of serious study in the United States.

The State of Vermont has just become the first state to levy an increment value tax on land. House Bill 155, signed into law in April, 1973, imposes a tax based on both the amount of the gain in value and the length of time the land was held by the seller. The tax does not cover buildings or improvements, and also exempts one acre necessary for a dwelling if the dwelling is the principal residence of the seller. The tax is paid by the seller at the time of sale. The basis (tax cost) of the land is that determined under the federal Internal Revenue Code.

The purpose of this increment value tax in Vermont was to raise money for Governor Salmon's prop-property tax relief scheme, which has nothing to do with land reform at all. The tax was sold to the public by a great deal of oratory condemning the supposed evils of land speculation.

Unfortunately, the Governor cannot have it both ways. If the tax is successful in stamping out the serpent of land speculation, there will be no revenue for his tax relief program. If there is to be tax relief money, land speculation must be allowed to continue.

"Advocates of land reform should make a strong effort to relate an increment value tax to land reform programs before competing interests seize these revenues."

I am frankly very sorry that this source of revenue, originating as it does from land transfers, has been tapped for the non-land-related purpose of general tax relief. I would much have preferred that it be tapped to fund a Vermont Land Trust, a measure I sponsored in the 1972 General Assembly. As it is, the continual clamor for general tax relief will probably prevent any future diversion of the increment value tax revenues into a land reform or environmental preservation program. This suggests that advocates of land reform in other states should make a strong effort to relate a proposed increment value tax to land reform programs, before competing interests seize upon those revenues to fund their special programs.

A second source of financing for land acquisition is what in Great Britain is known as the *betterment levy*. This tax, in force from 1967 to 1971, was applied to the increment in value due solely to a change in zoning status.

It should be noted that the betterment levy was part of an extremely strong program of state zoning in Great Britain, and not too important a part. According to C. Lowell Harriss, the levy strongly discouraged any increase in land use intensity, and its revenues were small in relation to the administrative costs involved. Its repeal says Professor Harriss, does not support a rejection of land increment value tax proposals for the United States, especially inasmuch as the repeal came after the adoption of an overlapping capital gains tax in Great Britain.

A third possible source of tax revenues for land reform is the *property transfer tax*, in effect in Vermont since 1963. The Vermont tax, estimated to produce slightly over $2 million in Fiscal Year 1974, is levied on the sale price of all real estate at a rate of one half of one percent. Originally this tax was levied to provide funds for tax mapping of the state, but the proceeds were soon diverted into the general fund and the tax mapping has never been seriously undertaken. This is unfortunate, because any serious effort at land reform requires a precise tax mapping to ascertain who owns land, where it is, and what it is worth, something that is more or less conjectural in much of rural Vermont today. □

John McClaughry is a former Vermont state legislator and director of the Institute for Liberty and Community in Concord, Vermont.

Environment

Up the Subdividers!

Land Subdividing and the Human Environment
By Harvey Mudd

Although not as dramatic in appearance as strip mining or some water reclamation 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 $5 billion and $6 billion per year. The number of subdividers 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 many 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 wildcatter 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 merchandiser 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 gullible and the discontent of the urban wage slave; they sell interstate 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 never be developed. 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 160,000 acres 45 miles south of Albuquerque had, in 1972, less than 200 houses 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 initiate 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 brochure. 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 sited properly, this kind of development causes more environmental damage than does the dream merchant's subdivision. The recreation developments of Boise Cascade probably fall into this category, in spite of good intentions.

The problems caused by speculative subdividing and careless or irresponsible development fall into several general areas. First is consumer fraud, the most visible aspect of the problem and perhaps the most amenable to solution.

A second problem is externalization of costs. Many of the social and economic burdens created by the subdivider are not paid for by him. The subdivider's plan is usually approved because of the local government's desire to expand its tax base. It is, however, becoming clear that beyond a certain point the expanded tax base falls short of paying for the additional community services required. The difference is paid by other tax payers.

The subdivider must be forced to internalize these costs. He argues that this forces him to raise the prices of his lots, so he will sell fewer lots and make less money. That is correct.

The environmental consequences of land subdivision are serious whether it is the crudest sort of bulldozer subdivision or the most sophisticated development. Coastal and estuary subdivision in Florida and other eastern seaboard states are destroying marshlands that are invaluable marine nurseries. Swampland drainage is causing saltwater intrusion in some areas. Septic tanks present a clear danger to the quality of fresh water supplies. Stream siltation, resulting from bladed roads, is a hazard in high rainfall ares, and blowing dust from bladed roads presents an air pollution hazard.

The most serious long-term effect of land misuse by subdividers is the diminution of prime agricultural lands. The pattern of unplanned reallocation of fertile and irrigable lands from their biologically highest and best use to their economically highest and best use has been with us for some time. In Bernalillo County, New Mexico, the amount of farmland has dropped in the last 20 years from 25,000 acres to 7,000 acres. In Santa Clara County, California, the nation's outstanding example of land misuse and unplanned growth, the original 140,000 acres of prime farm land dwindled to 56,000 acres by 1965. This relentless destruction of irreplaceable soil resources was accomplished in a fashion known as leapfrogging. Within the 200 square miles of the Santa Clara Valley, not a single square mile is without a subdivision. Yet, if all the subdivisions in the valley were contiguous, they would cover only 40 square miles.

There is no end in sight unless dramatic measures are taken. I recommend an end to taxation on productive agricultural land or agricultural improvements, accompanied by effective zoning controls on land use. Conservation and other non-development areas should also receive important tax considerations, subject again to effective zoning controls.

Taxes on raw land within a projected growth pattern or zone should be taxed at a higher rate than developed land within the same zone. This would discourage speculation and leapfrog development, and curb the inflationary spiral in land prices. As a corollary, capital improvements to land should be taxed at a lower rate.

Most important, capital gains provisions on the unearned increment in land value should be eliminated. Most spectacular rises in land value are the result of public expenditures, i.e. a new highway, or the fortuitous action of another private party, i.e. Disneyland locating in the area. The unearned increment portion of the rise in land value should be taxed as ordinary income.

Zoning must become a relatively inflexible instrument. Agricultural zones must be permanent; land owners may change, but the use of the land must remain the same. Conservation or green belt zones must be treated in the same way. The authority already exists under the doctrine of police powers. □

Harvey Mudd is director of the Central Clearing House, Santa Fe, New Mexico.

Land Reform

Land Reform is Tasty

The Way to a Nation's Land Reform is Through Its Stomach
By Jerome Goldstein

"Every social movement, is in some respects, a conspiracy against the status quo. The status quo is, in some respects, a conspiracy against every social movement. Since the status quo almost always has the greater resources, the odds are almost always against the survival of any given movement."
–Joan London and Henry Anderson, *So Shall Ye Reap*

In an effort to change the odds somewhat, I suggest we relate the issue of land reform to the basic consumer issues of food quality and food prices. The objectives of such a connection are obvious. Urban voters have solid reasons to be involved in land reform once the nutritious value of the food they buy, the prices of the food they buy, and the wholesomeness of the food they buy are shown to be directly related to who owns the land and how that land is treated.

For example, let's consider pesticide use. Fertilizers and pesticides have become an integral part of an agricultural system which allows you to drive along a straight road for half an hour, passing continuous orchards on both sides all owned and operated by a single corporate system.

Pesticides should be a consumer issue that relates to far more people than simply those who want to consume organically-grown foods. Indeed, this began to happen last spring when members of the United Farm Workers urged shoppers as eastern supermarkets not to buy pesticide-contaminated lettuce. The union was trying to educate consumers to the injuries suffered by farmworkers who harvested lettuce in Imperial Valley fields.

"The hard tomatoes, watery potatoes and flavorless strawberries are the harvest of an agricultural system ripe for reform."

Spray residues in food are understandable to consumers. These consumers have become skeptical of industry and government assurances that "there is no problem," only to find out that the particular chemical is later taken off the market. In the case of lettuce, Monitor 4—the pesticide indicted by the United Farm Workers—was prohibited for use on head lettuce on March 7, just weeks after the boycott began.

Massive use of pesticides would also be curtailed by enactment of land reform measures. David Pimentel, a Cornell University entomologist, developed this point in the March issue of *Environment* Magazine. He maintains that modification in government land use policies coupled with a new pest control strategy could reduce U.S. pesti-

Bob Fitch

cide usage by at least 50 per cent. Pimentel estimates that crop losses would be $12 billion if no pesticides were employed, an increase of $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, including monies paid for diverting nearly 60 million acres from planting crops like cotton, corn and wheat," says Pimentel. "Perhaps it is timely 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 other issues as 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 regional needs of organic farmers and the market for their harvest. These cooperatives have names like the Northwest Organic Food Producers in Washington, the Piedmont Organic Movement Association in South Carolina, the Maine Organic Foods Association, the Colorado Growers and Marketers Association, and the Bluegrass Organic Association in Kentucky.

At the same time, under the leadership of Jim Pierce, executive director of the Rural Advancement Fund, both the Eastern Georgia Farmers and the Southern Agricultural Association 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 an organic 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 UFW seal, and consumers have responded. The UFW 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 interrelate. The money spent for food—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 has been the constant emphasis that "our food supply is the cheapest and best." But now the consumer is finding that these statements are no longer valid.

In a New York *Times* article headlined, "Days of 'Cheap Food' May Be Over," (3/11/73), Morton I. Sosland writes: "A case can be made that cheap food is a thing of the past, that the world is moving 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. Sosland, 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 expanded 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 DES 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 relationship between poison sprays and disease. The American consumer is obviously vocal about high food prices. I imagine quite soon we'll be seeing *Business Week, U.S. News and World Report*, etc. concluding: "We may be headed into land reform—like it or not."

The way to a nation's land reform is through its stomach! It's of course not 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.

Building Land Trusts

Land Trusts as Part of a Three-fold Economic Strategy for Regional Integration

By Robert Swann

Today in the agribusiness complex we see the movement towards "vertical integration" carried out to an extreme degree. Vertical integration spells a higher degree of monopoly control, maximum profit to the few owners of the corporations, high prices to consumers along with reduction in quality of food and ecological danger to the land through monoculture practice.

While this process is a widely discussed symptom of the growing concentration of corporate power, the forces behind the concentration are not always recognized nor is a realistic alternative strategy devised. Without denying the need for a legislative program, I submit that by itself this is not an adequate strategy. A parallel economic strategy is also needed. It is in this context that the community, or regional land trust, belongs.

The United States is divided between affluent centers of power (the large industrial and financial complexes of the East, Midwest and far West), and the rest of the country, which is, in effect, a "colonial" hinterland. Within the regions defined as "undeveloped" (Appalachia, South, Southwest, North Central, inner cities), subregions can begin to create a comprehensive strategy which includes land trusts, relatively closed economies, and community development corporations.

The community land trust is a legal entity, a quasi-public body, chartered to hold land in stewardship for all mankind present and future while protecting the legitimate use-rights of its residents.

The community land trust is not primarily concerned with common ownership. Rather, its concern is for ownership for the common good, which may or may not be combined with common ownership. The word "trust" is used more to connote the idea of trusteeship or stewardship than to define the legal form. Most often the land trust will be a non-profit corporation rather than a legal trust.

The following key features differentiate the community land trust from the ordinary real estate trust or conservation trust, and enable it to achieve its goal of "ownership for the common good:"

1) The trust holds land only.
2) The land *user* is protected by his long-term lease—99 years and renewable.
3) The *land* itself is protected by the charter of the trust,
4) The trustees do no "control" the users of the land, they implement the trust charter and ensure that the provisions of the charter and of the lease contract are fulfilled.

There are several reasons why land trusts are advantageous in a strategy of regional decentralization. First, trusts can be established immediately. They do not require any legislation for implementation.

Second, trusteeship and stewardship can be built on a long tradition in many societies (Indians of North and South America, the *ejidos* of Mexico, the tribes of Africa, the "commons" in England and New England, the Crofters system in Scotland, the Eskimos of Alaska, the Gramdan movement in India and the Jewish National Fund in Israel).

Thirdly, since trusteeship implies and includes a concern for the land itself in a conservation or ecological sense, new allies are found in the environmental movement who want to ensure that the land is not violated.

"In Israel, over two-thirds of the best land is held in trust by the Jewish National Fund. Everything from small farms to kibbutzim, moshavim *and whole new towns are on trust land."*

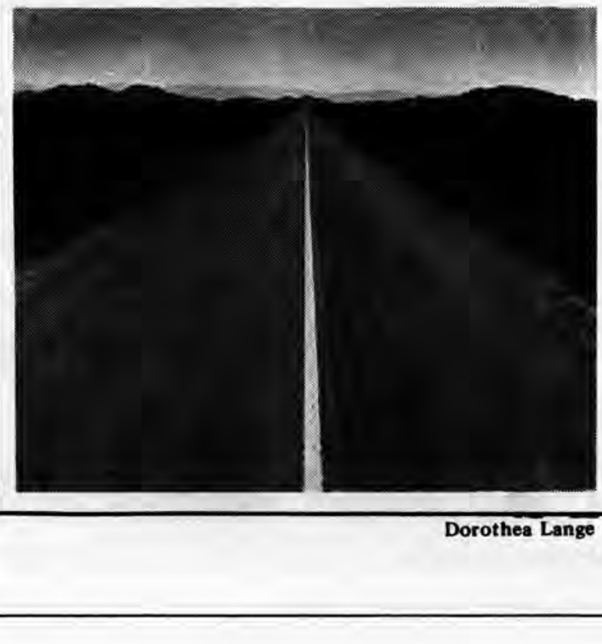
This creates a basis for a broader political coalition than land redistribution, per se. At the same time, it should be pointed out that under traditional land redistribution, landlords (or new ones) in about twenty years partly because other factors or forces in the economy (control of money, etc.) are not changed. Under land trusteeship, on the other hand, land is taken out of private ownership and placed in trusteeship "in perpetuity."

Fourth, a trust can be used as a holding mechanism for all sizes and tracts of land. Some of these tracts may be large enough to build entire new towns (large or small) or simply used as farms or as conservation tracts. This flexibility permits both short and long range strategies which can include small farms, large farms, or combinations of both. In this way, the modern technology of the large scale farm can be utilized while, at the same time, the trust can encourage and promote the new ecological fertilizers and farming systems to avoid the dangers of monocultures and pesticides.

In Israel, over two-thirds of the best land is held in trust by the Jewish National Fund. There, everything from small farms, Kibbutzim, Moshavim and whole new towns are planned and established on trust land.

In short, the trusteeship concept is an activist approach to the problem of redistribution of resources, and while it is initially aimed at the land, as it grows and develops strength as a movement it can begin to reach out into other areas of resource management. □

Robert Swann is director of the International Independence Institute, Ashby, Massachusetts.



Dorothea Lange

How To Redistribute

Buying Back the Land: A Proposal for California

By Peter Barnes

It is just within the realm of possibility that low-income groups, by joining hands with environmentalists, labor, and other progressive forces, could bring about a better distribution of land. The mechanism for doing this could be a state government trust fund which, for purposes of public salability, might be called a Land Conservation Fund (LCF).

The LCF itself would not own or zone land, operate farms or set up local enterprises. These functions would be filled by other public and private institutions, some of which already exist, many of which still need to be built. The LCF would be a *politically salable transfer mechanism* that would make *financially possible* a redistribution of land. Its uniqueness is that it would do so in a way not dependent upon the diminishing willingness of state legislatures to tax the working and middle classes for the benefit of the poor.

Here's how an LCF would work. Like the highway, social security, and other existing trust funds, the LCF would be a separate government account into which money would pour from special taxes—in this case, taxes that fall not on the average taxpayer but on the wealthy few who profit most from land and resources. Revenues from these taxes would be allocated for carefully specified purposes and recipients: half would go to cities, towns, counties, and regional park districts, and nonprofit land trusts for the purchase of productive land. Like other trust funds, the LCF, once established (and especially if established by a ballot initiative) would be self-perpetuating and relatively immune to political sabotage.

The principal taxes feeding the LCF would be a severance tax on the extraction of oil, gas, other and timber, and a tax on the unearned increment in land value. The severance tax is a well-known tax applied in many mineral-rich states, including Texas, Louisiana, Oklahoma, and Alaska. The unearned increment tax is a kind of capital gains tax applied to land. It has been used in England, South Africa, Australia, Denmark, and other countries, and was recently adopted in Vermont.

From an environmental standpoint, the severance tax is an excellent one because, unlike the *ad valorem* property tax, it encourages conservation rather than depletion of resources. For added effect a differentially high rate might be applied to the severance of resources (such as virgin redwoods) deemed particularly worthy of conservation.

"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 farms, and 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 or 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 since 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 of land to begin selling. This would create a downward impact on land prices–downward enough (if the tax rates were reasonable) to slow the natural rate of increase but not to depress land values below their current level. To some extent this downward pressure would diminish the revenues raised by the tax, but it would also make buying land cheaper for LCF recipients.

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 highrises, shopping centers, and office buildings. If a differentially high rate were applied to land rezones for higher use, the incentive would be to construct new housing in areas already zoned for it, rather than to sprawl into still un-spoiled areas. If the housing were built by low-income co-ops or DCDs 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 divided 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:

–Cooperatives of low-income families, for the acquisition of land for agriculture, related enterprises, and housing–for example, farmworkers might wish to buy out 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.

–Nonproft land trusts, similar to the Jewish National Fund in Israel, for the acquisition of land for lease to family farmers and rural cooperatives, or of common land for Indian tribes and Mexican-American *ejidos.*

As with open space funds, grants to private recipients could cover up to 100 percent of land costs. Recipients would would thus be free of debt burden on their land, and could use their land as collateral to borrow money for farm equipment, housing supplies, and other capital outlays. The debt-free gift of land would be in the tradition of the Homestead Act. It would, of course, be a subsidy, but one that would barely match the subsidies and tax breaks given to railroads, cattle barons, timber compaines, energy corporations, wealthy tax-loss farmers, real estate developers, and the like.

Grants by the LCF to private recipients would be subject to a number of restrictions and conditions. First, carefully drafted language in the law would assure that recipient corporations, cooperatives, and land trusts would either be genuinely non-profit or owned in major part by persons of low or moderate income who lived and worked in or near the enterprises involved.

Second, nonprofit trust receiving grants would be permitted to lease only to resident family farmers and cooperatives. In no event could a trust lease farmland to an absentee operator, nor could it lease more than 320 acres of irrigated farmland, or 1,000 acres of unirrigated farmland, to the same family, or double that amount to the same cooperative. In leasing farmland the trust would give preference to people with farm work experience and low incomes. Violation of any of these conditions would be cause for revocation of all grants, with grant money repayable (with interest plus a penalty) to the LCF.

Third, all recipients would be barred from resale of LCF-funded land for at least fifteen years. After that time the LCF would retain first option to purchase at a price not greater than its initial grant. □

Peter Barnes is West Coast Editor of the New Republic *and a founder of the National Coalition for Land Reform.*

A Land Reform Act

What a National Land Reform Act Might Look Like

Prepared by the Center for Rural Studies

A national land reform act would have to accomplish two things: (1) take away control of land and resources from large absentee-owned corporations and, (2) give control to either public agencies, cooperatively or community-owned entities, or low-income individuals. In other words, a land reform act would establish a *transfer mechanism.* In addition, it would provide *supporting institutions and assistance* for new recipients of land and resources.

Bob Fitch

The best transfer mechanism would be one that (1) minimizes bureaucracy; (2) does not tax the wage-earner or small property-owner; and (3) builds upon existing transfer models.

Three types of transfer mechanism are conceivable. One would be a national *trust fund* which would not itself acquire land but which would make grants to other public and private entities for the purpose of land acquisition. A trust fund can be financed through taxes that fall primarily on the wealthy–in this case, a national severance tax and some form of unearned increment tax would be appropriate. And there are existing models, including a very close one–the Land and Water Conservation Fund.

The Land and Water Conservation Fund gets its money (about $100 million a year) from national park entrance fees, concession rentals, boat licenses, hunting stamps, taxes on guns and ammunition, and some royalties from federal off-shore oil leases. This money is used to buy land for parks, recreation and wildlife refuges. A national severance tax and unearned increment tax could enormously expand such a land transfer fund, in terms of both revenue and purpose.

A national severance tax of 5 percent could raise about $700 million annually, according to Senator Lee Metcalf, who has proposed such a tax. The potential of an unearned increment tax is even greater. According to the National Commission on Urban Problems, chaired by former Senator Paul Douglas, land values in the 1960s went up $25 billion a year. By now the annual increment is probably close to $50 billion. A ten percent tax would yield $5 billion.

The revenues from these taxes could be granted to federal and regional agencies, states, cities, co-operatives, CDC's, Indian tribes and non-profit land trusts for the purchase of land and energy resources from large absentee owners. Funds would be distributed geographically according to a formula that considers such factors as population, income levels, and degree of concentrated absentee ownership. Funds would be allocated categorically in accordance with another formula such as the following: 50 percent for parks, open space, recreation, and wildlife refuges; not more than 15 percent each for productive farmland, timber, energy resources and land for housing and new communities.

Another possible transfer mechanism is a *land bank.* Under a land bank system, the recipients of land and resources would pay for them over a lengthy period, perhaps 40 years, with payments waived for the first five years. Interest rates would be low–perhaps 2 percent, as with REA loans, or even 0 percent, as with loans to irrigation districts for construction of canals. Or repayment might be a percent of future earnings, the way some colleges provide for repayment of tuition loans. Front money would come from congressional appropriations.

The major difference between the *land bank* and the *trust fund* mechanisms is that the latter puts the financial burden on existing wealthy owners of land and resources, while the former puts it on future recipients, who are likely to be poor. Also, a land bank would depend on annual appropriations, while a trust fund, once established, would finance itself relatively automatically. It would, of course, be possible to combine the two approaches, using earmarked taxes *and* congressional appropriations to finance land purchases, and giving both 100 percent grants *and* low-interest loans.

A third possible transfer mechanism would be a *national trust.* The trust would purchase land using regular appropriations and/or special taxes such as the severance and unearned increment tax. It would not re-sell land but rather lease it on a long-term basis to family farmers, cooperatives, CDCs, etc. A model would be the Jewish National Fund in Israel (although this is a private land trust). The questions raised by the trust approach are: (1) Are Americans ready to give up the tradition of private land ownership in favor of long-term leases? And (2) what kind of bureaucracy would be required to administer the land held by a national trust, and how would such a bureaucracy relate to the Interior and Agriculture Departments?

Redistributing land would not, by itself, make land reform work. Additional assistance would have to be provided to make sure that the present trend toward elimination of small landholdings did not repeat.

Among the form of assistance needed are: (1) seed capital; (2) cheap credit; (3) technical assistance; (4) marketing assistance. These might be provided by existing agencies, or possibly by a new agency such as a revived Farm Security Administration. In addition, protection against re-concentration might be provided in the form of acreage limitations, tax and/or anti-trust provisions. □

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.

The Center is also available as a clearinghouse for papers of other groups. If you wish to have have publications listed in future issues of *People & Land*, send copies and relevant price information to the Center.

The Center's address is 345 Franklin Street, San Francisco, California 94102.

Agribusiness Accountability Project. *Hard Times, Hard Tomatoes: The Failure of the Land Grant College Complex.* Paperback book. $4.95. Available from the Agribusiness Accountability Project, 1000 Wisconsin Ave., NW, Washington DC 20007. The project has many other publications available. Write for a list.

Baldwin, Sidney. *A Lesson 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. *Buying Back the Land: A Proposal for California.* 6 pages. 25 cents.

Barnes, Peter, and Larry Casalino. *Who Owns the Land?* 16 page booklet. 40 cents.

Black Economic Research Center. *Only Six Million Acres: The Decline of Black Owned Land in the Rural South.* Bound report. Write BERC, 112 W. 120th St., New York, N.Y. 10027.

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

Caudill, Harry. *An Appalachian Mountain Authority.* 11 pages. 45 cents.

Center for Community Economic Development. *Land.* May 1972 report. Write CCED, 1878 Massachusetts Ave., Cambridge, Mass. 02140.

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

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

Cut Cane Associates. *New Strategies for Appalachia.* Free. Also many other publications. Write Cut Cane Associates, PO Box 98, Mineral Bluff, Ga. 30559.

Dangerfield, Jeanne. *Sowing the Till: 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 Geothermal Energy: History and Prospects.* 18 pages. 75 cents.

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

Faux, Geoffrey. *Reclaiming America.* 12 pages. 45 cents.

Frazier, Charles. *Things Consumers Should Know About Food Production.* Charts. 8 pages. 35 cents.

Friedland, William H. *The Social Impact of Technology.* 14 pages. 50 cents.

Gaventa, John. *Property Taxation of Coal in Central Appalachia.* 25 pages. $1.

Goldstein, Jerome. *The Way To A Nation's Land Reform Is Through Its Stomach.* 9 pages. 35 cents.

Grubbs, Donald. *The New Deal and the Roots of Agribusiness.* 5 pages. 20 cents.

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

Hooker, Barbara Williams. *Surplus Lands for Indians: One Road to Self-Determination?* 4 pages. 15 cents.

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

International Independence Institute. *Community Land Trust Guide.* Paperback book. $4. Write III, West Road Road, Box 183, Ashby, Mass. 01431. Also many other publications available.

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

Kaufman, Paul J. *Detailed Draft of Model Severance Tax Legislation.* 34 pages.$1.20.

Kravitz, Linda. *A Working Paper on Farmer Control of Cooperatives.* 9 pages. 40 cents. Write the Agribusiness Accountability Project.

Krebs, A.V. *Report on Major U.S. Corporations Involved In Agribusiness.* 70 pages. $2.80. Write the Agribusiness Accountability Project.

Krebs, Wilma Mayers. *Unearned Increment Taxation.* 13 pages. 50 cents.

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

McClaughry, John. *Taxes for Land Acquisition.* 6 pages. 25 cents.

McDonald, Angus. *Who Gets the Water, Minerals and Timber?* 11 pages. 40 cents.

Mudd, Harvey. *Land Subdividing 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. 45 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.

Rodefeld, Richard. *A Reassessment of the Status and Trends in Family and Corporate Farms in U.S. Society. Congressional Record* reprint. Free.

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

Swann, Robert. *Land Trusts as Part of a Three-fold 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

Alianza Federal de Pueblos Libres, 1010 3rd Ave., NW, Albuquerque, NM 87101

Appalachian Development Fund, 114 W. Clinch Ave., Knoxville, Tenn. 37916

Appalachian Research and Defense Fund, 1116-B Kanawha Blvd. E., Charleston, W.Va. 25301

Archdiocese of Kansas City: Rural Affairs, 2220 Central Ave., Kansas City, Kansas 66110

Basin Electric Power Co-op, Bismarck, ND 58501

Black Economic Research Center, 112 W. 120th St., New York, N.Y. 10027

Black Land Services, Penn Center, Beaufort, SC 29902

Black Mesa Defense Fund, 107 Cienega, Santa Fe, NM 87501

California Rural Legal Assistance, 1212 Market St., San Francisco CA 94102

Center for Community Change, 1000 Wisconsin Ave., NW, Washington, DC 20007

Center for Community Economic Development, 1878 Massachusetts Ave., Cambridge, Mass. 02140

Center for Rural Studies, 345 Franklin St., San Francisco, CA 94102

Central Clearing House, 338 E. DeVargas, Santa Fe, NM 87501

Central Coast Counties Development Corp., 265 Center Ave., Aptos, CA 95003

Colorado Project, 1232 Delaware, Denver, Colo. 80204

Congress for Appalachian Development, RR 1, Shepherdstown, W.Va.

Cooperativa Campesina, PO Box 824, Freedom, CA 95019

Cooperative League of the USA, 59 E. Van Buren, Chicago, Ill. 60605

Cut Cane Associates, PO Box 98, Mineral Bluff, Georgia 30559

Delta Ministry, PO Box 3634, Jackson, Miss. 39207

Emergency Land Fund, 112 W. 120th St., New York, N.Y. 10027

Environmental Action, 1346 Connecticut Ave., NW, Washington DC 20036

Environmental Defense Fund, 645 Madison Ave., New York, N.Y. 10022

Exploratory Project for Economic Alternatives, 5 Arlington St., Cambridge, Mass. 02140

Federation of Southern Cooperatives, PO Box 95, Epes, Alabama 35460

Foundation for Community Development, 604 W. Chapel Hill St., Durham, NC 27702

Friends of the Earth, 529 Commercial Ave., San Francisco, CA 94111

Gulfcoast Pulpwood Association, Forest Home, Ala. 36030

Highlander Center, Box 245A, Rte. 3, New Market, Tenn. 37820

Institute for Development of Indian Law, 927 15th St., NW, Washington DC 20005

Institute for Liberty and Community, Box 94, Lyndonville, Vermont 05851

Institute for the Study of Non-Violence, Box 1001, Palo Alto, CA 94302

International Independence Institute, West Road, Box 183, Ashby, Mass. 01431

Maine Land Trust, 66½ 7th St., Bangor, Maine 04401

Migrant Legal Action, 1820 Massachusetts Ave., NW, Washington DC 20036

Mississippi Action for Community Education, PO Box 588, Greenville, Miss. 38701

Montana Farmers Union, Box 2447, Great Falls, Mont. 59403

Mountain People's Rights, 10 College Lane, Prestonburg, Kentucky 41653

Movement for Economic Justice, 1609 Connecticut Ave., NW, Washington DC 20009

National Catholic Rural Life Conference, 3801 Grand Ave., Des Moines, Iowa 50312

National Coalition for Land Reform, 345 Franklin St., San Francisco CA 94102

National Farmers Organization, Corning, Iowa 50841

National Farmers Union, Box 2251, Denver, Colo. 80201

National Sharecroppers Fund, 112 E. 19th St., New York, NY 10002

Native American Rights Fund, 1506 Broadway, Boulder, Colo. 80302

Nature Conservancy, 1800 N. Kent St., Arlington, Va. 22209

New Alchemy Institute, PO Box 432, Woods Hole, Mass. 02543

New Populist Institute, PO Box 1743, Washington DC 20013

North Dakota Farmers Union, Jamestown, ND

Northern Cheyenne Land Owners Association, PO Box 113, Lame Deer, Montana 59043

Northern Plains Resources Council, 437 Stapleton Bldg., Billings, Mont. 59101

Open Space Institute, 145 E. 52nd St., New York NY 10022

People's Appalachian Research Collective, 321 Ridgewood Ave., Morgantown, W.Va. 26505

Penn Community Services, PO Box 126, Frogmore, SC 29920

Return Surplus Lands to the Indians, 1701 Massachusetts Ave., NW, Washington DC 20036

Rocky Mountain Farmers Union, Box 628, Denver, Colo. 80201

Rural Housing Alliance, 1346 Connecticut Ave., NW, Washington DC 20036

Rural Resources Institute, 120 S. Izard, Little Rock, Ark.

Save Our Cumberland Mountains, Petros, Tenn. 37845

Save Our Kentucky, Box 1939, Lexington, Ky. 40501

Sierra Club, 220 Bush St., San Francisco CA 94104

Southern Cooperative Development Fund, Box 3005, Lafayette, La. 70501

Southern Regional Council, 52 Fairlie St., NW, Atlanta, Ga. 30303

Tax Reform Research Group, 733 15th St., NW, Washington DC 20005

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.

Richard Conrat

Klein said the decision to begin buying the land was made after numerous meetings of his agricultural advisory committee, which has begun preparing a detailed inventory of land that should be purchased. Both the Republican majority and Democratic minority in the county legislature have expressed support for the program.

According to the National Association of Counties, Suffolk's farm preservation plan is the first of its kind in the nation. The county has already embarked on an ambitious program of "land banking" by purchasing unused land to keep it forever wild.

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.

Company	Percent Return On Shareholders' Investment, 1972
American Brands	13.0
Beatrice Foods	15.0
Campbell Soup	11.0
Carnation	14.4
Coca-Cola	22.8
Del Monte	9.7
General Foods	8.4
Giant Foods	16.9
Green Giant	8.8
H.J. Heinz	10.6
Hygrade	17.1
Iowa Beef Processors	15.1
Jewel Companies	12.5
Kellogg	20.8
Kraftco	11.5
Lucky Stores	19.7
Missouri Beef Packers	13.7
Nabisco	16.0
Norton Simon	12.3
Oscar Mayer	11.5
Pepsico	16.3
Procter and Gamble	17.6
Quaker Oats	13.4
Ralston Purina	12.0
R.J. Reynolds	17.2
Safeway Stores	15.0
Standard Brands	13.5
Stokely Van Camp	6.6
Winn Dixie Stores	19.7

Source: Food Action Campaign

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 economy of the state, it really provides very few jobs. The number of persons employed in strip mines in Anderson county is exactly 80; in Scott County, 74; Campbell, 249; Claiborne, 107; and Morgan, 45. This represents less than 6 percent of 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.

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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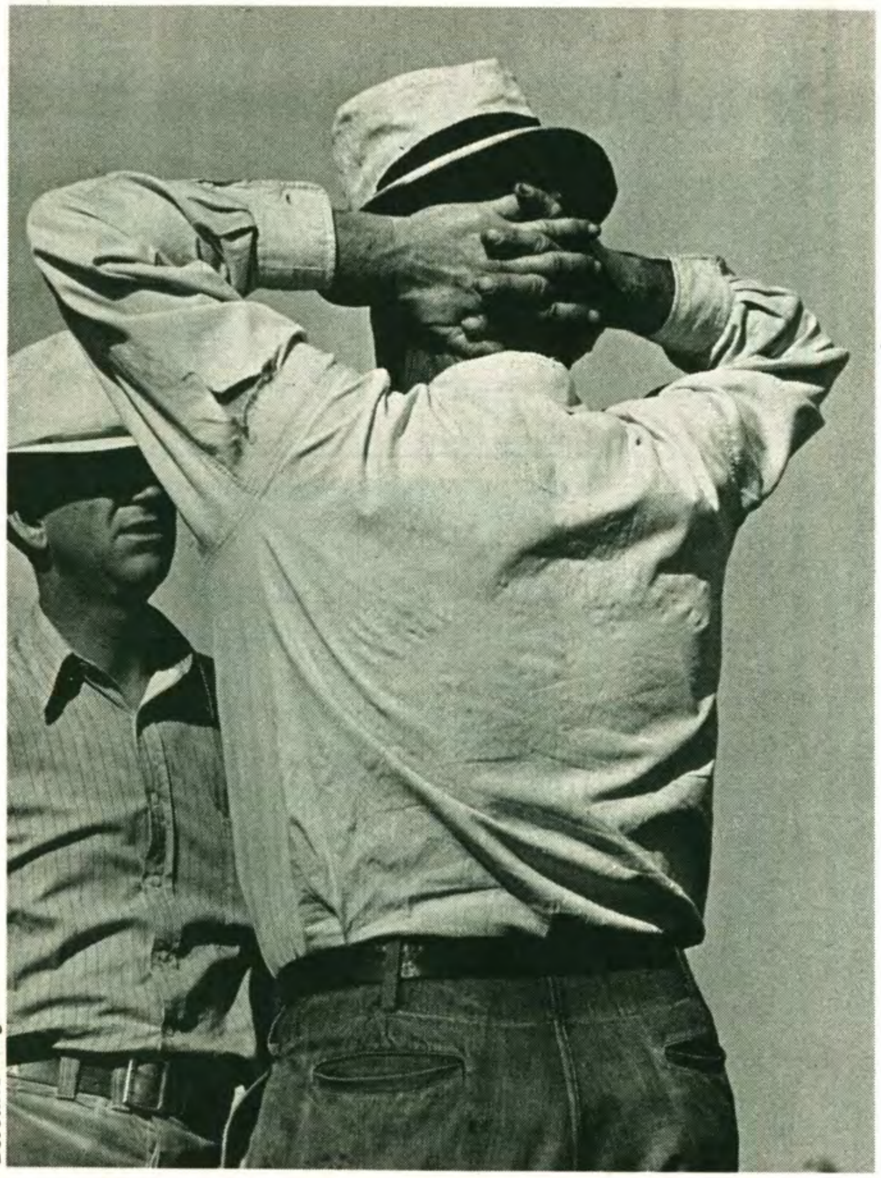

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