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THE NEWSPAPER OF THE LAND REFORM MOVEMENT

V.2 #1

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PEOPLE & LAND

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Earl Dotter

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Who Controls the Surface?

Surface rights and mineral rights are not the same thing.

Under the Homestead Act and other public land laws, many settlers acquired title to the surface of their land, while the government retained some or all of the mineral rights. Frequently the Western railroads, which were granted millions of acres of land in the late 19th century, sold the surface rights to settlers but not the mineral rights. In a few cases, Indian tribes were allowed to keep subsurface rights while being forced to relinquish surface rights.

In the mountains of eastern Kentucky, another method of separating surface and subsurface rights arose. Agents and "lease-hounds" roamed the

countryside around the turn of the century, persuading thousands of uneducated mountaineers to sign their Xs to so-called "broad form" deeds. These deeds conveyed all coal, stone, iron, oil, gas, mineral waters and other "subterranean products" to the agent, who in turn sold them to mining companies. The deeds also granted "full power and right to enter upon said land" and do anything necessary or convenient to remove the minerals from it.

Until the development of modern strip mining techniques, the separation of surface and mineral rights was not a serious problem. Subsurface owners could generally extract their minerals

without causing undue destruction of the surface.

The advent of strip mining changed things. Now the question of whose rights have preference, the surface or subsurface owner, has become a burning issue in Appalachia and the West.

In Kentucky, the pattern has been for strip miners, broad form deed in hand, to "request" permission to tear up a mountaineer's land. In exchange for his "consent" they usually offer a nominal compensation. If the owner does not consent, the companies come in anyway, using the deed's authorization to do anything "necessary or convenient" to get at their coal.

Continued on page 4.



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LETTERS

THE HARDER THEY FALL

During my present visit to the United States, a friend has given me a copy of *People & Land* to read. I have found the issue interesting and informative, and so much devoted to some of my major concerns about land and its social implications that I have decided to get in touch with you.

I am presently involved in a rather large movement of several thousand sugar workers on three sugar estates on the island of Jamaica. This movement, which has as its immediate goal the takeover of the estates by the workers and the establishment of co-operative, worker-owned farms, is for me and some of my associates simply one aspect of a larger movement toward major land reform on the island.

I am definitely interested in receiving future issues of *People & Land*.

James Phillips
Kingston, Jamaica

FARM-CITY LINKS

We are involved in a food cooperative project with small truck farmers in some of the bottom land around Chicago. They have had no market for their produce, being unable to compete with the large combines. The urban consumers in our program are for the most part welfare recipients and therefore unable to buy quality produce in sufficient quantity for their families.

Each group understands the other. Many of the urban poor in Chicago's public housing have recently come from the South—and the poor, black farmers in Kankakee County all have relatives in the city.

We train both the urban and rural poor in the skills necessary to establish and maintain cooperatives. Most importantly for the success of the program, we train them together. Workshops are held either on the farm or in the city, but with both the farmers and city residents together.

By the way, *People & Land* is not only an invaluable source of information on land reform, but in both layout and literary style it is a journalistic achievement of the highest quality.

Thomas W. Heaney
Assistant Dean
The Loop College
Chicago, Illinois

NO RESISTANCE

I have been letting subscriptions lapse because I can't find time to read what I get. How my name got on your mailing list I'll never know, but your second issue persuades me

that *People & Land* is irresistible and indispensable.

My fervent thanks to your staff who demonstrated that educational propaganda can be both interesting and beautiful.

Alexander Crosby
Quakertown, Pa.

CRUELTY TO ANIMALS

One of the effects of the entry of large corporations into agriculture has been the adoption of factory-style production of poultry, eggs, pork, etc. Quite apart from the dangers to health of some of these products, there is a question of cruelty, since many experts believe that domestic animals suffer from close confinement.

Peter Singer
New York, N.Y.

LISTEN, LEAGUE

I received your newspaper *People & Land* and think it an excellent vehicle for getting across the substance of the ideas of the radical land reform movement. After devouring it, I sent it on to the state League of Women Voters land use chairwoman.

Unfortunately, when I brought up at a land use workshop the fact that there is a radical land reform movement a-going, nobody present seemed to pick up the cue. I fear it will be some time before those who are making decisions on the land become aware of the other factors they are going to have to consider in the future.

I look forward to future issues.

Claire Schiff
Summit, New Jersey

PENNSYLVANIA EXPOSED

Your journal is very impressive and greatly needed. The coordination of efforts around the country and the exchange of information should facilitate the formation of a nationwide coalition to redirect land usage and control. At the very least, it will expose situations such as Pennsylvania's, where business interests have conspired to elect a strip miner as head of the state's environmental review board.

Rick Cohen,
Editorial Board
Planning Comment
Philadelphia, Pa.

BEWARE THE QUAKE

Here is my membership for the Coalition, taken out of our family farm account because an item in *People & Land* which arrived today affects us directly.

Our honest hard-working young neighbor earns I would guess about a third of his income from feeding hogs.

They are outdoors on the ground the way hogs should be and if the McQuoid project goes in, Marion Aumann and several of our other neighbors will be badly hurt.

I believe that land reform is one of the key environmental-social-economic-political keys to survival in our nation and plan continued financial and printed support.

My weekly column Eco-Action has been appearing in Schenectady suburban and Troy, N.Y. papers since 1970. I am presently trying to get it syndicated in the Midwest. It discusses various environmental topics from household to international, always with a "what can you do?" paragraph suggesting specific reader action.

By the way, why are you located in San Francisco? We can't afford to lose you to a quake!

—Deonne Orvis
Burnt Hills, N.Y.

ON THE ROAD

Your materials are quite interesting and we appreciate having them made available to us.

The problem with corporations is that they do not want to work and have many more "chiefs than Indians." Corporations just don't understand agriculture and probably will never become involved except those who are actually producing food such as Green Giant in Minnesota.

There is the old quote that "farming looks nice when you are driving down the road."

Carl O. Norberg
Executive Vice-president
American Society of Farm
Managers & Rural Appraisers
Denver, Colorado

BY GEORGE (CONT.)

It's great to know the land reform movement in the U.S. is picking up steam. For many years we've ignored our natural surroundings, but now people are getting angry at their forced servitude on the land, and are beginning to do something about it.

I recommend you pay serious attention to Richard Pensack's letter in the Winter 1974 issue. A land movement, however well intentioned, is useless unless it arms itself with a little fundamental economics.

If each of your staff were to take a course at the Henry George School, you would surely have a clearer view of where the land reform movement should go from here. The land value tax is a fighting creed, an idea that inspires citizens to action.

George W. Gentes
Montreal, Canada

NORTHWEST TERRITORY

Your second issue was as exciting as the first. Fantastic!

We would like to be included in your list of "groups to do it with." Our organization has been working for three years, concerning ourselves with the food and agriculture industries and how they affect the social and physical environment.

We lobbied intensively during the last legislature for three food labeling bills. We're involved in various educational projects and we publish a monthly newsletter.

Maybe some day soon there'll be a Northwest Conference on Land Reform?

—Jere Grimm
Consumers' Food
Council
Portland, Ore.

GOOD PAPER

Thank you and your organization for the very tasty packet of materials which I have gone through once and will go through several times, preparing myself for enlistment in your cause.

I am a retired United Church of Christ pastor, serving as an assistant in a Presbyterian church where our senior pastor is running for Congress, so you can see what kind of outgoing Christianity I am involved in.

It has recently become very clear to me that the key to poverty, and especially to inflation, is in land use and land values. I see it primarily in urban matters, but recognize the great importance of reform in rural land tenure too.

I commend your movement for printing *People & Land* on good paper, so that we can pass around copies.

Ed Ohrenstein
Eureka, California

BULK ORDER

We are so impressed and hopeful of the influence possibilities of *People & Land*. We would like to share it throughout our area of south Florida with the few "open" book shops and other dealers, even if need be at our expense.

Enclosed is our check for ten dollars. Please consider this letter a purchase order for a regular bulk order of at least ten copies (we could usefully distribute about twenty).

Charles Calamus
Naples, Florida

Please continue to send us correspondence, ideas, news, items, photos, cartoons, etc. And don't forget to pass PEOPLE & LAND around to friends and colleagues.



EDITORIAL

Wanted: Strategy for Land Reform

The land reform movement in America, or at least the most recent phase of it, is now several years old. It is a diverse movement, with many groups and individuals pursuing different, though parallel, objectives. Farmworkers struggling for union representation, family farmers trying to stay on the land in the face of corporate integrators and tax-loss syndicates, Appalachian mountaineers and Western ranchers battling energy companies that want to strip mine their land, native Americans struggling to protect their land and heritage, environmentalists striving for a new land ethic, old-time rural residents fighting tourist developments and out-of-state speculators, young homesteaders going back to the land, and even backyard gardeners — all are part of the new land reform movement. Increasingly, they see their separate concerns as part of a common struggle.

What unites the various elements of the land reform movement is a shared set of values about land and people's relation to land. We don't see land — or people — as commodities to be bought, sold and exploited for private profit. We see land as a gift of nature to be cared for, stewarded and shared. We believe that, for whatever psychological or mystical reasons, people need to live close to the land, in communities that are healthy and non-exploitative. We have common enemies: the abusers of people and land, the profiteers and those who serve their interests. And we've won some victories: an almost certain-to-pass law against unrestricted strip mining, anti-corporate farming laws in several Midwest states, an Alaska native claims settlement, a farmworker strike in California and a woodcutter strike in Mississippi, a few lawsuits here and there, and perhaps most important, a growing awareness — among lawmakers, journalists, teachers and the public generally — that we exist.

The problem that provokes this editorial has to do with strategy. While all of us in the land reform movement have similar goals, the problem we face is how to get there. And here we encounter a harsh reality: the land reform movement lacks power. Some of us in the movement are have-littles; many are have-nots. The people with power in this country are the have-lots —

the same people who profit from abuse of land and people. So what can we do?

Obviously, we have to maximize what power we have by getting together and helping each other's struggles. This does not mean we have to love each other. It just means that we have to understand each other, our different yet related problems, and our common enemies — and be willing to come to each other's aid.

The specifics of this are more difficult to state than the general principles. Clearly we must attack those institutions, laws and people that stand in the way of the better society we envisage. At the same time we're attacking, we should also be building — showing that alternatives are possible, and learning to deal with some of the obstacles that stand in the way of alternatives.

These different aspects of struggle can take many forms. On the attack side, there are lawsuits, statutes to be pushed through Congress and the state legislatures, education and public advocacy. There's also the possibility, suggested by James Lee in this issue (page 17), of taking land. But how?

On the build side, there are land trusts, land banks, cooperatives, community gardens and alternative energy systems that need to be developed and multiplied.

The strategic question we would like to pose is: What are the best ways to maximize the impact of these activities? Are there any particular efforts that the land reform movement should concentrate on next? Should we join together to push for a particular piece of legislation — e.g., a national family farm act, or tax reforms? Should we focus on education, in the broadest sense of that term? Or should we work to elect candidates at the local, state or even presidential level?

People & Land would like to hear from readers on this question. We'd like to initiate a serious strategic dialogue. Write to us and we'll print your thoughts in the next issue.

Let us state that more strongly. We need your input of ideas. Unless those of us in the land reform movement communicate actively with each other — through this medium and others — we won't be able to maximize our impact on the nation. ☛

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Strip Mining

Continued from page 1.

In the West, the eminent domain laws of most states give subsurface owners the right to condemn surface lands necessary to extract their minerals. The magnitude of the problem can be appreciated from the fact that 63 percent of the strippable coal in the West is under land that is privately owned by farmers and ranchers who make a living from it. In Montana, 97 percent of the publicly owned strippable coal lies under privately owned surface; in North Dakota the figure is 100 percent.

As the strip mine bill wound its way through Congress this year, several attempts were made to strengthen surface owners' rights. Senator Marlow Cook (R-Kentucky) offered an amendment to require coal companies to obtain written consent from surface owners before stripping their land.

Sixty-three percent of the strippable coal in the West is under privately owned land.

Opponents argued that this would be an unconstitutional taking of subsurface property and the amendment was defeated. (Several months later, however, after strong pressure from mountaineers, the Kentucky legislature passed a law nullifying the broad form deed.)

The Senate did pass an amendment by Senator Mike Mansfield (D-Mont.), applicable mainly to Western states, to prohibit stripping of privately owned land under which the federal government holds mineral rights. Deep mining of these lands would be allowed, as would strip mining of lands with subsurface rights owned by railroads or Indian tribes.

Senate passage of the Mansfield amendment took the coal companies by surprise. They quickly mounted a campaign to get it deleted in the House. The result was a compromise requiring strip miners to get written consent of the surface owner. This provision will give the surface owner a little more bargaining power, but will mainly benefit those who want to sell out. Those who don't want to sell out may find the price of land driven beyond the reach of continuing agricultural uses.

In other respects, the strip mine bill as passed by the House contained many features pleasing to Western ranchers. Although a complete phase-out of strip mining, as proposed by Rep. Ken Hechler (D-West Virginia), was voted down, as was a \$2.50/ton reclamation tax proposed by Rep. John Seiberling (D-Ohio), the House-passed bill did contain the following provisions:

- A requirement that strip mined land be returned to its approximate original contour.
- A prohibition against strip mining in national forests and national grasslands.
- \$200 million a year from offshore oil and gas leases to reclaim abandoned strip mined land.
- Stiff restrictions on stripping of slopes steeper than 20 degrees, which would limit contour strip-ping in Appalachia.



On the whole, the versions passed by both the House and Senate were better for the West than for Appalachia. In fact, the apparent blessing of mountain-top mining as opposed to contour mining may further damage the Appalachian landscape. (In mountain-top mining, the entire tops of mountains are removed and the adjacent hollows are filled in, creating flat land that can then be "developed.")

This is the final rape," contends James Branscome of the Highlander Center in New Market, Tennessee. "This is the end of the mountains. The best that can be said from Appalachia's standpoint is that the West may have learned from our mistakes."

As *People & Land* went to press, the strip mine bill was in a House-Senate conference committee, where differences between the two versions were being ironed out. For up-to-date information, contact the Coalition Against Strip Mining, 324 C Street, S.E., Washington, D.C. 20003. ☐

Western Coal: Leased and Lost

Coal is the nation's most abundant fossil fuel. There's enough of it within our borders to last well over a century at the current rate of growth. Some experts estimate there's enough for 500 years.

Most of this coal is located in the Midwest and West, and 80 percent of it is owned by the federal government—i.e., the people—or Indian tribes, for whom the federal government acts as trustee. How and at what rate this coal is developed is thus largely determined by federal leasing policies.

Up to now, the Department of Interior has leased 680,854 acres of publicly owned coal land containing 15 billion tons of coal, of which ten billion are recoverable by strip mining and five billion by underground methods. Overall, only three to ten percent of the nation's coal reserves are recoverable by strip mining, so the government's preference for leasing strippable coal is striking.

In addition, 258,754 acres of Indian land have been leased. These contain an estimated 5 billion tons of coal, almost all of which is strippable.

In 1973, Secretary of Interior Rogers Morton declared a moratorium on further coal leasing until the end of this year. This provided an opportunity to review the leasing program, which on almost all counts has been a sad example of public resource mismanagement.

"The Interior Department has leased coal rights far ahead of market demand for coal at prices too low to profit the public. Despite diligent protection clauses in the leases, the Department has allowed corporations to hold public coal unmined until coal reaches a price the leaseholder decides justifies mining, or until an opportunity arises to transfer the coal rights to another corporation at a profit. The Department has made little effort to assure the protection of the environment or the reclamation of strip mined land after mining begins."

Those are the major conclusions of a study of federal leasing policy by the Council on Economic Priorities. Among the studies findings:



—The Mineral Leasing Act of 1920 and the Omnibus Tribal Leasing Act of 1938 set rent and royalty rates so low that payments into the public and Indian treasuries have been taken at best.

—Competitive lease sales have not been at all competitive. They are usually held at the instance of one applicant who may ask to lease a particular tract. In a startling 59 percent of public coal sales, only one bidder appeared. The average bid for these leases was \$3.31 an acre. In another 10 percent, there were no bidders, and leases were awarded to the original applicant without payment of a cash bonus.

—There is a dramatic concentration of leaseholdings among large corporations. The top 15 leaseholders control 70 percent of all land under lease.

—Speculation, or holding public coal unmined until the price goes up, is a common practice. Ninety-three percent of the leases held by the top 15 leaseholders are not producing coal, and five of the top 15 have never operated a mine on any of their leases.

—The leasing system operates without long range planning and without taking into consideration the social, economic and environmental impact of coal development in the rural West.

Leased and Lost, A Study of Public and Indian Coal Leasing in the West can be ordered from CEP, 84 Fifth Avenue, New York, N.Y. 10011 for \$3. ☐

Alternative Energy Sources

The Answer is Blowin' in the Wind

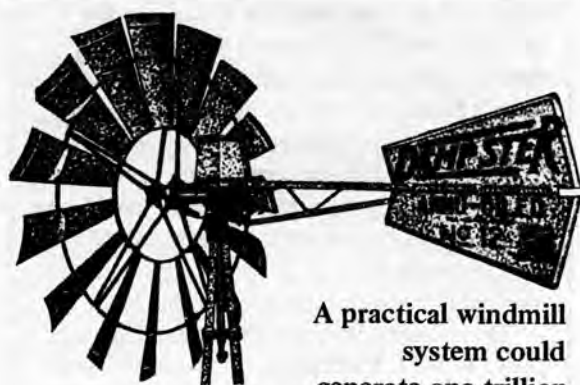
Interest in clean energy sources has picked up steadily in recent months as strip-mined coal and nuclear fission continue to lose credibility as power sources for the future.

A bill called the Solar Energy Research Act of 1974, introduced by Senator Hubert Humphrey (D-Minnesota) and co-sponsored by over 20 others, would provide \$600 million for a serious solar energy program. Although the bill apparently has some flaws in it, it is the boldest stroke yet for alternative energy sources.

According to the Atomic Energy Commission itself, we could meet 100 percent of the country's current energy needs by harvesting just five percent of the solar energy that falls on four percent of the land. The report containing these findings was suppressed by AEC Chairman Dixie Lee Ray, but different parts of it have been placed in the *Congressional Record* by Senators Humphrey, James Abourezk and Mike Gravel.

The outlook is also improving on the wind-power front. The National Science Foundation is spending over \$1 million this year for research and construction of the largest windmill in the country. When tower construction and power storage problems are solved, says the NSF, wind energy will become competitive with other energy sources in areas of the U.S.—such as the Great Plains—where high winds blow year round.

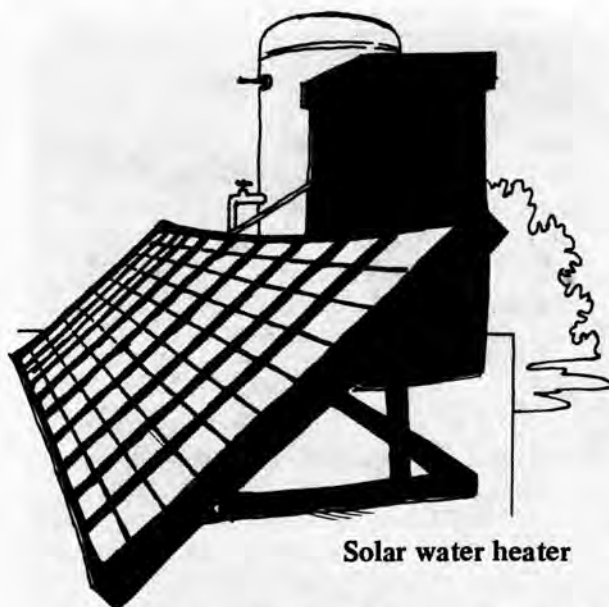
"Today," says windpower expert William Heronemus of the University of Massachusetts, "the U.S. is entering an era when projected fuel costs suggest that wind power may have significant economic advantage." A practical windmill system, he believes, could generate one trillion kilowatt-hours of electricity a year, or 57 percent of this year's total production. This could be complemented by farm and backyard windmills.



A practical windmill system could generate one trillion kilowatt-hours of electricity a year.

A particularly good source of information on wind power is a magazine called *Alternative Sources of Energy* (Rt. 2, Box 90A, Milaca MN 56353).

A third hopeful development is the recent growth of alternative energy action groups and the increasing frequency of alternative energy conferences. Meetings took place this spring in Kansas, Missouri, Montana and several other states. Two such groups which publish newsletters are the Alternative Energy Resource Organization (AERO), 418 Stapleton Building, Billings, MT 59101, and the Mid-America Coalition for Energy Alternatives, 4950 Cherry, No. 36, Kansas City MO 64110.



Solar water heater

For the farmer who doesn't expect to be driving his tractor with solar cells or windmills, the most immediately useful energy alternative may be methane gas from feedlot wastes. Methane can replace gasoline and propane, which have more than doubled in price in the last year.

Converting tractors and trucks to run on compressed methane is a relatively inexpensive and simple process, and promises to catch on if low-priced methane becomes available. Since feedlots and stockyards have enormous problems of waste disposal, and since methane production from animal waste produces good fertilizers—also in short supply—as a by-product, farmers have reason to be doubly interested in this process.

Current estimates are that America's organic wastes could provide as much as 1.5 trillion cubic feet of gas per year. For further information, contact The New Alchemy Institute/West (Box 376, Tescadero CA 94060). Issue no. 3 of their newsletter (\$3) is devoted to methane generation.

Despite all this, it would be wrong to get overly optimistic about the prospects for development of alternative energy sources, at least on a large scale. There are two problems—lack of money for research, and the strong vested interests of energy corporations in existing energy systems.

The federal government, responding to corporate priorities, seems determined to pour the taxpayers' money into nuclear research, coal gasification and oil shale recovery. The reason, as Ralph Nader has noted, is that energy companies haven't yet figured out a way to own the sun or the wind.

But there are things that citizens can do, particularly at the state and local level. You can urge city governments to use municipal wastes to generate electricity and methane gas. You can push for property tax breaks for people who install solar or wind power devices, just as big corporations receive tax breaks for installing pollution control equipment. And, as AERO has suggested in Montana, you can urge your state legislature to set aside some of the revenues from use of fossil fuel resources for development of those non-polluting and renewable energy resources best suited to your particular area. ☛

Shale Oil for 3 Cents a Barrel

The last issue of *People & Land* warned about the imminent giveaway of public oil shale land. Since then the Interior Department has leased several tracts of shale land in Colorado and Utah at prices that seem grossly low and under terms that seem inordinately favorable to giant energy corporations.

One tract went to a Gulf-Standard of Indiana consortium for a bonus bid that works out to 3 cents a barrel. Another went to a four-company combine headed by Atlantic-Richfield for 10 cents a barrel. A third went to Phillips Petroleum and Sun Oil for 18 cents a barrel. Royalties in each case will be about 17 cents a barrel.

How big is the giveaway? It seems safe to assume that by the 1980s and 1990s, when shale oil production will be in full swing, the price of crude will be at least \$10 a barrel. That means the Gulf-Standard tract, with 4 billion barrels of recoverable oil, could gross a cool \$40 billion. Even when production expenses are considered, the potential profits far exceed the pennies per barrel that the U.S. Treasury will collect.

Low bonus and royalty payments aren't the only break the oil companies get. The small print in the leases allows them to deduct from royalty payments any "extraordinary environmental costs" they may incur. They can also dump shale wastes at no cost on federal land outside the leased tracts. And various tax breaks, including the oil depletion allowance, will save them more in taxes than they will pay the government in royalties.

The basic problem with the shale leasing program is that it perpetuates monopoly control of fuels. Under the bidding method used, all but the largest companies are excluded. If shale oil is to be developed, the best approach would be a public corporation, similar to TVA, as proposed by Rep. Patsy Mink (D-Hawaii), chairperson of the House subcommittee on mining.

Should the shale oil be developed at all? A recent report by Angus McDonald of the Center for Science in the Public Interest raises serious environmental questions. Large scale mining of oil shale will endanger the entire Colorado Basin by adding to the salinity of the Colorado River. The landscape will be despoiled by dumping vast quantities of spent shale in valleys and canyons. Fragile vegetation and many forms of wildlife will be adversely affected.

"Production of 250,000 barrels of shale oil in eight or ten years—the Interior Department's goal—while not making a dent in the overall energy picture, will have major environmental effects on the land," McDonald argues. "The water supplies of the semi-arid region will be depleted and polluted. Industrialization and urbanization will destroy the primitive beauty, pollute the air and create a series of ghost towns throughout Colorado, Utah and Wyoming."

The 69 page report, *Shale Oil*, is available for \$4 from CSPI, 1779 Church St., N.W., Washington, D.C. 20036. ☛

West Side Story

The 160-Acre Limit is Ditched Again

When we last left the 160-acre limitation, the Nixon Administration was conspiring to undermine it in the Imperial Valley of California. (The 160-acre limit, readers will recall, is a federal law limiting the amount of water that any one landowner in a federal reclamation area can receive, and requiring that only bona fide resident farmers can receive any water at all.)

The scene now shifts to the west side of California's immense San Joaquin Valley. The Westlands Water District—largest water district in the nation—covers 600,000 acres yet has a population of only 5,000. Now that full-scale irrigation is available, the land is potentially as fertile as any land in the U.S. A new interstate highway, putting the west side only hours away from Los Angeles or San Francisco, means this long neglected area is about to "take off."

Unfortunately, most of the land on the west side of the valley is owned by a few giant corporations—the Southern Pacific railroad, Standard Oil of California, Anderson Clayton, Inc., the world's largest cotton merchandiser, the J.G. Boswell Co., and Russell Giffen, Inc. Giffen is a local boy who made good by buying up lots of land before the irrigation project came in.

The Bureau ruled that this flagrant charade conformed with the 160-acre law.

The federal law requires that before any landowner can receive irrigation water, he must sign a contract promising to sell his excess land (i.e., land in excess of 160 acres) to other eligible farmers. The sale must take place within ten years and must be at a price that does not include the rise in value brought about by the irrigation project. That price—called the "pre-water price"—

must be approved by the U.S. Bureau of Reclamation before any sale of excess land can take place.

Sounds simple and fair enough—the basic idea being that big landowners should not be allowed to reap windfall profits from the public's expenditures for irrigation. The trouble is that the water district represents only the big landowners' interests (voting in the district is based not on the one person-one vote rule, but on the amount of land owned), and that the Bureau of Reclamation, which is supposed to make the water district and big landowners obey the law, is all too easily bamboozled.

Consider the case of Russell Giffen, who just happens to be president of the Westlands Water District board. At one time Giffen operated about 105,000 acres and was said to gross more than \$30 million annually. Now he must sell off his excess land at pre-water prices.

Giffen is not so unhappy about having to sell—he's 72 and in poor health—but he'd be very unhappy if he received the true pre-water price. He'd also rather not sell in 160-acre parcels to bona fide resident farmers. It's a lot easier to deal with big corporations and real estate wheeler-dealers.

Enter John Bonadelle, a Fresno real estate promoter and subdivider, and C.R. Shannon, a rich Visalia cattle rancher. In one Giffen sale of 927 contiguous acres to six Bonadelle creations called Cantua Agricultural Partners I through VI, each partnership was given nominal title to a parcel of 160 acres or less. All of the partnerships had the same general partners, who farmed the 927 acres as a single unit. The Bureau of Reclamation ruled that this flagrant charade conformed with all the legal requirements of the 160 acre law.

A second Giffen sale involved a complicated two-step shuffle. First, 1,752 acres were sold in sub-160 acre chunks to twelve friends, relatives and employees of Bonadelle. Eleven days later the same land was sold to relatives and associates of Shannon. The first sale was at an average price of \$515 an acre—a price approved by the Bureau of Reclamation. Eleven days later the price was up to \$695 an acre. The Bureau pointed out that it has no control over re-sale prices.

Giffen's largest sale to date involved 27,198 fee acres plus interests in 50,860 leased acres. The buyers included Giffen's son and present business manager. The total price was \$32.2 million for land, improvements and equipment. A price of \$530 an acre for the land itself was approved by the Bureau of Reclamation.

Gerald Gard, Fresno County assessor, estimates that dry farmland in the vicinity of the Giffen sale, or land which will support a crop such as grain without much irrigation water, has a market value of \$250 to \$300 an acre. If Gard is correct, the Bureau's calculation of Giffen's "pre-water" price is about 100 percent too generous.

In all of the above sales, none of the purchasers were bona fide residents of the land they acquired. Despite court rulings upholding the validity of the residency requirement, the Bureau neglected (as it always has) this important section of the law.

Big landowners should not be allowed to reap windfall profits from the public's expenditures for irrigation.

Now a group of chicano farmworkers is preparing to sue the Bureau to compel enforcement of the law. Many of the farmworkers have had experience working in vegetable growing cooperatives (see the story in last winter's *People & Land* on the *El Bracero* co-op) and want to buy 160-acre parcels in the Westlands Water District at the pre-water price.

When Congress passed the 160-acre limit and residency requirement in 1902, it expressly intended to make land available to farm laborers who wished to become farm owners. It remains to be seen whether the Bureau of Reclamation will administer the law the way Congress intended, or whether it will continue to play ball with the big landowners and absentee speculators. ☞

Lettuce Goes Bananas

The Federal Trade Commission has reached a typical bureaucratic compromise in a complaint against United Brand's acquisition of six California and Arizona vegetable farms. On the one hand, the FTC dismissed the complaint, thereby overturning an administrative law judge's finding that United Brands (formerly United Fruit) had violated the antitrust laws. On the other hand, the commission found that more acquisitions by United Brands "could pose a great threat to competition" and ordered the firm to notify it every six months of any future increase in control of lettuce-growing land.

The strongest language came from Commissioner Mayo J. Thompson, who accused United Brands of trying to market lettuce the way it markets Chiquita bananas. "I can find little in the way of redeeming social value... in an advertising program designed to make something out of nothing or, as the country folks say, a 'silk purse out of a sow's ear.' Making an expensive brand-name product out of something that has been previously sold in a low-cost commodity market is, in my view, a practice that is plainly incompatible with the maintenance of an effectively competitive market economy. The resources of this country's great corporations should be bent to the task of producing lower costs and prices for the consuming public, not higher ones as this respondent seems intent on doing."



George Ballis

Bureau of Wrecklamation?

Dakotans Battle to Save Their Farms

An irresistible force creeps across the wind-swept prairies of central North Dakota. It leaves in its wake a massive open wound upon the earth, which at times exceeds 350 feet in width and 100 feet in depth.

The force is a 1,200,000 pound walking dragline with a 200 foot boom and 13 cubic yard bucket. The wound is the McCluskey Canal, a part of the Garrison Diversion Unit in semi-arid North Dakota, where people once thought that irrigation would be a good thing.

The Garrison Diversion Unit is a grandiose project of the U.S. Bureau of Reclamation to divert Missouri River water from Lake Sakakawea, the 350,000-acre reservoir created by Garrison Dam, for irrigation of a million acres of land in North Dakota. Like most bureaucracies, the Bureau of Reclamation is in the business of self-perpetuation, and presses on with the Garrison project as if the old dream of turning North Dakota green from irrigation canals was still practical. It is now clear that the dream was never practical at all.

Dry though North Dakota may be, it has always received adequate rainfall three years out of every four. Even if extra water were desirable, the costs of bringing it in were never anywhere in line with expected benefits. The planners in 1957 calculated that the costs per acre would be \$500, when costs of \$38 per acre in a nearby project were considered excessive by irrigators themselves.

The most wasteful costs have become human costs. Some 4,745 parcels of land—all family farms—are now being acquired for construction of the diversion project. "If problems experienced by the owners of the first 255 parcels of land acquired are any indication of problems remaining for the owners of the parcels yet to be taken," says Rich Madson, chairman of the Committee to Save North Dakota, "then North Dakota is on the verge of a major social tragedy."

The Committee is seeking to halt further land acquisitions, at least until the Bureau of Reclamation makes provision for the rights of affected farmers. Madson claims that "farmers who have previously lost land to the project and have not yet been able to purchase replacement acreage now face a double problem. Skyrocketing land values make it difficult to replace land with payments originally given by the Bureau, yet unless farmers are able to purchase replacement land, they may lose a sizeable portion of their settlement to capital gains taxes."

Is the Bureau of Reclamation working for or against the family farmer?

The most absurd dimension is that the presumed beneficiaries of the diversion scheme—farmers who would switch from dry land to irrigated agriculture—now figure that it's simply not worth their while to pay their share of irrigation costs and make the expensive changeover to irrigated agriculture. For the \$16,000 each irrigator would spend to make the



Rich Madson

changeover, according to a study by the North Dakota Agricultural Experiment Station, he would reap much greater benefits if he used the money to expand and improve his dry land techniques.

In neighboring South Dakota, a similar Bureau of Reclamation project is now getting under way. The plan is to divert water from Oahe Reservoir to irrigate 190,000 acres of already productive land. There, the costs are even further out of line with the benefits: 100,000 acres of good land will be flooded or otherwise removed from production, and the per-acre cost for irrigation development will be around \$1600. In a state where average net farm income is less than \$10,000, a minimum initial investment of \$50,000 will be required to make the changeover to irrigated farming. Further removal of farm families from the land will

result, and if the Bureau continues to avoid enforcing the lawful 160-acre limitation on its projects, centralized farming will replace them.

Other negative effects of the Garrison and Oahe projects will be land damage, salinization of croplands and watersheds, waterlogging, and serious degradation of the James River ecosystem, which will be artificially rechanneled to accommodate the polluted runoff. Since the James River runs into Canada, the projects even pose a threat to our international relations.

In the meantime, the draglines continue to separate farmers from their wells, their fields and their family roots. Plains people are starting to ask the same question raised in a Congressional debate this June: is the Bureau of Reclamation working for or against the family farmer? ☞

Tax Loss is Our Loss

Last summer's issue of *People & Land* featured an enlightening paper by Jeanne Dangerfield which explained how wealthy tax-loss farmers milk the Treasury and compete unfairly with real farmers. Now the Internal Revenue Service and U.S. Department of Agriculture have released data which show just how bad the problem is.

In 1970, according to IRS figures, 191,194 individuals with incomes of \$15,000 or more who reported a profit on their farming operations paid no federal income taxes. Another 160,657 individuals who earned \$15,000 or more and reported a loss on their farming operations also paid no federal income tax. That makes a total of 351,751 "farmers" with incomes above \$15,000 who paid no federal income taxes.

The IRS data also showed that the richer the taxpayer (or tax dodger), the more likely he was to have a farming loss. Here is the breakdown of tax dodgers by income bracket:

- ▶ \$50,000 to \$100,000—of 23,711 involved in farming, 14,647 reported a loss.
- ▶ \$100,000 to \$200,000—of 5,595 involved in farming, 3,830 reported a loss.
- ▶ \$200,000 to \$500,000—of 1,544 involved in farming, 1,154 reported a loss.
- ▶ \$500,000 to \$1 million—of 264 involved in farming, 208 reported a loss.

▶ Above \$1 million—of 109 involved in farming, 90 reported a loss.

So much for the notion that rich people and big operators make efficient farmers.

What can be done? "Tax Loss Farming," a USDA study by Thomas A. Carlin and W. Fred Woods (ERS-564, April 1974) evaluates several proposals for reform. Farm loss deductions could be limited to genuine farmers—defined, for example, as individuals whose net income from farming for the three preceding years constituted two-thirds or more of their total income. Alternatively, a limit of \$10,000 (or some similar figure) could be placed on the amount of farm losses that can be used to offset non-farm income.

Limiting farm loss deductions to \$10,000 "would more or less limit the use of the special tax rules to taxpayers whose primary source of income was from farming," the USDA study concluded. Only 3.3 percent of those who reported farm losses in 1970 lost more than \$10,000 and most of these had non-farm income. A \$10,000 limit on their farm deductions would have increased their tax liability by 63 percent and resulted in an additional \$258 million in tax revenues. ☞

—Thanks to Angus McDonald for analyzing the IRS data.

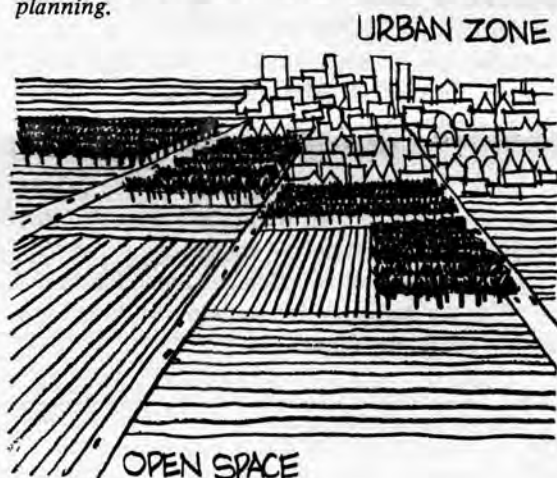
Two Views on Land Use Planning

The issue of state land use planning is a hot one in many states and within the halls of Congress. In the last issue of *People & Land*, Warten Weber suggested that state land use planning is by no means synonymous with genuine land reform—the real issue is land use planning for whom. Here, *People & Land* presents two contrasting views on state land use planning. Both begin from the premise that development must in some way be controlled, but they quickly diverge from there.

McClaghry:

John McClaghry is a former Republican state legislator in Vermont. He served as a White House aide for Richard Nixon and was a candidate for Lieutenant Governor in 1972. He is currently president of the Institute for Liberty and Community in Concord.

McClaghry opposes state land use planning because, in his view, it abridges individual rights and necessitates a large and powerful bureaucracy. Here, he outlines a number of ways that development can be controlled without state land use planning.



The St. George Plan

St. George, Vermont, has adopted a unique approach to guiding its future growth. Located on the outskirts of the Greater Burlington area, only four miles from Interstate 89, the people of St. George recognized that urban sprawl would soon overtake their town.

So the town bought the 48-acre parcel located at the most desirable development site in town. It then sponsored an architect's contest to design a 'town center' for future development. It also zoned surrounding land for residential purposes only, assuring that commercial development would be limited to the town-owned parcel.

Whenever a developer comes forward who thinks the time is ripe for building the town center, the town is prepared to make a deal with him for that purpose. This assures that the town will grow where and how the townspeople want.

The Land Trust

A land trust is created by land owners who wish to preserve their community against undesirable future development. Each land owner deeds his land to the trust, and receives in return the right to use his land for 99 years in accordance with the trust agreement. The owner must pay his taxes to the trust, which in turn pays them to the town.

Transferable Development Rights

State Senator William Goodman of Maryland has developed an ingenious plan for regulating land use. The Goodman plan does not specify where any development may take place. The plan merely apportions 'transferable development rights' (TDRs) equally to all landowners, and publishes a schedule showing how many of such rights are required for various kinds of development.

Thus, a person wishing to erect a 20 story apartment building might be required to have 5,000 units of TDRs. Since no land owner would be likely to have enough on his own property for this purpose, he would have to buy up the rights of other landowners. In this way, the total amount of development would be controlled, since once the other landowners had sold their TDRs, their parcels could not be developed.

Implicit in the Goodman plan is the idea that development will take place at the locations the private market believes to be most desirable. It does not make a bureaucratic judgement as to where those sites may be. It does, however, put a ceiling on the total amount of development that may take place.

By requiring the active developers to buy the rights from other land owners, the Goodman plan in effect compensates those other landowners for the resulting inability to develop their land. The compensation comes not from tax money, but from the private developers who benefit from the acquisition of the additional development rights.

Variable Taxation

If a state constitution permitted it, a state could be divided into tax districts. In the central urban districts, the entire tax burden would be placed on land, and none on buildings. This would force much empty land into development.

In the countryside, on the other hand, the tax burden would be placed on buildings (other than agricultural buildings and farmhouses). This would discourage development in those areas. In-between there might be several districts with intermediate proportions of tax on land and improvements.

This variable taxation plan would probably achieve its environmental objectives, though at the cost of some social objectives. To build a home out in the country, one would have to have enough money to pay a crushing tax on the building, though there would be no tax on the land itself. This could mean that only farmers and rich people would be able to live outside villages and cities.

Public Investment Controls

Controls on public investments—i.e., roads, sewers, water facilities—do not raise the question of invasion of private property rights. When public money is expended for public facilities, certainly the public has right to decide where, when, and how such facilities will be built.

The City of Fairfax, Virginia, for instance, has discovered that the simplest way to prevent undesired growth is to stop building sewers. Without sewers, all development except possibly single family homes is at once prevented.

Similar approaches have been attempted in Livermore, California, Boulder, Colorado and other cities.

Lamm:

Richard Lamm is a Democratic state legislator in Colorado and presently a candidate for governor. He has long been an advocate of state land use planning.

"Land use" is many things under one umbrella. It is, for one, consumer protection in that it requires, before land is subdivided, that it have access to water, sewerage, stable soil conditions, etc. These regulations are directed in part at the fly-by-night land speculators who sell desert land to out-of-staters under conditions of consumer fraud.

But it is also more. It is planning the wise use of our remaining land. A necessary step for this is strong statewide land use controls.

Land Use Bill Buried

A bill to provide federal assistance for state land use planning has died in the House of Representatives.

For months the House Rules Committee had refused to report the bill to the House floor. Finally the House voted 211 to 204 not to put the bill on the calendar.

Rep. Morris Udall (D-Arizona) blamed the defeat on ex-President Nixon, who withdrew his earlier strong support for the measure. Udall said Nixon was currying favor with conservatives opposed to land use planning in an attempt to get their support against impeachment.

The bill would have given states \$100 million a year for eight years to encourage land use planning in areas of "critical environmental concern." A state that didn't take part would lose planning funds but wouldn't be subject to other sanctions.

A similar bill passed the Senate last year.



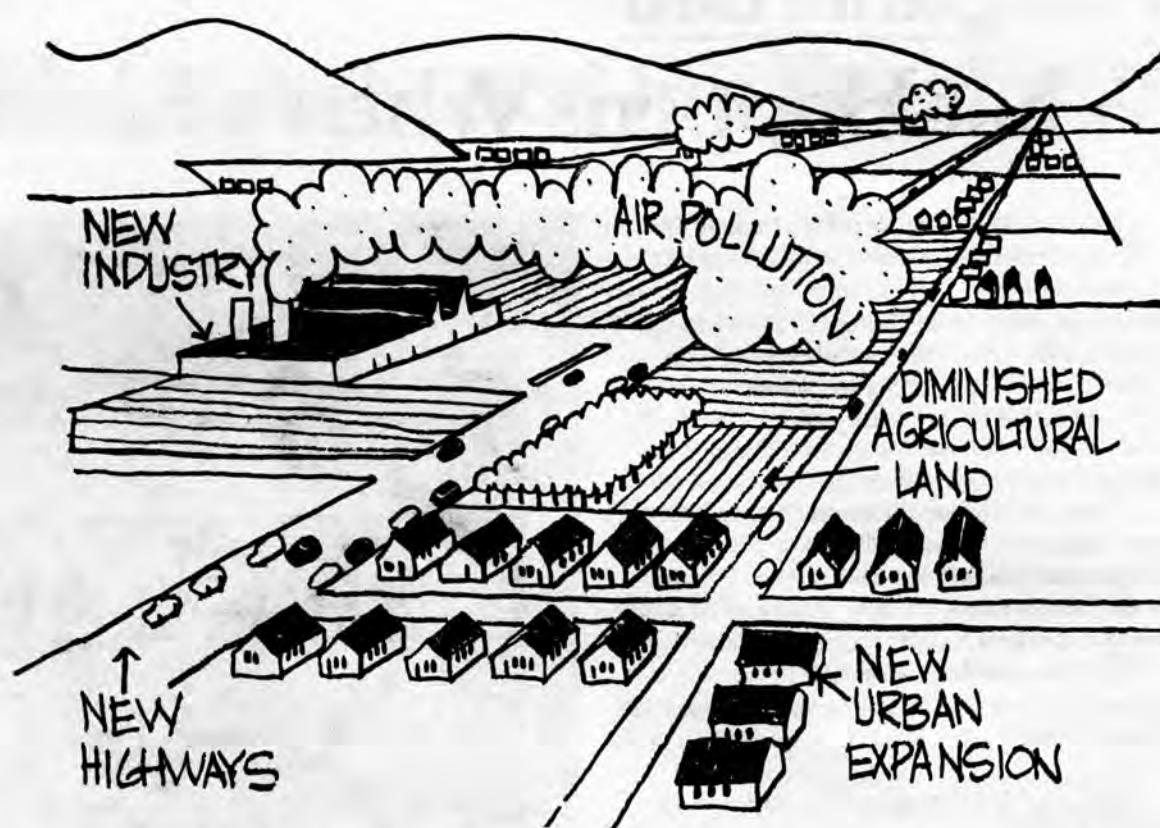
"Now THAT'S what we call effective land use."

Decisions concerning land use are made by a thousand scattered, uncoordinated local officials seeking "additional tax base." It has always been assumed, with a nod to Adam Smith, that each community seeking its own self-interest would serve the public interest. We are now finding this is as untenable on the community level as it was on the individual level. One community seeking its own self-interest can seriously harm scarce natural resources, perpetuate urban sprawl, or completely negate state plans and goals.

"A necessary step for the wise use of our remaining land is strong statewide controls."

Most states are finding in the land use question areas of statewide concern which must have statewide input. Hawaii, for instance, does all its land use zoning on a statewide basis. Maine and Vermont have legislation designed to synchronize the state and local decision-making process which leaves most decisions at a local level but recognizes that developments of a certain size have a statewide impact which must have state approval.

Vermont's law gives the state power over "industrial site selection" which helps direct jobs to those areas which need and can handle future



growth. There are a number of other mechanisms which could be used to control and direct future growth, such as the purchase or zoning of greenbelts around major metropolitan centers, tax incentives for agricultural use of land, and reform of tax structures.

The state must, inevitably, become involved in growth management. One important part of this management would involve limiting the sprawl rapidly inter-connecting our major cities. If we leave growth management where it is now, i.e., solely in the marketplace, we shall inevitably have sprawling, affluent suburbs on the one hand, and rotting core cities on the other.

This Los Angelization is not inevitable. If states would make a policy of halting sprawl, and designate certain areas as "development areas" using their many powers to encourage new communities, urban revitalization and rural development, we could preserve, as well as enhance, our quality of life.

All this will require a drastic change in existing policies, but it must be done. The price of failure will be very high to both rural and urban areas.

We must begin now before time diminishes our options. We must confront the fact that our land is finite. *B*

How U.S. Forest Service Keeps Appalachia Poor

Many Appalachians believe that the federal government sees Appalachia mainly as a support area for the eastern seaboard, providing coal, minerals, electricity, timber and recreation to people outside the mountains. According to Si Kahn, author of a new study on the U.S. Forest Service, that belief is well supported by the facts.

With national forests covering nearly 5.4 million acres in six Appalachian states, the U.S. Forest Service is far and away the largest landowner in the region. Because national forest land is exempt from local taxation, local governments in Appalachia lose almost \$10 million a year in tax revenues—money that could be spent on schools, hospitals, roads and other public programs.

"Whatever benefits the Appalachian national forests provide to the nation as a whole," Kahn contends, "for the residents of mountain counties they mean higher taxes and decreased public service."

Under present law, the Forest Service rebates to local governments 25 percent of the fees collected from the sale of timber in national forests. For the Appalachian national forests, this worked out to an average of 13½ cents per acre in 1972—much less than would have been collected in taxes if the land was privately owned. "In effect," says Kahn, "the people of Appalachia are being taxed

to provide recreation and relaxation for people from other, wealthier areas."

By contrast to the Forest Service, the Tennessee Valley Authority fully replaces lost taxes on land it acquires from private owners. Thus, in Polk County, Tennessee, TVA paid \$252,766 in lieu of taxes on 3,418 acres in 1972, or \$66 an acre. The Forest Service paid the county \$22,612 for 150,870 acres, or 15 cents an acre.

Appalachian working people are also critical of the way the Forest Service conducts timber sales. The Forest Service requires the posting of a cash bond with each bid for cutting rights. On a recent sale in which the minimum bid permitted was \$2,297, the required bid bond was \$300—a hard amount for self-employed woodcutters to come by. Performance bonds, sometimes in the total amount of the contract price, are also required. These rules make it extremely difficult for the small independent woodcutter to bid successfully on publicly owned timber, and mean that most of the cutting on U.S. Forest Service land is done by large corporations.

Another practice which angers local residents is the charging of fees to use recreational areas in the national forests. These fees range from \$1 to \$3 a day, or \$10 for a "Golden Eagle" pass. Such charges may seem reasonable to tourists, but they are out of reach for most poor families. One north

Georgia mountaineer, commenting on the Forest Service's plan to build campsites in the Cohutta Wildlife Refuge, said: "There's a lot of old mountain people beside me who aren't going to take kindly to the idea of getting a permit to go onto land they call home."

Kahn recommends a number of reforms: —Forest Service payments to local governments should equal the amount of property tax the land would yield if privately owned.

—A limit should be set on the amount of land the Forest Service can own in any given county. In 14 Appalachian counties the Forest Service owns over 40 percent of the land.

—Admission to Forest Service recreational areas should be free to local residents.

—Timber tracts should be bid off in small enough lots so that independent woodcutters can compete. Bid bonds should be abolished, and a different system established to guarantee performance that does not discriminate against small woodcutters. It should also be required that 50 percent of national forest timber be sold to independent woodcutters, cooperatives or small wood companies which are located in the county where the timber is. *B*

For a copy of Kahn's report write Cut Cane Associates, P.O. Box 78, Morganton, Georgia 30560.

Passing on the Land

What Happens When a Farmer Retires?

Farm families are finding it increasingly difficult to transfer their farms as economic units to the next generation. At the same time, high interest rates, rising land values, the lack of sufficient equity and other financial factors are preventing many young people from entering agriculture. Clearly, new approaches to land transference are needed (and needed soon: the average age of farmers in America is 59) if speculators, syndicates and corporations are to be kept from gobbling up America's farm land.

One new approach has been proposed by the North Dakota Farmers Union. After careful review of numerous land transfer systems, the NDFU board came up with a plan similar to the Saskatchewan provincial land bank (*People & Land*, Winter 1974).

Under the NDFU proposal, a Trust Lands Division would be established within the state department of agriculture. Any farmer wishing to transfer land to descendants or to new young farmers would sell his land to the trust division at its appraised agricultural value.

The farmer's descendants would have first option to lease the land from the trust lands division. If there was no descendant interested in farming, the farm unit would be leased to capable young farmers.

The lease would be for five-year periods. It would be renewable every five years at the option of the lessee on a non-competitive basis. This would provide a secure land base to the lessee, and allow him to concentrate his investments in equipment, buildings and livestock.

The annual lease fee would be 2 percent below the prime rate on the original price paid for the land by the trust lands division. At the end of any five year period, the lessee would have the right to purchase the land at its current appraised agricultural value.

To avoid a tax loss to local governments, the lessee would be required to pay taxes on land



leased from the trust division just as if he owned the land.

The lease would require that the lessee be the operator of the farm and a resident of the community in which the land is located. The lessee could not sublease or otherwise rent the land to any individual except the person who originally sold the land to the trust division. This exception would permit a father-son partnership on the leased land.

The trust division could lease land to a farm cooperative, provided that all members of the cooperative were actually engaged in farming the land. An acreage limitation equal to the average size farm within an area of comparable land use and productivity would apply to all leases.

A less radical approach to the land transfer problem involves changing the inheritance tax laws. Senator Charles Mathias (R-Maryland) has intro-

duced legislation that would permit farms to be valued at use value rather than market value for estate tax purposes. This would lessen the pressure on heirs to sell off all or part of the farm in order to pay estate taxes. A recapture provision provides that if the heirs sell the land for non-farm purposes, they must pay the additional tax based on the actual sale price of the land.

Legislation similar to the Mathias bill has been introduced by Rep. Graham Purcell (D-Texas) and several other Congressmen.

One danger with estate tax relief measures, however, is that they may help large individual land owners to pass on their holdings intact. This thwarts the essential purpose of the estate tax, which is to discourage the perpetuation of large fortunes. One way to deal with this danger would be to include a limit on the amount of land that could receive favorable tax treatment. ☞

Midwest States Ban Corporate Farms

Nineteen seventy-four has been a good year for legislation at the state level to exclude corporations from agriculture.

Following the lead of Minnesota, which last year passed a comprehensive act prohibiting corporation farming while protecting family farm corporations, South Dakota and Wisconsin this year adopted similar laws. North Dakota and Kansas have even older anti-corporate laws on the books.

The South Dakota law contains a "grandfather clause" which allows existing corporations now engaged in farming to continue, though it restricts expansion of their activities.

"Obviously this is not a perfect law but I have never seen a measure of this magnitude that was," commented Ben Radcliffe, president of the South Dakota Farmers Union, which strongly supported the measure. "The law may need to be revised in future years to adjust to future conditions, but it does have some teeth in it."

In Nebraska, efforts to enact a family farm act met with stiff opposition from corporate interests

and the bill was buried in committee. Among the organizations fighting the bill were the railroad and banker associations and the Kansas-Nebraska Natural Gas Company, whose Western Alfalfa subsidiary custom-farms large acreages of hay.

The Kansas anti-corporate farm law, which dates back to 1931, prohibits corporations with more than ten shareholders from owning or operating more than 5,000 acres of farmland in the state. Enforcement was hampered because the state didn't know how much land corporations owned, so in 1972 the legislature required corporations registered in Kansas to report their landholdings to the secretary of state.

Kemp Houck of the Kansas Farm Project (Box 362, Lawrence, Kansas 66044) scoured the first reports and found that corporations like Pepsi-Cola, Litwin's Stores, Olin-Dixon and Van Chevrolet, along with many lesser known firms, are getting into Kansas farmland. In all, the early reports show 710,892 acres held by 684 corporations, with several holdings in excess of 5,000 acres. These figures do not include land held by regulated corporations—

banks, railroads, insurance companies and utilities—which are exempt from the reporting requirement.

In Wisconsin, legislation prohibiting corporate operation of farms, or future corporate acquisitions of farmland, was enacted this spring. A barrage of amendments resulted in some watering down, including an exemption for corporations of less than 15 shareholders and another permitting corporate expansion of landholdings by 20 percent over a five year period.

In Minnesota, meanwhile, farmers seem pleased with their one-year-old family farm law. Agriculture commissioner Jon Wefald marked the first anniversary of the law by urging adoption of a national Family Farm Act.

"Our law bars corporate conglomerates from the kind of massive takeover of agriculture and meat production that seems to be happening in other states," Wefald said. "But we do have reason to be concerned, and to recommend national adoption of Minnesota's model legislation for protecting the family farm system." ☞

Subsidy for Speculators

The Trouble With Open Space Tax Breaks

More than 40 states have enacted special property tax breaks for farms and open space within the past decade. The theory is that open space can be preserved—and family farms saved—by relieving the pressures to sell and/or develop caused by rising property taxes. In fact, these tax breaks do very little to discourage land development and have largely become a massive subsidy for speculators.

The typical approach used by open space tax laws is use-value assessment. This means that farmland, instead of being assessed at its highest potential value (as, say, a shopping center), is assessed at its value for agriculture.

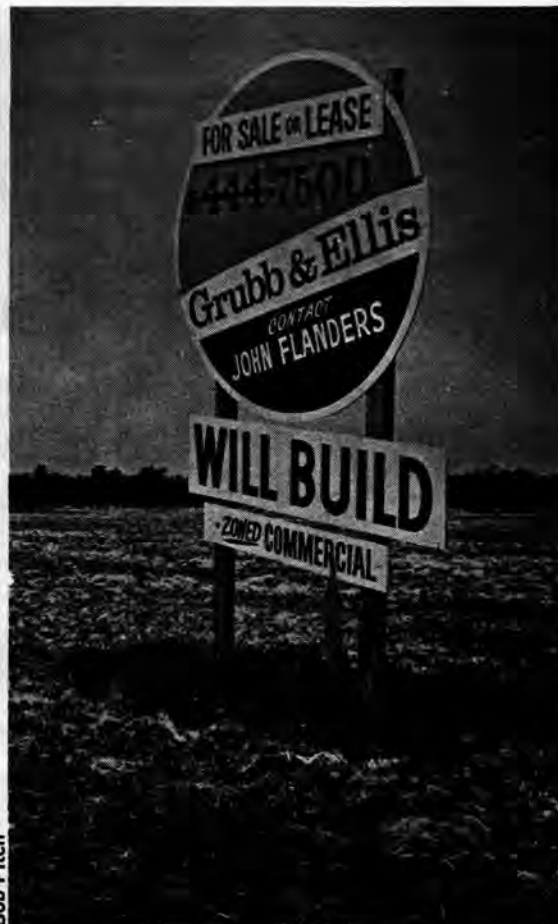
The trouble with this approach is that it provides no assurance that open space landowners won't take advantage of the tax breaks and then develop. This is precisely what has happened in almost every state where laws of this kind have been passed.

New Jersey, for example, was losing farmland at such a rapid rate that in 1965 it began giving use-value assessment to some of its farms. Not only has the state continued to lose farmland, but a study by the Center for Analysis of Public Issues in Princeton shows that many of the remaining "farms" getting the tax break are actually owned by speculators. By putting a few cattle on the land, renting to real farmers or otherwise putting on a display of agricultural use, they are able to qualify for the assessment break and greatly enhance their profits when they sell out. In one county alone, the Levitt & Sons division of ITT was estimated to save about \$40,000 a year through the lower use value assessment.

In Maryland, the first state to adopt an open space tax law, the experience has been much the same. Neal Potter, president of the Montgomery County Council, has compiled figures showing that the use value assessment amounts to a 90 percent exemption from property taxes for some of the most valuable land in the county. Asked if it was possible to say who benefits from this exemption, a spokeswoman for Potter replied: "Without a moment's hesitation—the speculators."

To discourage speculators from taking advantage of use-value tax breaks, some states have taken their programs one step further. These states have added back tax recapture provisions for tax break recipients who subsequently develop their land. A few have also required tax break recipients to sign contracts pledging not to develop their land for a specified number of years.

Instead of trying to bribe people through tax exemptions not to develop their land, states should have laws that say, 'If you want to urbanize farmland, you pay us.'



Bob Fitch

The California Land Conservation Act, more commonly known as the Williamson Act, includes both a back tax recapture provision and a 10-year non-development contract. Despite these apparent safeguards, the act is a classic example of money misspent for a worthy objective.

Most of the land receiving Williamson Act tax breaks is not threatened with development; the owners of this land receive a public subsidy without returning a public benefit. Where land is threatened with development—e.g., along the coast, in the Santa Clara Valley or the Santa Monica mountains—the act has provided neither sufficient incentives nor sufficient penalties to deter that development.

Although proponents of the Williamson Act played upon the public's sympathy for small farmers, as well as its desire to preserve open space, the major beneficiaries of the act, according to the state's non-partisan legislative analyst, are not farmers but "the owners of range and watershed lands, whose lands have little prospect of coming under heavy urban pressure or being used for agricultural purposes." According to a survey undertaken by former state senator (now Congressman) George Danielson, 87 percent of the lands benefiting from the Williamson Act are not prime agricultural lands, and only six percent are within three miles of cities.

The biggest recipients of Williamson Act tax breaks are the big corporate landowners of rural California. According to figures compiled by the State Board of Equalization, more than 25 percent of the land covered by Williamson Act contracts is owned by 12 large corporations. Together they enjoyed reduced property tax assessments totaling \$44 million in 1972.

These giant corporations cannot by the farthest stretch of the imagination be described as farmers pressed by rising property taxes. Many of them

are in the *Fortune* list of America's 500 largest corporations. Most receive a wide variety of other public subsidies in the form of income tax loopholes, crop payments and low-cost irrigation water.

The burden of these pointless subsidies to large landowners falls mainly upon those least able to pay—nearby residents who own little or no land. A study by Doug Kaplan, a summer intern with the Center for Rural Studies, found that residents of Hanford, California—a town surrounded by large corporate farms—saw their general county tax rate jump 73 percent in two years, largely because two-thirds of the land in Kings County is under Williamson Act contract. Sky-rocketing residential property taxes are passed on to renters, many of whom are unemployed or low-income farmworkers.

Are there better ways to save open space and protect family farmers from rising property taxes? Robert Fellmeth, director of Ralph Nader's task force on California land, suggests taxing open space land according to use value but charging a stiff "zoning up fee" when land is sold for development. "Rather than trying to bribe people through tax exemptions not to develop their land, states should have laws that say, 'If you want to urbanize farmland, you pay us,'" Fellmeth says.

Fellmeth's proposal wouldn't assure that farmland is not developed, but it would add to the cost. To guarantee the preservation of family style agriculture it may well be necessary for public agencies and private trusts to purchase farmland and lease it back to family farmers. Alternatively, public or private agencies could purchase development rights without buying the land itself. Wisconsin's scenic easement program showed that land was enrolled in the program at an average cost to the public of \$20 per acre, much less than it would cost to purchase outright.

—Thanks to Mike Halpin and Jonathan Rowe of the Tax Reform Research Group for much of the above information.

Harris' Hat in Ring

Former Senator Fred Harris, who is chairman of the National Coalition for Land Reform, has told friends that he will run for President in 1976.

Harris, a former chairman of the Democratic National Committee, has long been a strong advocate of land reform policies. He favors a redistribution of land, wealth and power in America.

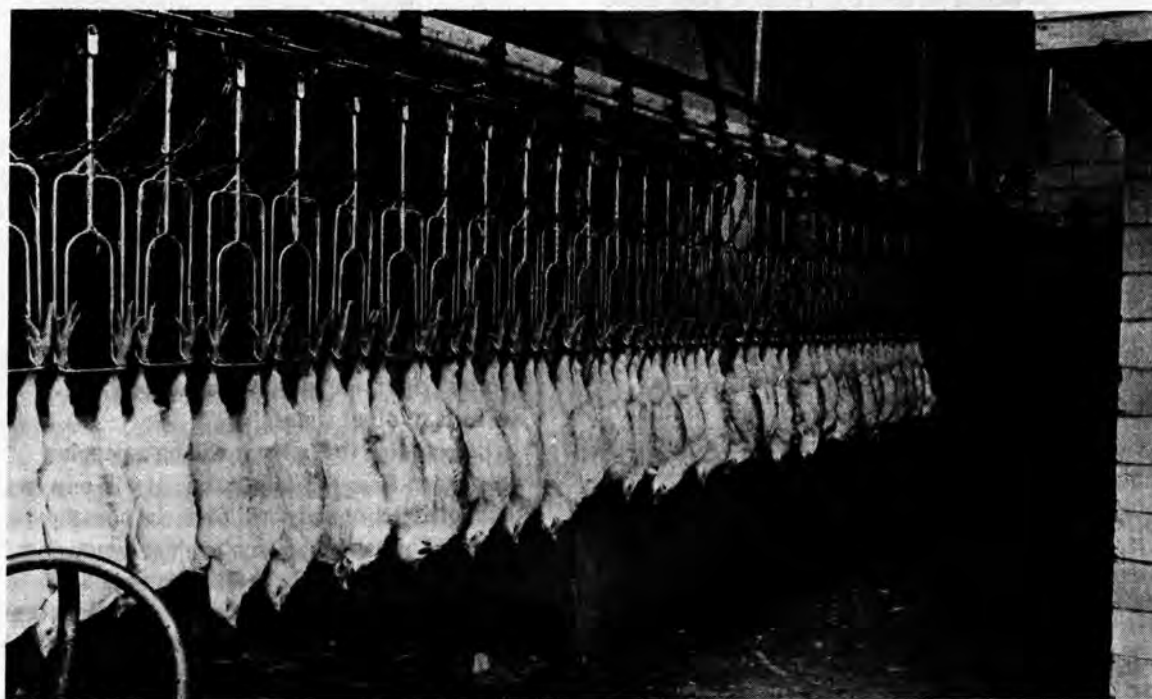
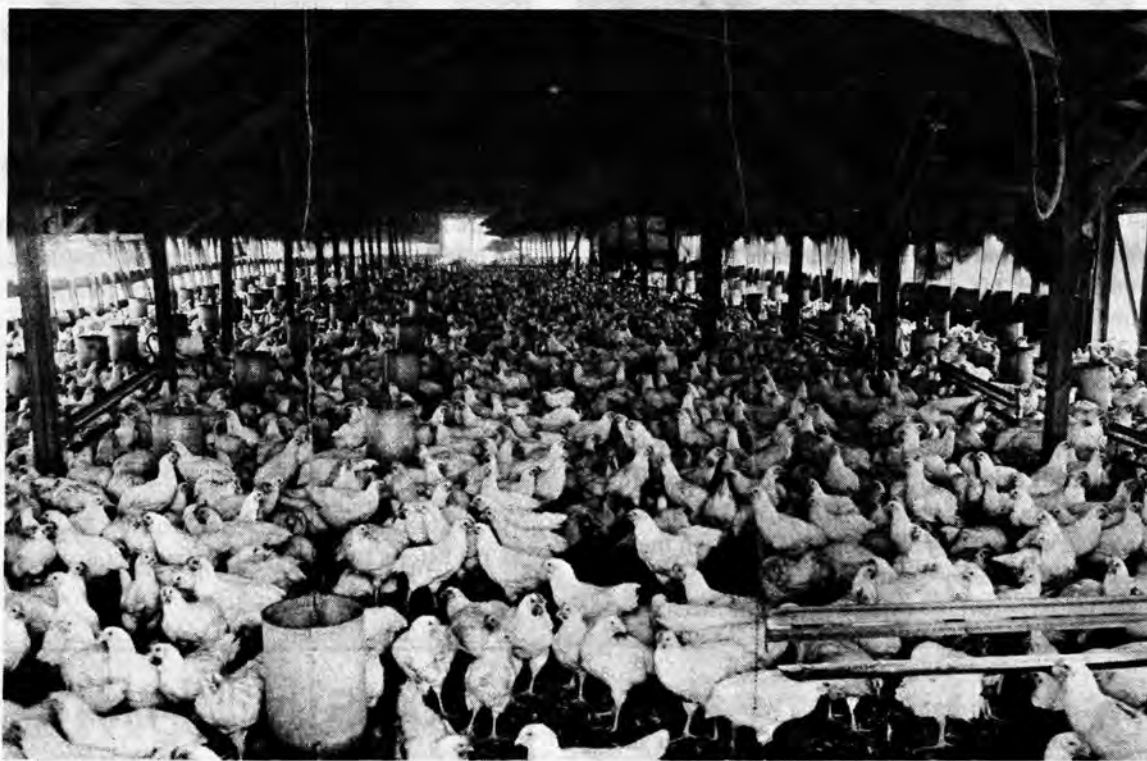
Initially, his campaign will focus on the Democratic primaries in New Hampshire, Wisconsin and California. If voters respond to his populist appeal, he will extend his efforts to other states.

According to Harris, it will be a people's campaign from top to bottom. It will rely on volunteer labor and small financial contributions. The candidate won't ride in limousines and chartered jets—he'll take buses and public transportation. Personal contact with voters through coffees in people's homes will be a crucial part of the campaign.

Poultry Peonage

A Grim Look Inside The Food Industry

Text and Photos by Pat Goudvis



The broiler industry is frequently pointed to as an example of what all food production will be like in the future: totally integrated from hatchery to Colonel Sanders' take-out counter.

The big corporate integrators include Wilson Meats, Pillsbury, Holly Farms, Continental Grain and Kentucky Fried Chicken. They provide the chicks, feed, management, processing and marketing. The once independent farmer now under contract to the integrator provides the chicken house and his own labor. Ninety-eight percent of our broilers are produced under this corporate method.

Several years ago, a study by Harrison Wellford (published by Grossman under the title *Sowing the Wind*) dramatically described the transformation of the small chicken farmer into a corporate serf. Many of them actually work for negative hourly wages under the terms of their contracts with the integrators.

Just as bad or perhaps worse off are the workers in the poultry processing plants. Many of them were displaced from the land by mechanization. About 90 percent are black and most are women. Their average income is under \$4,000 a year, they have no hospitalization insurance, no sick pay, and often no unemployment insurance, holidays or vacations.

Poultry processing work is, by all accounts, depressing and even sickening, as a tour of a processing plant makes clear. Chickens arriving from the farms are hung by their feet on a moving chain. They enter the rear of the building and go through a killing machine, which slits the necks and allows them to bleed before reaching the scalders.

The scalders are vats of hot water that loosen the feathers, which are then plucked by machine. Next the chickens are checked to make sure all the feathers are gone, and the feet are cut off. Then the birds are re-hung by the drumstick to continue down an assembly line on which a series of operations are performed by hand.

First come the oil bag cutters, then the buttonhole cutter, then the gut pullers, government inspectors, trimmers, liver and heart pullers, gizzard splitters, neck cutters, craw pullers, lung gunners and house inspectors. Finally the birds are chilled and sent to either the cut-up line or the giblet table, to be stuffed with giblets if they are to remain whole.

As anyone who has worked there will tell you, there's no easy work in a chicken plant. Most of the time workers must stand in poorly ventilated areas with hot water, blood and guts splattering around. Handling hot slippery chickens all day causes rashes, cuts and bone splinters.

The number of workers needed fluctuates almost daily, depending on the market. Workers arrive at 6 a.m., some after driving long distances, and only then do they learn if they will be hired that day. If mechanical breakdowns occur, workers receive nothing for that time.

Each segment of this fully integrated industry had a role to play in the recent drama of the poisoned chickens. The drama began when some USDA inspectors, actually hitting the right spot for once, discovered a batch of chickens that had up to ten times the allowed dosage of Dieldrin, a highly toxic pesticide that besides killing pests, has also been linked to cancer in humans.

Dieldrin is not used on chickens. It is applied

f The Future

to field crops such as corn. In the Mississippi case the chicken contamination was traced back to two local manufacturers of vegetable oil, which is mixed into chicken feed to make the birds grow faster. Apparently this particular batch of oil was made from soybeans that were shipped in railroad cars that had previously held corn that had been sprayed with Dieldrin. The chickens ate the feed that contained the oil that contained the Dieldrin. When the USDA figured this all out, they ordered nine million chickens killed.

Naturally, the poultry industry became anxious about its profit picture. Instead of seeking damages through legal action against the negligent parties, it seized upon the swifter course of seeking government reimbursement for its losses. Fortunately for the industry, one of the most powerful men in Congress, Senator James Eastland of Mississippi, came quickly to the rescue.

Eastland, who was born in the county of the poisoned chickens, introduced legislation to indemnify the industry at the rate of about \$1 per dead bird. That was a pretty good deal, considering that the fair market value of fully grown unprocessed broilers was then about 70 cents apiece, and many of the killed birds were not even at the processing stage. Some were just a few weeks old and had only a few cents invested in them.

The Eastland bill raised several interesting questions. Why should a private industry be compensated by the taxpayers for losses incurred in the course of business? If compensation is to be paid, who should get it—the corporate integrator, the farmer, the poultry worker?

Most of the time workers must stand in poorly ventilated areas with hot water, blood and guts splattering around.

The USDA estimated that under the Eastland bill, a total of \$10 million in payments would be divided this way: \$585,000 for the 785 farmers who grew the birds under contract, \$450,000 for the 1,100 poultry plant workers who were laid off after the bird slaughter and all the rest to the five integrated processors who "owned" the chickens.

The Mississippi Poultry Workers Union, founded two years ago during a strike in Forest, Miss., was placed in a difficult position by the bill. On the one hand, it was obvious that the big beneficiaries were the poultry integrators. On the other hand, the workers who had been laid off badly needed money. The MPWU decided it could best help its members by supporting the indemnification measure.

In the end, the workers and contract farmers lost out, while the integrators came out with a half a loaf. The Eastland bill sailed through the Senate but was allowed to die in the House after a straw vote showed Congressmen four-to-one against it. Then Congress shifted gears and passed a \$2 billion loan guarantee program for cattle, hog and poultry producers (see page 14). This time there were no provisions for workers or contract farmers. ☞



From the hatcheries chickens go to processing plants where they are killed, trimmed, inspected and packaged. About 90 percent of the processing workers are black, and most are women. Average income is under \$4,000 a year.



Bigger is Not Always Better

Are Giant Co-ops Forgetting Their Origins?

There was a quiet celebration in the town of Portland, North Dakota, last May 20. The Farmers Union Oil Cooperative paid out its millionth dollar in patronage dividends to local co-op members. As co-op president Gerald Kylo handed out the check that put the co-op over the million dollar dividend mark, smiles abounded and photographers from the local newspaper snapped away.

The Portland Oil Co-op is proof that co-ops can and do work. It owns and operates a single gas station and last year sold 830,000 gallons of gasoline and 958,000 gallons of fuel oil to local patrons. Along with top quality products come friendly service and competitive prices. Best of all, "profits" from the sale of petroleum products go to local co-op members, not to absentee-owned corporations like Exxon or Shell. If every community had co-ops like Portland's, we'd all be a little richer and a little more in control of our basic resources.

Unfortunately, not every community has co-ops, and not every co-op is like Portland's. In fact, according to a new report by Linda Kravitz of the Agribusiness Accountability Project, many of the nation's largest farm cooperatives are almost indistinguishable from giant corporations. They are dominated by hired management, obsessed with bigness, cozy with agribusiness and out of touch with the average farmer and consumer.

The report, entitled *Who's Minding the Co-op?*, says the basic problem with many cooperatives is that their members have lost control. They are dominated by business-school educated managers who are more interested in size and profits than in the survival of family farmers.

The study notes that seven farmer-owned cooperatives are such big businesses that they are on the list of *Fortune's* top 500 corporations: Associated Milk Producers, Inc. (AMPI), Land O'Lakes, Farmland Industries, Agway, Gold Kist, Dairyland and Farmers Union Central Exchange. Other co-ops are extremely powerful within their field: Sunkist markets 45 percent of the nation's fresh oranges and 85 percent of its lemons; Ocean Spray controls 85 percent of cranberry production. The largest 100



"All power to the board of directors!"

cooperatives—less than two percent of all co-ops in the U.S.—account for 47 percent of total co-op business.

Historically, the policies and practices that distinguish cooperatives from ordinary corporate enterprises were set forth by a group of English weavers, known as the Rochdale Pioneers, in 1844.

The major Rochdale principles are:

- open membership
- one person, one vote
- membership education
- political and religious neutrality
- services at cost, with profits distributed according to patronage.

The Kravitz report charges that most large cooperatives have blatantly discarded the Rochdale principles. Open membership regulations, for example, supposedly ensure the availability of cooperative services to any farmer, small or large, white black or Chicano. Increasingly, however, cooperatives seeking the business of large growers have instituted price procedures which discriminate in favor of high-volume users, thus discouraging small farmer membership. Some cooperatives actually lock out small members and are nothing more than exclusive organizations of large farmers. "This is a more serious problem than mere country club snobbery," writes Kravitz, "since real economic harm can flow from these closed-door practices."

The one person—one vote principle is similarly on precarious footing. "Increasingly, there is a shift to apportioning votes on the basis of amount of stock held or amount of business done with the

cooperative," the report states. "The richer you are, the more votes you have."

Political neutrality is also a thing of the past. In the 1972 presidential race, some of the giant milk cooperatives illegally poured \$422,500 into Richard Nixon's campaign coffers. "The thousands of dairy farmers who are members of AMPI neither authorized these political deductions from their patronage returns nor were they aware, until they read it in the papers, that contributions had been made in their name," Kravitz writes.

The report criticizes the Department of Justice for failing to stop agribusiness corporations from taking advantage of legislation designed to benefit only true cooperatives (e.g., the Capper-Volstead Act, which exempts producer cooperatives from antitrust laws).

It notes that "corporate integrators have not only formed their own cooperatives, but have worked their way into existing cooperatives." The big Sunkist citrus cooperative, for example, includes among its "farmer" members the Goodyear Tire & Rubber Company and Kaiser Aluminum.

And the report chides the USDA's Farmer Cooperative Service for encouraging cooperatives that emphasize bigness and neglecting those that serve low-income families. It quotes Homer Preston, deputy administrator of the FCS as saying: "The low-income farmer problem is not personally my cup of tea. . . The purpose of cooperatives is not to keep masses of farmers in farming but to help those who remain. You can't go against market trends when everything else points to bigness." ☞

Cock & Bull Subsidy: Them That Has, Gets

Remember last year when beef prices soared so high that consumers resorted to a meat boycott? Remember when beef producers deliberately withheld beef from slaughter, hoping to reap large profits after the federal price controls were lifted?

It was hard to weep for feedlot operators then, but in July Congress passed, and ex-President Nixon signed, an emergency loan bill providing government

guarantees for 80% of private loans to cattlemen. The ceiling on individual loans is \$250,000 and the limit on the overall amount of loans is \$2 billion.

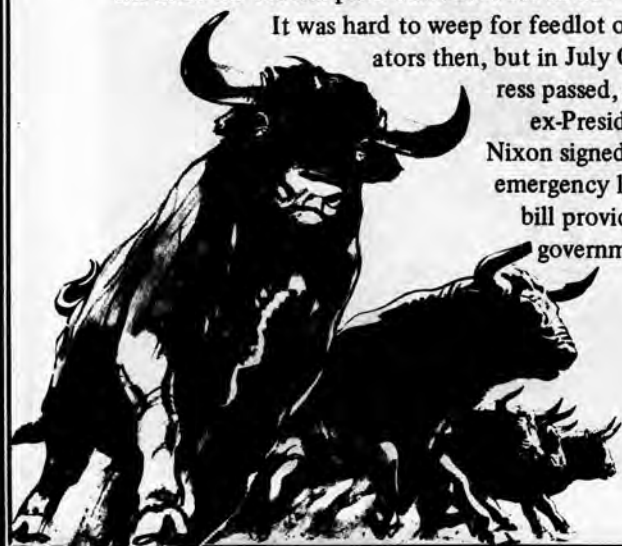
Why the Congressional generosity? Well, it seems the big livestock feeders goofed. By holding beef off the market during the price freeze last summer, they created a post-freeze glut that caused the price of fattened steers to tumble 25 to 35 percent below 1973's record highs. Now they claim to be on the brink of financial ruin—and argue that the taxpayers have a duty to bail them out.

The biggest supplicants for public charity are the large corporate feeders. Monfort of Colorado, Inc., the nation's largest feedlot operator, said it has lost \$5 million in the last nine months. Mesa Petroleum Co. says it wants to sell its 80,000-head feed yard near Amarillo, Texas. Steve Munday, a spokesman for the Texas Cattle Feeders Association, explained: "We are not asking for a handout, merely for some loan assistance to carry us over."

What with scores of oil companies, wealthy tax-loss farmers and powerful financial concerns such as E.F. Hutton plunging into the cattle business, it's no wonder that Congress became concerned. But there was one slight problem: the lawmakers couldn't very well dispense loan guarantees to cattlemen without angering other animal producers. So Congress extended the loan protection to producers of hogs, sheep, goats, turkeys, chickens and dairy cows.

We at *People & Land* aren't automatically opposed to subsidies. We only wonder why Congress doesn't act so generously — or so fast — to help the 2,000 family farmers who go out of business every week, or the hundreds of thousands of farmworkers who are displaced by machines.

If it's okay to guarantee loans to Lockheed and the Mesa Petroleum Co., why not do the same for farmworkers seeking to buy land, or young people desiring to enter farming? Must the rule in Washington always be: Them that has, gets? ☞



Swine Swindle

Super Pig Pen Folds, But Watch Out!



In the last issue of *People & Land*, we ran a story about an outfit called Missouri Foods International, which had announced plans to build the "world's largest hog factory" on 6,000 acres of land in Clark County, Missouri, near the town of Kahoka. The project was designed as a farrow-to-slaughter operation that would process 2½ million hogs a year. The project was then under local fire as a massive corporate invasion of one of the last bastions of meat production by independent farmers. Some 95 percent of our broiler chickens are raised by corporate integrators, but only 2 percent of our pork.

It has since become clear that this attempt to raise millions of confined "super-pigs" was a pseudo-pig swindle. Kahoka's two banks, which advanced Missouri Foods a total of \$155,000 for the hog scheme, have filed suit against two Texas companies which pledged 33 drums of silver ore to secure the loans. It turned out that the silver ore was phony. The banks are demanding their money back plus an additional \$100,000 for punitive damages because of the "ridicule and great embarrassment" they experienced. Not only did the banks suffer egg on their face, but some anonymous opponent of the scheme dumped some aromatic pig manure in front of one of them as a means of protest.

The man who left the banks holding the smelly bag was Chicago promoter Charles McQuoid, Missouri Foods' president and sole stockholder, and presently a hard man to track down. As the saga of the pigs unfolded, it was revealed that McQuoid had declared bankruptcy in 1972, listing \$430,000 in liabilities to 118 creditors and only \$44 in assets. "He's a wonderful talker," sighs President Fred McAllister of the Kahoka State Bank. The bank's chairman, Delbert Gutting, said that "McQuoid would take some of our leading citizens, our bankers, our up-and-coming young people, to the country club. He'd feed 'em up real good. They got to thinking he was really it."

McQuoid, it seems, was a classic silver-tongued promoter. From 1970 to 1972, he worked as a used car and insurance salesman, earning a combined income of \$600. Yet at the height of his pig promotion, he approached the Farmer's Home Administration for a \$200 million loan, a sum exceeding what FHA has to loan the entire nation.

He was apparently never a farmer, and once got big laughs from local hog farmers about his "never on Sunday" breeding program. "The sows are not supposed to pig on the weekend," he told them. "The breeding will be programmed for them to farrow on Tuesday, Wednesday, Thursday and Friday." Nevertheless, McQuoid had investors falling all over themselves to get a piece of the action, until it collapsed.

The grim side of all this is that non-farm corporate hog production is picking up momentum across the nation, McQuoid notwithstanding. In Nebraska, according to a study by the Center for Rural Affairs (P.O. Box 405, Walthill, Nebraska 68067) called "Who Will Sit Up With the Corporate Sow?", "the evidence shows an amazing mushrooming in large scale corporate confinement, especially in feeder pig production." This could signal "the removal of feeder pig production from

the farm to the factory in relatively few years."

Two factors contributing to the rise of large-scale hog feeding are investments by "tax-loss" farmers and the eagerness of the Small Business Administration to finance "custom" operations like those of Super Pig, Inc.

The reality of trends in the hog business was brought home by the disclosure—just as the McQuoid-Kahoka hokum was falling apart—of

another huge hog factory planned near Creswell, North Carolina. There, a 380,000-acre plantation is being carved out of the wilderness by New Jersey financier Malcom McLean. The domain, called First Colony Farms, will ultimately produce a million hogs and 100,000 fat cattle a year. And unlike McQuoid, McLean has a solid land base and secure financing. ☐

Food Middlemen Loosen Their Belts

"After months of griping about record-high food prices," says the *Wall Street Journal*, "shoppers are now complaining bitterly about lower ones." The problem is that retail food prices are not going down nearly as fast as wholesale prices, which have fallen off sharply in the last six months. In some cities, in fact, retail prices have continued to rise even though the prices paid to farmers have dropped drastically in many sectors of food production.

The blame appears to rest with food processors and large retail supermarket chains, which are taking advantage of the recent price slump to fatten their profit margins.

Since the first of the year, reports the *Journal*, wholesale beef prices in Chicago have plummeted by over 28 percent while retail prices nationally have fallen only 10 percent. Wholesale prices for yellow onions have dropped as much as 24 percent, while the retail price has remained constant at an average of 23 cents a pound. One supermarket executive quoted by the *Journal* argues that "we're only trying to make up a little of what we lost—1973 was a bad year." But even Agriculture Secretary Earl W. Butz doesn't care much for this argument. "It is high time," he says, "that these lower farm prices show up more fully in lower retail store pricing."

It is now fairly clear that farmers, often accused of profiteering in last year's dazzling rises in food prices, benefited only temporarily at best. A USDA study has found that between 1952 and 1971, 94 percent of the rise in consumer food prices was due to increased marketing costs, while only 6 percent went to the farmers themselves.

The situation for farmers was bright last August, when their share of the food dollar topped 50 cents for the first time since 1952. But the farmers' cut dropped to 42 cents by April, and has now moved down still further to the average 1957–1972 level of 40 cents or below. In the meantime, farm fertilizer and fuel costs continue to soar and the drought now plaguing the Midwest seems likely to cause the poorest harvest in years. For many farmers the story is from boom to bankruptcy in less than a year.

The food retailers blame their high prices on rising wages, energy and material costs, and transportation charges. A study of 147 grocery companies by the trade-sponsored Supermarket Institute claims that gross margins rose only 0.1 percent in the first quarter of this year from last year's level. The grocers complain that even this has been eaten up by increased expenses.

What the Supermarket Institute doesn't so readily admit, however, is that these averages homo-

genize the losses taken by small retailers with the substantial gains made by big ones. Figures from *Business Week* show that in the first three months of 1974, the largest food retailing chains made profits that were 59 percent higher than a year ago, even though their sales were up just 14 percent. The difference is explained by the monopolistic control that food giants like Safeway enjoy over their suppliers, together with the competitive advantages their enormous size gives them in the marketplace.

Spectacular profit increases were also enjoyed last year by the largest of the food processors and packagers. Cattle ranchers did well last year, for instance, but nowhere near as well as corporate cowboys like American Beef Packers, whose profits jumped 288 percent. Corporate canners likewise did better than the farmers who originally grew their fruits and vegetables. Del Monte recorded a 35 percent profit jump in 1973, and Castle & Cooke (Dole) did even better with a 52 percent profit increase.

The situation appears to be worst in the meat industry, where USDA figures show that packers and processors have 33 percent more beef, 43 percent more pork and 87 percent more chicken in cold storage this year than last. "By storing meat," says an article in the *Washington Post*, "the corporations can artificially decrease supplies in supermarkets, thus keeping consumer prices high. Simultaneously, the record inventories decrease industry demand, thus dampening prices paid to meat raisers."

What it all adds up to is monopolistic price-fixing on the part of agribusiness processors and the largest retail chains. While consumers pay more and farmers get less, the Federal Reserve Bank of Chicago reported last March that food middlemen as a whole have increased their take by 6.5 percent, an increase exceeded only once in the last 20 years.

Faced with facts like these, the Federal Trade Commission announced this July that it is conducting an industry-wide investigation into retail food prices and the structure of agricultural marketing. Initially, the investigation will be limited to six cities, but it may later be broadened to others. The food price inquiry is part of a broader investigation of competition in the food industry from farm to grocery, the FTC said.

The study will look especially at monopoly trends in the ownership of grocery stores and how this affects retail food prices. What remains to be seen is whether the FTC will do anything after it finishes its broad investigation. ☐

—Special thanks to Jim Hightower.

Mississippi Conference

Southerners Tackle Land Issue

More than 250 people, many of them students, gathered at Mary Holmes College in West Point, Mississippi, for the first Southern Land Congress, April 3-5.

Among the issues discussed and debated were: blacks and land; migrant labor and farmworker organizing; legal issues and land; problems of black land grant colleges; cooperatives and land trusts; the Rural Development Act; Southern waterways; and land accumulation into corporate lands.

"You talk about the bread of life," Bennie Thompson, mayor of Bolton, Mississippi, told the conference participants. "I think land is one of the essentials.

"Seventy years ago Bolton was predominantly owned by blacks. Around the early 1920's things began to change. There are now very few black landowners in Bolton. Through taxation, blacks lost a lot of land. Part of my efforts now are to recapture part of that land. In many places in the South, no trace of a deed exists."

Louis Anderson, director of the Tuskegee Institute Business Development Center, illustrated the land ownership situation in one part of the rural south.

"In one rural county of Alabama," explained Anderson, "the probate judge owns 10,000 acres. Searching tax records, I found that he does not have title to more than half that acreage. He has just included it in his holdings and has it on his tax records. A good portion of his land has been abandoned by blacks or blacks have died and their relatives are not conscious of the fact that they own land. Some of it has been taken for taxes. A good deal of land in rural areas have been taken over through faults in titles. The power structure has just taken title to the land and prohibited the heirs from using it."

This is done, he said, through partition sales, foreclosures and eminent domain.

Paul Cobb of the Southern Elections Fund stressed the importance of local political action. "The next real phase is to aim for elections at the county level," Cobb suggested to the conference. "It's where the real dangers are and where the real excitement and rewards are.

"In the eleven Southern states there are 232 counties that should have black, poor or other minority tax assessors right now. We need a new kind of politics that embraces new types of alliances and coalitions."

On the same panel, Laughlin McDonald, Southern Director of the American Civil Liberties Union, expressed his belief that "land reform's time has come as a constitutional issue.

"The inability of minority land owners to hold onto land and to have a meaningful place in the economy is a lingering symptom of the slave society, a badge of second class citizenship which the 13th Amendment was enacted to eradicate.

"There is a potential for legislative land reform. We can resurrect some of the tools used after the Civil War when, for example, South Carolina established a land commission whose sole purpose was to purchase land and sell it to blacks on long-term payment plans."

McDonald expressed his hope that the ACLU might involve itself in issues of land reform and the rights of blacks to land.

"Someone at this conference said there are two ways of getting land—purchase and inheritance. But there is another—take it. Individuals have been taking land for years. Why should we not employ those tactics?"

Economist Robert F. Browne of the Black Economic Research Center and the Emergency Land Fund offered a hardheaded but realistic analysis of blacks and the land question.

"Neither as an employer of people nor as a generator of GNP can land be identified as a top priority input anymore," pointed out Browne. "So why focus on land? In part, it is emotional. Land has always carried a mystique. And I think blacks have every right to own part of this country.

"Very often land is a burden on people and statistics suggest that most of the land held by blacks—farmland in the South—is not being used. There are ways to make the land profitable, but a development plan is necessary.

"We have to ask: in what form do we want to help people hold land? Are we interested in helping private ownership? Or should the effort be focused more in terms of collective ownership of land? These are lasting questions of land reform. We have all seen the pessimistic results of land reforms in other countries and how very quickly they seem to be aborted."

Browne noted that the Emergency Land Fund has a very small staff and meager resources, and stressed that significant land reform must be part of a larger movement to transform power relations in the U.S.

"The 5.5 million acres owned by blacks works out to 3 tenths of 1 per cent of the total privately owned land in this country," said Browne. "Everything we're doing is really a minimal holding action. If blacks are really going to have a stake in this country, it's not going to be through the Emergency Land Fund—it's going to have to come through something else."

A panel on the Tennessee-Tombigbee Waterway discussed how pork barrel projects invariably benefit large landowners and corporations.



Photos by Pat Goudvis

Laughlin McDonald of the ACLU.

Dann Milne, of the Center for the Study of Human Resources at the University of Texas, told participants: "It's been my experience that these waterway projects disproportionately benefit the well-to-do. For example, in the Cache River project in Arkansas, we found that more than 50 percent of the benefits would go to 10 percent of the landowners."

A panel on black land grant colleges found that, through no fault of their own, the institutions have become almost irrelevant. George Harris of the Southern Regional Council explained: "Federal monies are appropriated almost entirely in such a way that they pass through predominantly white schools. In Georgia, for instance, all federal monies for USDA programs first go through the University of Georgia and then are allocated to the black land grant school."

Barbara Phillips of the Emergency Land Fund summed up the situation: "The black land grant colleges can't adequately work with the rural poor if they can be told what to do by the white colleges. In addition, the black colleges don't have the direction, staff, support or power to initiate relevant action."

The panel on migrant labor discussed the difficulties of bringing small farmers and farmworkers together.

Joe Segor of the Migrant Services Foundation pointed out that "many farmworkers are landholders of previous generations who lost land during drought or depression and became wandering workers."

Segor argued that farmworkers are the most powerless segment of American society, and that the conference had to address the question of power. He pointed out certain short-run contradictions in the farm situation.

"The accumulation of land into the hands of big companies like Del Monte, Libby-McNeill & Libby is in the short run good for farmworkers. Our one great weapon—the boycott—works against them and doesn't work against farmers who have no identity on the market. That's why the first contract in Florida was with Coca-Cola. But in the long run, concentration of land isn't good for farmworkers, because it leads to automation and will ultimately put them out of work and off the land altogether."

The panel on land trusts discussed the experience of Georgia's New Communities, Inc.. "New Communities has the potential of integrating agriculture with other kinds of industry as well as low-cost housing," noted Bob Swann of the International Independence Institute.

But James May, a south Georgia farmer, pointed out some of the problems New Communities faces. Some local people could not see how they could fit into an operation as large as New Communities,

May said. "To some, it appears to be a kind of plantation. But they are also proud that it is a black-owned property."

One of the most provocative commentaries of the conference came from James Lee, director of Andamule, Inc., a rural non-profit development corporation. "Before we become over-enthusiastic about land trusts as a solution," Lee said, "we need to look at some problems of scale. New Communities is the largest black-controlled land trust in the country. It has 6,000 acres and a projected population of 1,000."

"But we're talking about 1,000 people in a country of 200 million. When one thinks of the tremendous efforts made by philanthropic organizations to get this 6,000 acres together, one wonders what kind of effort would be necessary to follow the same process on millions of acres."

"At some point some very important theoretical considerations need to be looked at. I wonder if we are asking the question enough: Who should own the land? If the answer is that the people should own the land, the next question is: How do people get the land? Here is where we run into an enormous family of paradoxes."

"Either because we are unwilling to take the risks, or because we are unwilling to face the theoretical issues involved, our answer to the question of how we should get the land always winds up by

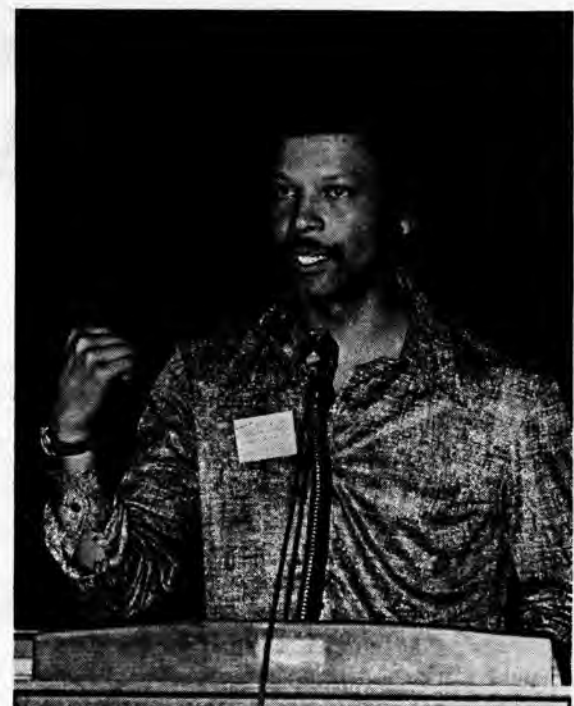
saying, 'Well, maybe we can get some funds from some of the people who own it. Maybe we can get this foundation or that industry to break off a little crumb and pass it our way.'

"Some of the crumbs are very exciting. Some of them are dynamic models of what the future ought to be. But the question that needs to be raised is: What is the value of building a model when all the materials for building it are supplied by those who are responsible for our needing the model in the first place?"

"We have to talk again, as we did in the '60s, about confrontations. But this time the confrontations will not be over artifacts like where can we sit, but about basics like what we have the right to own, what we have the right to control and what we must do in order to build the society that would make ridiculous the thought of having a conference like this."

Someone at this conference said there are two ways of getting land—purchase and inheritance. But there is another—take it. Individuals have been taking land for years. Why should we not now employ those tactics?"

Participants at the conference agreed to form an on-going organization called the Southern Land Congress, with Joseph Brooks serving as chairman of the steering committee. The SLC has offices at 799 Fair Street, Atlanta, Georgia 30314. *z*



Above: Joseph Brooks.
Below: James Lee.



Church Groups and Land

"All the land reform issues raised here appear to converge toward one central issue—power. Who has the power and how is it used?" So editorializes the United Presbyterian Church in the May-June 1974 issue of *Church & Society*, which is entirely devoted to land reform. This is only one indication that in pulpits, church publications and religious conferences across the country, land reform is steadily growing as a moral concern.

Recently, the National Catholic Rural Life Conference recommended that states prohibit the purchase of farm land by large corporations; that federal farm subsidies be limited so as not to make the rich richer; that states adopt graduated land taxes to discourage large holdings of land by individuals and corporations; and that no corporation or individual be permitted to write off farm losses against income earned in nonfarm operations.

In Roanoke, Va. in July, the Annual Conference of the Church of the Brethren released a hard-hitting 20,000 word report on the farm crisis.

In a "spiritually weak system" that emphasizes production, mechanization and bigness, says the report, "we have lost much of our concern for the use of the land as a means for liberating and developing people."

The report calls for the government to encourage family homesteads and to regulate the entry of corporate industries into farming.

Dr. E.W. Mueller of the American Lutheran Church, a leading spokesman for rural democracy,

has stated many times that the church must take an evangelical approach to rural community development.

A statement issued by the Catholic Bishops of the United States quotes Pope John that "it is necessary that farmers form among themselves mutual aid societies," and calls for farmers to join in unity with farmworkers and small rural businessmen to fight the powerful agribusinesses.

The American Lutheran Church, in a policy statement on "Economic Problems of Rural America," calls on all church members to inform themselves about the plight of the small rural farmer and the downtrodden farmworkers.

The National Council of Churches, in a recent resolution, called on the federal government to develop a national land and population policy "designed to halt further pressures upon farm families and youth to leave agriculture for the dubious blessings of urban life."

The Council also resolved that "greater attention should be paid in the administration of agricultural policy to the legitimate needs and demands of low-income farmers, sharecroppers and farmworkers—particularly those of racial and ethnic minority groups."

Land reform is more than just power politics, though it is certainly that. As church groups across America have been saying, it involves our relationship to the earth itself. As John XXIII tells us: "Love the land, that you may find in it the serene framework for the development and safeguard of your complete personality." *z*

SLC Blasts Waterway

The Southern Land Congress, a coalition of 60 rural-based organizations in the Southeast, will launch an all-out campaign against the Tennessee-Tombigbee Waterway unless the Army Corps of Engineers protects the interests of blacks and poor people in the project area, Joseph Brooks, chairman of the SLC steering committee, told a Congressional committee.

"The Corps notes in its environmental impact statement that 'unemployment and low income problems will be alleviated,' but there is a notable absence of blacks, unemployed and low-income people on the policy-making boards related to the project," Brooks stated. "If the project is going to help blacks and poor people, why are they not included in the planning and decision-making?"

Brooks said a recent contract between the Corps and a construction company called for hiring only 15 to 20 percent minority workers. Forty percent of the population of the waterway area is black and in some localities where construction will occur the population is 70 percent black.

The multi-million dollar Tennessee-Tombigbee project will connect the Tennessee River with the port of Mobile, Alabama. "The Southern Land Congress is concerned that the project's benefits will disproportionately flow to the well-to-do," Brooks said.

SHORT NOTES

A Duke University professor predicts that black farmers will vanish in the South by the end of this century if they continue to lose farm land at their present rate. According to Dr. Lester Salamon, blacks have been losing land at the rate of 33,000 acres a year since 1954. Blacks now represent about 6 percent of the landowners in 14 Southern states and control 2 percent of the land.

The North Dakota Farmers Union continues to fight for a 33 1/3 percent severance tax on the sale price of coal at the mine. Revenues from the state tax would be used to reclaim strip mined land and for general public purposes.

"It is our considered judgement that a 33 1/3 percent tax will not put coal out of competition as a fuel," says NDFU lobbyist Arlo Beggs. "However, it is our attitude that if the 33 1/3 percent is too high, so be it. Leave the coal where it is. Then we will not turn our land upside down. We will continue our high agricultural activity, living with clean air, clean water and plenty of room."

Photo Contest

The editors of *People & Land* are pleased to announce the first Dorothea Lange Documentary Photo Contest.

Entries are invited from all interested photographers. Those photos considered most meritorious will be published in the next issue of *People & Land*, and the first-place winner will receive an award of \$50.

Photos should deal with the general subject of land and people's relation to land. Entries should be black and white prints, as close to 8X10 inches as possible. Prints will be returned if the photographer so requests.

The late Dorothea Lange, in whose honor the contest is named, was noted for her expressive photographs of farmers and migrants during the 1930s. Several of her photographs appeared in the first issue of *People & Land*.

Entries should be mailed to *People & Land*, 345 Franklin Street, San Francisco, CA 94102.

Young cotton picker, Dorothea Lange, 1941.



Electronic lettuce harvesting appears to be just around the corner, according to the January 1974 cover story of USDA's *Agricultural Research*. The experimental harvester features an X-ray lettuce head selector. It covers 1 1/2 acres an hour at 75 percent field efficiency, which means that for 25 percent of the time the machine is turning around or is otherwise down. Some questions the article doesn't answer: How big does your farm have to be to pay for this machine? How many farmers and farmworkers will it put out of work?

A course in homesteading skills is now offered by Antioch College West at an 80-acre organic farm in Winters, California. Students participate in regular farm work four hours a day and have two hours a day of formal classes. The curriculum includes soil analysis, pest management, animal husbandry, equipment use and repair, and alternative energy systems. Serving on the guest faculty are two entomologists and a zoologist from the University of California, a nutritionist and an agricultural scientist. (Antioch College West, Rt. 1, Box 28A, Winters, California 95694).

A tax break for home gardeners? That's what Rep. James Burke (D-Mass.), a ranking member of the House Ways and Means Committee, proposes. Burke would give backyard gardeners the same 7 percent investment credit that big industry gets—they could subtract \$7 on their income tax for every \$100 spent on hoes, rakes, pitchforks and the like. In addition, Burke proposes distributing free packets of seeds to any family that wants them. This, he says, would give Americans a chance to find out what real tomatoes taste like.



If all the land used for farming in the United States were divided equally among U.S. families, what would be your family's share? The answer is slightly less than 24 acres. About 20 of your 24 acres would actually be your farm. Nearly 7 1/2 acres of your farm would be cropland; 9 1/2 would be grassland or range. You would also have about 3 acres of woodland plus an acre in farmstead, roads and non-farm use. Your barnyard would contain two beef cattle, one hog, about one-fifth of a dairy cow, one-third of a sheep, 5.6 laying hens, 56 broilers and 2 1/2 turkeys. (Excerpts from an article in *The Farm Index*, April 1974.)

McDonald's restaurant chain used up the energy equivalent of 12,700,000 tons of coal last year, according to engineering professor Bruce M. Hannon of the University of Illinois. "That's enough energy," Hannon reports, "to keep the cities of Pittsburgh, Boston, Washington and San Francisco supplied with electric power for the entire year."

The high energy loss is caused largely by McDonald's use of throwaway wrappers and utensils which foul the streets as well as waste energy. Perhaps the electric lunch bunch should be asked to put their energy consumption up in neon, rather than their sales of "food units." ☸

Farm Workers Need Help With Boycott

The United Farm Workers Union is again calling on consumers to boycott non-UFW table grapes, Gallo wines and head lettuce.

UFW leader Cesar Chavez says the boycott is more urgent than ever because of the growers' use of strike breakers and the threat of renewed violence on the picket lines. "They broke our strike very effectively last year, and it is very difficult to mount an effective strike this year because the workers are convinced more lives will be lost," Chavez said.

In July the UFW filed a \$500 million damage suit against sheriff's officers and the district attorney of Kern County, California, charging violation of farm workers' civil rights during the 1973 strike. The suit is the result of picket line violence that led to the death of two UFW members.

Jerry Cohen, chief counsel for the UFW, accused the sheriff's department and the district attorney of "acting as the growers' private army." He said the law enforcement agencies systematically engaged in illegal conduct, including excessive force, false arrest, assault and battery and illegal court injunctions.

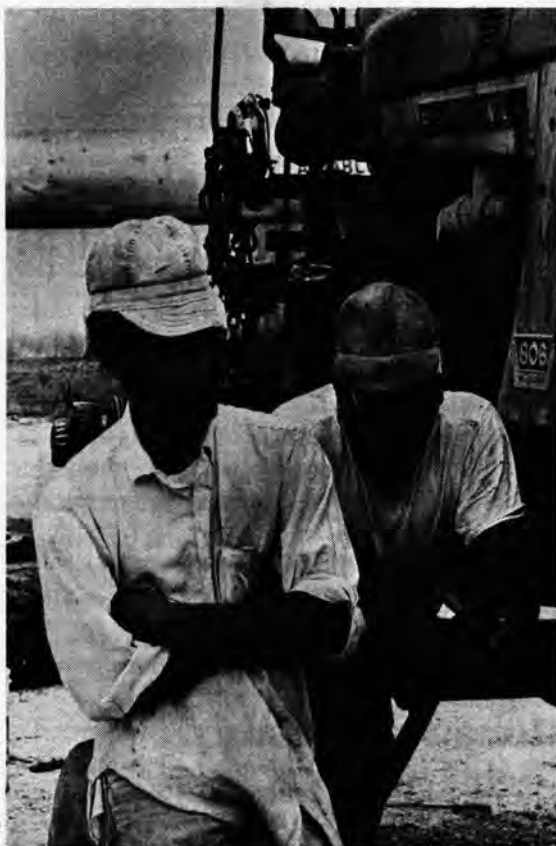
The UFW's difficulties are compounded by the huge influx of illegal aliens working as strike breakers in the fields. Calling the current influx "the worst" in history, Chavez has demanded that the border patrol crack down on illegal alien workers. He pointed to the lack of action by the Immigration and Naturalization Service as proof of a "conspiracy between the Administration and agribusiness to make sure this flood of desperately poor workers continues unchecked."

Lewis Bartlett, chief border patrol agent for six counties in the Fresno area, agreed that the number of illegal aliens is now "higher than ever." He added that the Immigration Service would need "three to four times as many men as we now have to do the job properly."

According to the union, the best way to overcome violence and the use of illegal strike breakers is to step up the boycott of non-UFW products. "We have turned to the boycott as a non-violent tool to combat the violence of the growers and the sheriffs," Chavez says.

Remember that Gallo wines include the following brand names: Paisano, Thunderbird, Boone's Farm, Spanada, Tyrolia, Ripple and Red Mountain. ☸

How Sweet It Isn't Sugar Workers and the USDA



Pat Goudvis

By most estimates there are about 100,000 sugar cane and sugar beet workers in the United States, mostly in Louisiana, Florida, Hawaii, California and Colorado. Since the Sugar Act was passed in the 1930's, these workers have had the serious misfortune of being wards of the U.S. Department of Agriculture.

The Sugar Act sets quotas for both domestic and imported sugar, thereby boosting the U.S. price above the world price. It also authorizes direct subsidies—\$1.8 million to the U.S. Sugar Corporation in 1973, \$1.3 million to the Hawaiian Commercial Sugar Company, and more than \$300,000 each to twenty other firms.

In order to receive these benefits, sugar growers must qualify, and one necessary qualification is that workers be paid "fair and reasonable" wages as determined by the USDA. Judging by the drab, dilapidated shacks in which workers live, and the pillared mansions in which plantation owners dwell, the USDA has a rather one-sided way of interpreting its responsibilities.

For Louisiana sugar cane workers, "fair and reasonable" in the USDA's judgment is \$2 to \$2.30 an hour, or about \$3,000 for an average growing season. By contrast, sugar workers in Hawaii earn close to \$5 an hour because they are represented by the International Longshoremen's and Warehousemen's Union (ILWU).

Houma, Louisiana, a rather sleepy little town, was the scene of a recent USDA hearing on sugar workers' wages. Of the 250 or so people in attendance, only a handful were actual farmworkers, since the USDA makes little effort to inform workers of the proceedings. Even if workers had been told, few could have afforded a day off or risked retaliation from their bosses. Growers, of course, showed up in large numbers.

The USDA uses strict criteria in determining the level of wages: cost of living, price of sugar and its by-products, production cost, differences in conditions among various producing areas, and income from sugar cane. This last category is the catch, for

no one except the growers themselves knows just how much money they make.

To hear the growers tell it, they are in miserable straits indeed. Testimony by the Louisiana Sugar Cane League and the Louisiana Farm Bureau Federation dwelt on disasters that have struck the sugar cane industry in recent years. In 1971 it was the hurricane. In 1972 it was the greatest rainfall ever recorded. Last year, "for reasons even the scientists cannot fully explain," the cane just didn't grow.

The workers' side was eloquently presented by the Southern Mutual Help Assoc. The average worker's family of six had a total income of \$3,116 last year. The shacks that workers live in are free (as if anyone would pay a dime to live in one), but workers must pay the utilities. Growers rarely do any repairs on the shacks, and most are in such bad shape that they ought to be torn down. Thirteen percent of the families have no indoor plumbing.

Health care is unavailable to most workers, and education is either a travesty or non-existent.

None of this was of much concern to the USDA, since their criteria for determining wages doesn't allow consideration of workers' living conditions.

In Washington, meanwhile, the workers' welfare—as well as the growers'—was being debated by the House of Representatives. The House Agriculture Committee had adopted a number of changes in the Sugar Act proposed by the National Sharecroppers Fund, organized labor and church-related organizations. Among the reforms:

—Wage rate hearings would be conducted by an administrative law judge, rather than by the Sugar

Division of the USDA. Final wage determinations would still rest with the Secretary of Agriculture, but would be subject to judicial review.

—Wage criteria would be strengthened and would take into account the seasonal nature of the work.

—Federal workmen's insurance would be provided.

—Growers would be prohibited from retaliating against workers who exercised their rights under the act and could not charge workers more than reasonable cost for items provided in company stores.

—Workers could enforce the law by filing civil suits for double damages.

Then a funny thing happened. The House voted 209–175 against extending the Sugar Act subsidies, quotas and all. Opposition came from a coalition of consumer, refiner and commercial user groups, and the growers' case was not strengthened by the fact that sugar prices have nearly tripled in the past year. (Of course, this was not part of the story at the Houma hearings.)

If the Sugar Act isn't revived, the USDA's "protection" of sugar workers will end next year. Agriculture Committee chairman W.R. Poage (D-Texas) very much wants to continue the subsidies for his grower friends. He isn't at all in favor of the pro-labor amendments, but he must accept them if he wants liberal support.

As *People & Land* goes to press, at least this much can be said: no matter what happens in Congress, the Southern sugar cane workers can't be much worse off than they are now. ☐

—Pat Goudvis

Judging by the workers' drab, dilapidated shacks and the plantation owners' pillared mansions, the USDA has a rather one-sided interpretation of its responsibilities.



Pat Goudvis



Pat Goudvis

Native Americans' Lands

'...As Long As The Grass Shall Grow'

Tribes Want Coal Rights Back

The Crow and Northern Cheyenne Indians are finding it's a lot harder to get their land back from private coal companies than it was to give it away.

The Crow and Northern Cheyenne reservations in eastern Montana sit atop several million tons of valuable low-sulfur coal. Encouraged by the Bureau of Indian Affairs, both tribes signed leases and exploratory permits with coal companies during the late 1960s. Now they realize that [1] the terms of the leases were extremely one-sided, and [2] maybe it's not such a good idea to have their land and water ruined for the sake of the white man's energy hunger.

As reported in the last issue of *People & Land*, the Northern Cheyennes last year petitioned the Department of Interior to cancel leases and permits for strip mining 214,000 acres of the 433,740-acre reservation. On June 4, Interior Secretary Rogers Morton said he wouldn't deny the petition—but then again, he wouldn't grant it either.

Morton's ruling is a classic example of pussy-footing and buck-passing. On one lease involving the Peabody Coal Company, Morton said he'd like to see an environmental impact statement before taking any further steps. On another Peabody permit, Morton held his ruling in abeyance until another report was filed by the BIA. About the best Morton had to say was that if the tribe wanted to bring its own lawsuit against the coal companies, he'd help defray legal expenses "to the fullest extent permitted by my statutory authority."

Meanwhile, Westmoreland Resources was trying to dissuade the Crows from cancelling its 31,000-acre lease. Westmoreland offered to boost its royalties from 17½ cents a ton to 25 cents a ton now and 35 cents a ton after 1977.

The Crows, however, decided to follow the path laid out by the Northern Cheyennes. On July 15, the Crow Tribal Council declared "null and void" all coal mining leases and permits. If upheld, the council's decision would affect Shell Oil, Gulf,

Peabody and American Metals Climax as well as Westmoreland.

The effect of the council's decision is unclear, however. Pemberton Hutchinson, president of Westmoreland Resources, quickly announced that in his counsel's judgment Westmoreland's leases with the Crows were still valid. He said the company will continue to operate its mine on the reservation.

Pat Stands, the tribal chairman, indicated that the validity of the leases would ultimately be determined by the Secretary of the Interior.

Real Estate at Pine Ridge

It happened in 1970. A real estate agent knew a man who wanted to rent land belonging to Hildegard Catches. The agent asked Mrs. Catches if she would be willing to rent, but she ignored the offer.

The agent rented Mrs. Catches' land anyway. He signed a contract on her behalf. He said he had her written permission to do so. He did not.

U.S. Bureau of Indian Affairs records show that such land transactions happen all the time on the Pine Ridge Indian Reservation. Records also show that the unauthorized transactions involve thousands of landowners and hundreds of thousands of dollars and acres of land.

The "real estate agent" is the U.S. government as represented by the BIA.

Most of the landowners are Oglala Sioux. The renters are cattle ranchers, some of them millionaires.

The situation which allows—in fact, encourages—the unauthorized land transactions is complex.

Mrs. Catches is, in many respects, a typical Pine Ridge landowner. She owns interests in seven parcels of land. She is a 2/15th owner of three parcels, a 1/15th owner of another, a 4/135th owner of another, a 2/135th owner of another and a 1/190th owner of another. She owns nothing outright. Her total interests add up to 159.87 acres.

Mrs. Catches inherited her land. The land she

owns was originally allotted her forebears through the Allotment Act of March 3, 1889, which gave each Oglala Sioux householder 640 acres, his spouse 320 acres, his children 160 acres each.

As the original landowner died, the land was divided among the heirs. As the heirs died, the land was divided up among their heirs.

Eugene Eggleston, a BIA range conservationist for the Pine Ridge Agency, estimates there are now about 830,000 acres of allotted land. The land has about 7,000 owners, who have about 45,000 separate ownership interests.

Eggleston admits the BIA is not abiding by regulations when it grants permits without authority from the landowners, but he reluctantly defends the practice.

"When you get down to specific cases," Eggleston says, "you protect the land use as long as the landowner doesn't object."

—Thanks to *Akwesasne Notes* and Harley Sorensen

Mohawks Reclaim Their Land

A group of more than fifty persons from the Mohawk nation has occupied an abandoned Girl Scout Camp in New York's Adirondacks State Park. Spokesmen for the group say they want to live and raise their children in the traditional way.

The state of New York, which took up the land after the Revolutionary War, has apparently adopted a policy of letting the encampment sink or swim of its own accord. Forest Ranger William Marleau said, "I have no instructions other than to patrol the area and leave them alone."

The area is part of the aboriginal land of the Mohawk nation. A sign at the entrance of the camp declares: "This camp is out to prove that traditional Indians can live off the land without electricity, money, welfare relief or aid of any kind. White people are asked to help by not interfering."

The group says it will live by hunting, fishing, gardening and gathering.

La Clínica: Health Care For The People

In 1832, more than 580,000 acres of land belonged to the heirs of the Tierra Amarilla land grant in northern New Mexico. By 1969, after decades of violence and chicanery on the part of Anglos and government agencies, the people of Tierra Amarilla had only 10,000 acres left. Over half the families in the area earned less than \$1,200 a year, unemployment was as high as 40 percent, and malnutrition, infant diarrhea, TB, kidney and heart disease were distressingly common.

Today the situation is still pretty dismal by national standards. But it is better because of a community organization, *La Cooperativa Agrícola de Tierra Amarilla*, founded in 1969 by 16 families.

Beginning with a loan of \$1,500, a borrowed tractor, a few borrowed acres and three borrowed pigs, *La Cooperativa* has since moved from agriculture to a total of eight social and economic development programs. These include a health clinic, legal aid office, silk-screen workshop and a family rights project. Participants in the cooperative

all receive the same wages, and share in the planning, labor and decision-making. And it all happens with a total annual budget that is less than the salary of a single poverty program director.

One of the most successful programs of *La Cooperativa* has been *La Clínica Del Pueblo de Rio Arriba*. When the clinic was opened in 1969, a medical emergency usually required a three-hour ambulance ride to the nearest hospital and for most people, a crushing indebtedness. Today *La Clínica* has two doctors, an obstetrical program, a 24-hour emergency service with trained technicians and an ambulance, five community para-professionals, and the only dentist within 70 miles.

The *Salud de Madre y Nino* program (Mother and Child Health) has over the last four years dramatically cut the infant mortality rate from 36 per 1,000 to well below the national average.

"Land is the issue here," coop members say. "And we feel very strongly that control of land, resources and communal ownership are the basic

issues across the nation. If we are successful, we may point a small way for the people of this nation to redefine their goals and the structure of their community life."

"We are just beginning," says the staff. "But we can say to you that real community organization in this country has just been flirted with for the past 13 or 14 years." ☞



Bob Fitch

Urban Homesteading

A Land Reform Idea That Works In Cities



Back in 1862, Congress passed the Homestead Act—a true land reform measure—which gave free title to 160 acres to any family that would settle and farm the land for five years. Now, several cities are experimenting with a similar approach to urban housing.

The concept of urban homesteading is simple enough. Abandoned publicly-owned dwellings are given to families for free or \$1. In return the homesteader agrees to bring the building up to city codes, usually within 18 months, and to occupy the home for three to five years. Usually a property tax abatement is also granted.

The idea was first tried in Wilmington, Delaware, and has since spread to Baltimore, Philadelphia, Washington, Boston, Newark and Pittsburgh. The object is twofold: to improve inner city neighborhoods, and to provide housing for those who can't afford it.

The homes available for homesteading are so far mostly owned by the cities, generally as a result of property tax foreclosures. The program could be

expanded enormously, however, if federally owned houses were made available. The Department of Housing and Urban Development is now the nation's largest owner of abandoned properties, with over 200,000 units on its hands. Most of these were repossessed as a result of corruption and poor administration of urban programs.


HUD officials say they are eager to help the homesteading movement and have offered 4,100 properties to 24 cities. HUD's problem, however, is that the agency is required by law to get the maximum return from sale of its properties. As a result, it can only turn over properties whose rehabilitation costs exceed their possible resale value.

Another problem is the high cost of bringing run-down building up to code. In Wilmington the cost is estimated at between \$5,000 and \$12,000. In Washington and Philadelphia the costs range up to \$15,000. Few people have this kind of money readily available and many private banks "red-line" the neighborhoods in which abandoned

housing is located. So a public financing program of some sort is necessary if homesteading is to be made possible for low and moderate income families.

Baltimore has met the financing problem through a \$2 million bond issue from which funds are loaned to homesteaders who cannot obtain rehabilitation loans from commercial sources. Loans of up to \$15,350 are at 6 percent interest for a maximum of 20 years.

In Philadelphia, contributions from churches, synagogues, fraternal organizations and other non-profit groups have enabled the city to make low-cost loans to homesteaders who have been unable to obtain private financing.

A bill presently before Congress would make urban homesteading a national program. The bill, introduced by Sen. Joseph Biden (D-Del.), would eliminate the resale restrictions currently holding most HUD properties from homesteaders. The bill authorizes technical and loan assistance. 

—Douglas Crooks

City Folks Hit The Sod

Reports from all over the country indicate that sales of vegetable seeds to gardeners this year are breaking records. Some are doing it in five-gallon cans on the roof, others are doing it in three-foot plots, and still others are going all the way and turning over their lawns from front to back. Financial writer Sylvia Porter says that nearly half of all American households now have backyard gardens of one sort or another. "Suddenly," headlined a recent issue of *The Christian Science Monitor*, "Everyone Is A Farmer."

Motivated by shortages, inflation, increasing fears of chemical sprays and additives—and also by a deeply-felt need to be in touch with the land—Americans everywhere are planting crops.

In San Francisco, the gardening fever has caught on with the city government, which gives seed, compost, tools, advice and space to gardeners without land of their own. The city sponsors 25 different community gardens, in which small plots are assigned to any individual who wants them. The program seems to be especially beneficial to the elderly, who now have, as project director Brian Fewer puts it, "a good reason to get out of bed in the morning." The San Francisco experiment, begun just one year ago, has drawn


many inquiries and is now spreading to cities all over the country.

The gardening boom is perhaps best summarized by the phenomenal success of the once-obscure Rodale Press, publishers of *Organic Gardening Magazine* and a host of other related books and periodicals. As the agribusiness industry grew in the fifties and sixties, Robert Rodale Sr. kept the faith in traditional gardening alive with a missionary zeal. The organic methods he extolled were generally written off by the food processing giants as inefficient, nostalgic, and even crackpot. But with the birth of environmentalism in the late sixties, his books and magazines found a vast and growing (no pun intended) audience.

One of the most heartening things about the gardening boom is the way it brings together generations, races and sexes. Old people find themselves making friends with longhairs, businessmen with dropouts, and parents with children. "It is the perfect activity for the family," says garden writer Glorinda Huckaby. "Everything we have—shelter, food and clothing—is basically dependent on plants. We got away from it once, and now we need it back. A whole generation has missed the opportunity, so it's a learning situation for everyone."



Barbara Traisman

Then there's the renewed peace and tranquility that gardening has brought to millions of alienated urban dwellers. As one young mother tells it, when she feels exasperated by the antics of her three-year-old she merely steps out amid her fava beans and zucchini and picks up a shovel. A few minutes in the vegetable patch restores her calm. "It's the greatest therapy ever," she says. 

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., N.W., Washington, DC 20007
 Alianza Federal de Pueblos Libres, 1010 3rd, NW, Albuquerque, N.Mex. 87101
 Americans for Indian Opportunity, 1816 Jefferson Place, N.W., Washington, D.C. 20036
 Appalachian Research and Defense Fund, 116-B Kanawha Blvd. E., Charleston, W.Va., 25301
 Basin Electric Power Co-op, Bismarck, ND 58501
 Black Economic Research Center, 112 W. 120th St., New York, NY 10027
 Black Land Services, Penn Center, Beaufort, S. C. 29902
 Black Mesa Defense Fund, 770 Old Pecos Trail, Santa Fe, N. Mex. 87501
 Center for Community Change, 1000 Wisconsin Ave., NW, Washington, DC 20007
 Center for Community Economic Development, 1878 Massachusetts Ave., Cambridge, Mass. 02140
 Center for New Corporate Priorities, 1516 Westwood Blvd., Los Angeles CA 90024
 Center for Rural Affairs, P.O. Box 405, Walthill, Nebraska 68067
 Center for the Biology of Natural Systems, Washington University, St. Louis MO 63130
 Central Clearing House, 338 E. De Vargas, Santa Fe, N.Mex. 87501
 Colorado Project, 1232 Delaware, Denver, Colo. 80204
 Committee to Save North Dakota, 801 2nd Ave., S.E., Jamestown, N.Dak., 58401
 Community Services, Inc., Box 243, Yellow Springs, Ohio 45387
 Conservation Foundation, 1717 Massachusetts Ave., NW, Washington, DC 20036
 Concerned Citizens United, 208 W. Bertrand, St. Marys, Kansas 66536
 Consumer Federation of America, 1012 14th St., N.W., Washington, D.C. 20005
 Cooperative League of the USA, 59 E. Van Buren, Chicago, Ill. 60605
 Cut Cane Associates, P.O. Box 98, Mineral Bluff, Ga., 30559
 Delta Ministry, P.O. Box 3634, Jackson, Miss. 39207
 Emergency Land Fund, 799 Fair St., SW, Atlanta, Ga., 30314

Coupon

This third issue of *People & Land* has been mailed free of charge to people in the land reform movement. Additional copies are available at 60 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.



Environmental Action, 1346 Connecticut Ave., NW, Washington, DC 20036
 Environmental Defense Fund, 645 Madison Ave., New York, NY 10022
 Environmental Policy Center, 324 C Street, SE, Washington, DC 20003
 Evergreen Land Trust Ass'n., P.O. Box 303, Clear Lake, Washington 98235
 Federation of Southern Cooperatives, P.O. Box 95, Epes, Ala. 35460
 Foundation for Community Development, 604 W. Chapel Hill St., Durham, NC 27702
 Friends of the Earth, 529 Commercial St., San Francisco, Calif. 94111
 Gulfcoast Pulpwood Association, Box 53, Eastabuchie, Miss. 39436
 Henry George School, 833 Market St., San Francisco, Calif. 94103
 Highlander Research and Education Center, Rt. 3, Box 245 A, New Market, Tenn. 57820
 Institute for Development of Indian Law, 927 15th St., N.W., Washington, D.C. 20005
 Institute for Liberty and Community, Box 94, Lyndonville, Vermont 05851
 Institute for the Study of Non-Violence, Box 1001, Palo Alto, Calif. 92302
 International Independence Institute, West Road, Box 183, Ashby, Mass. 01431
 Iowa Student Public Interest Research Group, 305 S. Wilmoth, Ames, Iowa 50010
 Kansas Farm Project, P.O. Box 3527, Lawrence, Kansas 66044
 Land for People, 4696 N. Millbrook, Fresno, California 93726
 Migrant Legal Action, 1820 Massachusetts Ave., N.W., Washington, DC 20036
 Minnesota Public Interest Research Group, 2651 N. Colfax, Minneapolis, Minn.
 Mississippi Action for Community Education, Box 588, Greenville, Miss. 38701
 Montana Farmers Union, Box 2447, Great Falls, Mont. 59403
 Movement for Economic Justice, 1609 Connecticut Ave., N.W., 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, Calif. 94102
 National Consumers Congress, 631 E. Polo Dr., St. Louis, Mo. 63100
 National Farmers Organization, Corning, Ia. 50841
 National Farmers Union, Box 2251, Denver, Colo., 80201
 National Indian Youth Council, 201 Hermosa N.E., Albuquerque, N. Mex. 97108
 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, P.O. Box 432, Woods Hole, Mass. 02543
 North Dakota Farmers Union, Box 651, Jamestown, N.Dak. 58401
 North West Information Network, 608 19th Ave. E., Seattle, Wash. 98112
 Northern California Land Trust, P.O. Box 156, Berkeley, Calif. 94701
 Northern Cheyenne Land Owners Association, P.O. Box 113, Lame Deer, Mont. 59101
 Northern Environmental Council, Box 89, Ashland, Wisc. 54806
 Northern Plains Resource Council, 437 Stapleton Bldg., Billings, Mont. 59101
 Northern Rockies Action Group, 9 Placer St., Helena, Mont. 59601
 Open Space Institute, 145 E. 52nd St., New York, NY 10022
 Peacemaker Land Trust, 4818 Florence Ave., Philadelphia, Pa. 19143
 Penn Community Services, P.O. Box 126, Frogmore, S. C. 29920
 People's Appalachian Research Collective, 321 Ridgewood Ave., Morgantown, W.Va. 26505
 Return Surplus Land to Indians, 1701 Massachusetts Ave., N.W., Washington, DC 20036
 Rocky Mountain Farmers Union, Box 628, Denver, Colo. 80201
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 Rural Resources Institute, 120 S. Izard, Little Rock, Ark.
 Sam Ely Land Trust, P.O. Box 116, Brunswick, Maine 04011
 Save America's Vital Energy, Inc. (SAVE), 702 W. Main St., Belle Plaine, Minnesota 56011
 Save Our Cumberland Mountains, Petros, Tenn. 37845
 Sierra Club, 220 Bush St., San Francisco, Calif. 94104
 Small Towns Institute, P.O. Box 517, Ellensburg, Washington 98926
 Southern Cooperative Development Fund, Box 3005, Lafayette, La. 70601
 Southern Regional Council, 52 Fairlie St., Atlanta, Ga. 30303
 Southern Rural Action, 220 Sunset Ave., Atlanta, Ga. 30314
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Living Better Electrically

Goldmark's New Rural Society

By Hugh Gardner

One of the most mind-boggling visions on the land reform scene is a serious proposal by a world famous inventor, Dr. Peter Goldmark, to reverse the trend toward ever-larger cities by stimulating the largest voluntary migration in the history of mankind. Goldmark thinks that Americans will go back to small town life because they want to, if jobs and modern amenities are provided. Judging from polls which say that 90 percent of Americans want more "green" in their lives, he surely has a point.

Goldmark, inventor of the LP record and pioneer in the development of color TV and video cassettes, was president and research director of CBS Laboratories for 36 years until 1971, when he retired to form his own corporation and turn his attention to what he calls The New Rural Society Project. The goal of the project is "to make towns in rural areas more attractive so that 75 to 100 million future Americans, otherwise confined to urban existence, could choose to live and work in these areas."

"As I peek into the future," Goldmark quotes Huxley, "it doesn't work."

"There will be 100 million more Americans by the year 2000. If these people settle in large urban areas, it will be chaos; the cities are already unmanageable. But if you put these 100 million Americans into, say, 3,000 existing small communities—rural towns with 5,000 to 100,000 population—the effect will be almost invisible. The communities will remain small enough so that social, political and ecological problems can be managed. I calculate that placing 100 million people in these 3,000 communities would use only four percent more land."

Goldmark dismisses the idea of top-to-bottom new towns. In order to accommodate the 75 to 100 million Americans coming by the end of this century, he says "a new town would have to be completed every third day for the next 30 years." At this rate it would be impossible to stem the massive growth of already-glutted urban areas.

"As a basic requirement," Goldmark insists, "people must be provided with the choice of whether they wish to live and work in a large city or in an attractive rural environment." This option does not exist today because rural America is plagued by a "lack of suitable employment opportunities, inadequate educational and health services, and a lack of social, cultural and recreational pursuits."

Goldmark's answer is to use "the same science and technology that put civilization into its present crisis." His laboratories have done extensive research on the thesis that communications technology in particular can be at the heart of a large-scale rural revival.

The Wired Community is Goldmark's concept of an attractive rural living environment. Through



electronics, he hopes "to bring to rural areas all the things which now attract people to overcrowded cities—jobs, education and health services, entertainment and cultural pursuits."

The biggest problem will be jobs. Goldmark wants business and industry to move their factories and offices beyond the suburbs and into the small town countryside. "A major component of our project is to show how telecommunications will enable business and government units, separated over wide distances, to function effectively and even derive additional advantages through well-being of employees and their families."

The trick is to convince business, which is generally interested in decentralization only when it can maintain centralized control. Goldmark's scheme makes provision for this. When small towns are improved and more jobs made available, a city like New York can "begin to undergo the transformation from its current archaic form to evolve into a new role—namely a Headquarters City."

According to Goldmark, "communications studies have shown that in most high-level transactions, particularly among decision-makers, face-to-face contacts are essential. The concentration of key personnel and major activities of business, finance, government, education, health, entertainment, art, etc., in the Headquarters City will make direct meetings between people easy."

The New Rural Society would thus be composed of workers and low-to-middle-level clerks and management, while the ruling elite congregated in a few newly-decongested cities.

Through electronics, he hopes 'to bring to rural areas all the things which now attract people to overcrowded cities—jobs, education and health services, entertainment and cultural pursuits.'

To compliment the electronic dispersal of jobs, educational and art centers in Headquarters Cities would beam entertainment and educational programs into small-town homes via TV, radio, cable and cassettes, giving the country the advantages of the city except for live experiences. For that Goldmark envisions a global-village communications center in each small town, serving as a theater, convention and production center for local programming. The communications center would bring the community together and increase experiences of community participation.

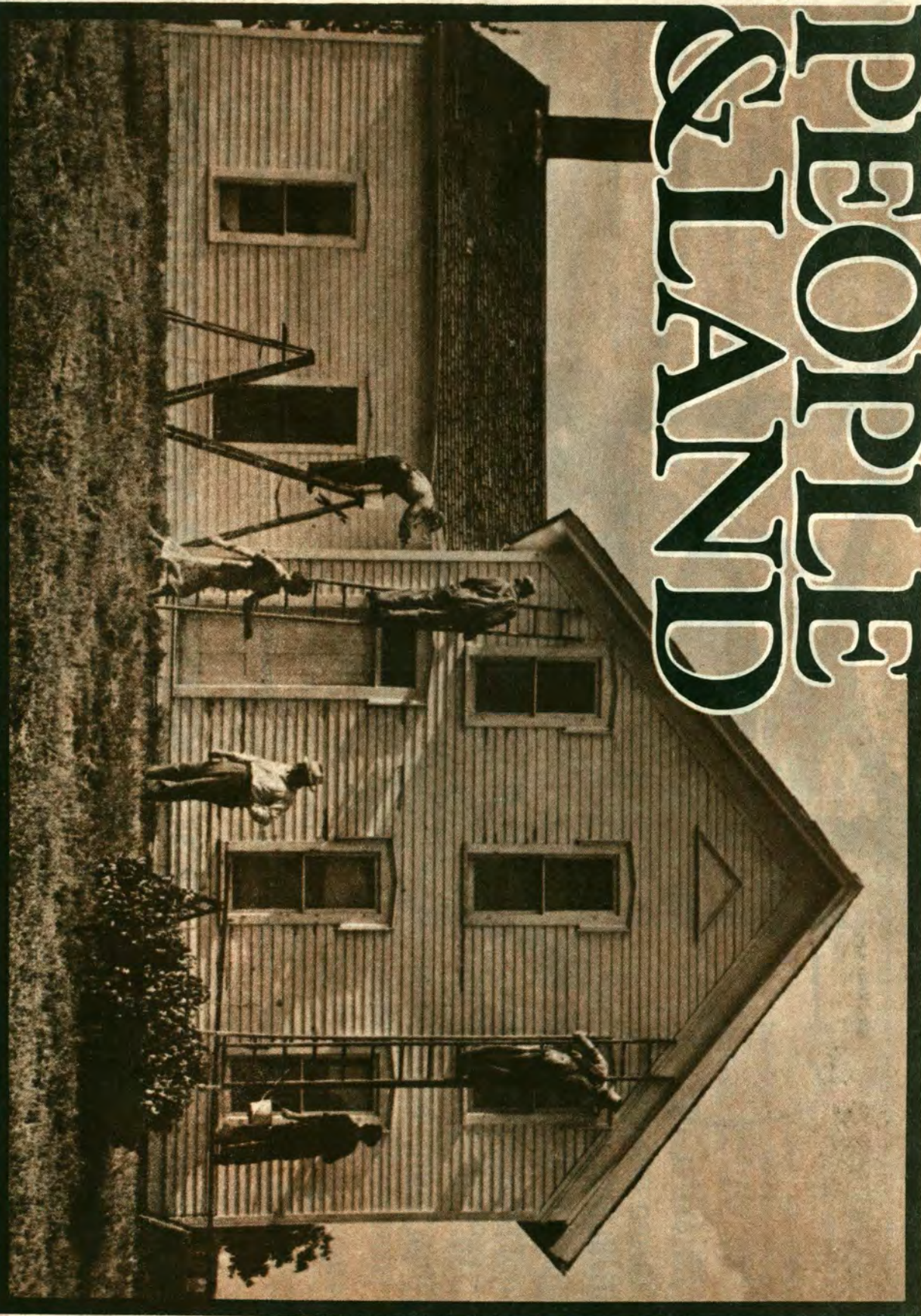
In addition, Goldmark would upgrade health services in rural areas by using mobile clinics with instant communications links to the nearest hospital and major health centers.

The Goldmark Corporation has been given a \$361,000 contract by the Department of Housing and Urban Development, through Fairfield University, to conduct a pilot study in a 10-town area in Windham County, Connecticut. Testing is now going on and the results have not yet been released. Nevertheless, Goldmark said in 1973 that "we believe that a plan could be developed with New York State now as the first large-scale demonstration of the plan."

What are we to make of Goldmark's vision? One side of the American character is undoubtedly put off by large doses of social planning and technological fixes. On the other hand, we clearly need some practical solutions and we are just as clearly lacking in leadership. In this environment the super-planners may be the only ones who can straighten everything out.

In projects like Goldmark's, we should wonder whether decentralization will be accompanied by democracy. With the elite segregated in Headquarters City and the wired, dispersed, but still manipulated population in the countryside, the Goldmark model leaves the popular control of our future a serious unanswered question. ■

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