





# Farm-City Week Set for November 20

Farm-City Week 1959 has been set for November 20 through November 26. The Week is designed to foster a better understanding between farm people and our city neighbors.

It has been pointed out that the grass always looks greener on the other fellow's side of the fence. It is an opportunity for County Farm Bureau Public Relations Committees to help develop that better understanding which is their goal.

Chairman of the 1959 National Farm-City Committee is Roy Battles, Assistant to the Master of the National Grange. The Co-Vice Chairmen are Walter Garver, Director, Agricultural Department, U. S. Chamber of Commerce, and C. Morris Wieting, Ohio Farm Bureau.

Kiwanis International is again **MICHIGAN FARM NEWS** September 1, 1959 **3**

serving as the coordinating agency for Farm-City Week.

It is estimated that last year's observance saw Farm-City Week activities in more than 9,000 U. S. and Canadian communities.

Michigan's Farm-City Relations Committee is headed by Dr. Paul A. Miller, Provost of Michigan State University. The Committee includes representatives of farm, business, labor and civic groups.

The Michigan Committee has emphasized a year-around program, with special emphasis on Farm-City Week, November 20-26. One of its activities during the Conference on Land and Water Use, held at Michigan State University May 13 and 14.

Farm-City Week has received the Distinguished Service Award from Freedoms Foundation, Valley Forge, as making "an outstanding contribution to American community life."

The call for Farm-City Week has, for the five years of its existence, been made by Joint Congressional Resolution and a Proclamation by the President of the United States.

Greenland is about the size of all the U. S. east of the Mississippi.

# Other States Face Tax Problems, Too

Michigan is only one of the states which has faced tax problems during recent months. An incomplete review of changes made by some of the State Legislatures which have been meeting during 1959 included the following:

Three more states have added the withholding feature to their income tax laws. At least 16 now use this so-called "painless" method of collecting state income tax.

At least three states (Colorado, Montana and South Carolina) have increased their income tax rates.

Washington has increased its sales and use tax from 3 1/3% to 4%. Pennsylvania raised its sales tax from 3 to 3 1/2% and Arizona from 2% to 3%.

Gasoline taxes have been raised by West Virginia and Ohio. Both states will now collect 7c per gallon.

Oklahoma expects to bolster its state revenue as the result of the repeal of prohibition, which will permit taxation and licensing of the sale of alcoholic beverages. Beer tax was increased from \$1.00 to \$1.50 per barrel in Montana.

Rates were increased on the business and occupation tax levied by West Virginia, which also increased its motor vehicle registration fees.

Tobacco taxes have been increased in several states, with only four or five states not presently collecting a cigarette tax. The third largest item going into Michigan's General Fund in 1958 was the \$26 million tab paid by cigarette smokers. In addition, they paid nearly \$17 million more in earmarked funds for schools.

General Fund exceeded in Michigan which received the cigarette tax were Business Activities Tax - \$60 million; 1/8 of the 3% sales tax - \$50 million.

New Zealand is a heavy livestock producer, but has no sizeable barns, the cattle pasture the year around.



# Mich. Peach Growers Are Going All Out Promoting Their

Shown above is Miss Judy Butzbach displaying one of the posters being distributed to retail stores to promote Michigan Peaches. Miss Butzbach is the daughter of Mr. and Mrs. Vaughn Butzbach and granddaughter of Mr. and Mrs. Roy Butzbach of Berrien County. The Butzbachs farm of 450 acres has 150 acres of fruit. Judy is a sophomore at Michigan State University majoring in English. The Butzbachs are Farm Bureau members.

# Favor Private Spending Over Gov't Aid

"In our opinion, direct government aid (by U.S.) is a poor substitute for (1) encouragement by foreign countries of private investment, and (2) a more liberal trade policy on the part of the United States," said Herbert Harris, of the A.F.B.F. Washington staff, in presenting Farm Bureau's position to the House Committee on Ways and Means. The Committee was considering H.R. 5, which proposes to amend federal tax laws to encourage and Buy Farm Bureau seeds.

stimulate private foreign investments.

Farm Bureau favors the expansion of private foreign investment, believing that this will increase international trade and U. S. exports by making more dollar exchange available and by stimulating the earning capacity of other nations.

This will require a more liberal trade policy, such as the lifting of import quotas on oil, zinc and lead and the elimination of "Buy American" requirements. "We cannot pursue a policy of encouraging foreign investment and at the same time advocate greater restrictions on world trade," said the Farm Bureau statement.

# Mich. Senators Oppose Loyalty Oath Provision

When the Defense Education Act of 1958 was adopted by Congress last year, it included a "loyalty oath" provision. Students receiving scholarships under the Act are required to affirm that they are not members of and do not support any organization "that believes in or teaches the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods."

Farm Bureau asked the Sen-

ate not to pass S. 819, which would remove loyalty oath from the Act. "It seems to us that recipients of scholarships or payments should be persons so dedicated to the Constitution of the United States and the free enterprise system that they would welcome the opportunity to declare themselves as true Americans," Farm Bureau stated.

As the Columbus, Ohio Dispatch of June 30 said: "What's good enough for the President of the United States, the members of Congress, the millions of officeholders at every level the country over, and all the men and women of the armed forces ought to be good enough for teachers and students who also accept Uncle Sam's money."

Both of Michigan's Senators have indicated that they favor removing the language from the Act. Senator Hart wrote Michigan Farm Bureau—"While I am glad to have your interesting comments, I must in all fairness tell you that I am in sympathy with the efforts to remove this section of the Act." Senator McNamara: "Even though we are not in agreement on the loyalty oath provision of the Defense Education Act, I am, nevertheless, glad to hear from you again."

The bill, introduced by Senator John Kennedy of Massachusetts, was re-committed to the Senate Labor and Public Welfare Committee by action of the Senate. This action killed the bill for this year.

# File Now for Federal Gas Tax Refund

Farmers may file only once each year for the refund of 3 cents per gallon on gas used between July 1, 1958 and June 30, 1959 on farm operations. The claim can be filed any time before September 30. (Better do it NOW!)

If you did not file a claim last year-or if you do not receive the refund form in the mail-you can get the proper blanks and instructions at your County Extension office or from the Internal Revenue Service.

Farm Bureau efforts resulted in action by Congress in 1956 entitling farmers to the Federal tax refund.



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Check your plan at the local PCA office.



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Michigan's newest concrete roads will last 50 years and more. Even the older ones outlasted other pavements 2 to 1.

Upkeep will run as much as 60% less than for asphalt! Remember, even on the new Interstate system, where Uncle Sam pays 90% of the price of the highway, Michigan pays for the upkeep—every red cent of it. With concrete the initial cost isn't just a down payment.

Don't forget that gliding smooth ride you get on modern concrete. And the extra safety, too. Mighty reassuring—that graining, skid-resisting surface—when you have to stop in a hurry. At night, light-reflecting concrete lets you see—doesn't kill light the way black pavement does.

These are just some of the reasons why concrete's the choice for Michigan's first class highways—especially for the new Interstate System.

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A national organization to improve and extend the uses of concrete

# Bean Harvest Time Is Here!

**It's time to consider the best way to market them. You have these choices**

Sell them now—Store and sell later (no loans)—Store and get CCC loan—Pool with MCBMA.

Here is how the methods would compare:	ADVANTAGE	DISADVANTAGE
<b>SELL NOW</b>	<ul style="list-style-type: none"> <li>No storage charge</li> <li>Have your money</li> <li>No more worry</li> </ul>	<ul style="list-style-type: none"> <li>Add to market glut</li> <li>Probably get less money</li> <li>Cause lower price</li> <li>Competing with your neighbor</li> </ul>
<b>STORE &amp; SELL LATER (no loan)</b>	<ul style="list-style-type: none"> <li>Avoid harvest rush</li> <li>Spread marketing</li> <li>Probably get more money</li> </ul>	<ul style="list-style-type: none"> <li>No money to use now</li> <li>Worry about prices</li> <li>Must watch market close</li> </ul>
<b>CCC LOAN</b>	<ul style="list-style-type: none"> <li>Cash to use</li> <li>Price protection</li> <li>Could sell if price goes up</li> </ul>	<ul style="list-style-type: none"> <li>Red tape—your wife must sign the note</li> <li>Others know your business</li> <li>Extra time and trips</li> <li>Storage charge</li> </ul>
<b>MCBMA POOL</b>	<ul style="list-style-type: none"> <li>Cash to use</li> <li>Price protection</li> <li>Orderly marketing</li> <li>Cooperate with neighbor, not competing</li> <li>Bargaining strength</li> <li>Large quantities for good deals</li> <li>No red tape</li> <li>Market expert to sell for you</li> </ul>	<ul style="list-style-type: none"> <li>Storage charge</li> <li>Wait till spring for final settlement</li> </ul>

**Size it up and you will decide to pool with us**

**MICHIGAN COOPERATIVE BEAN MARKETING ASSOCIATION**

Elevators displaying the white and blue signs with the little white bean are authorized agents





# Problems in Compensatory Payment Plans

## Community Farm Bureau Discussion Topic for September

Background Material for Program in September by Our Community Farm Bureau Discussion Groups

DONALD D. KINSEY  
Coordinator of Education and Research

The 5th chapter of Daniel tells how Belshazzar, King of Babylon, saw a hand writing on the wall. The meaning of the words was a mystery to him. He called upon Daniel to reveal the meaning. And Daniel foretold the fall of Belshazzar's kingdom. He was right.

Today, other "prophets" are frankly warning the American people concerning the fall of free Constitutional government. When Frol Kozlov, the Russian envoy, left the United States in July, his parting remark was "President Eisenhower's grandchildren shall live in a Communist America!" The handwriting on the wall should stand out clear for all American's to see!

### Conquest of the Farmer Is Important

The Soviet conquest of Russia taught the Communist leaders an important point—farmers must be brought under control first. In their later conquests of satellite countries, they saw to this. Czechoslovakia is a good example.

Frank Meissner describes the process of socializing agriculture in Czechoslovakia in an article published in the Journal of Farm Economics for February 1953 (page 88). On page 90 he says,

"In February, 1948, the Communists finally established their control of the government . . . . The farmer as an individual operator was to be eliminated.

"The (Communist) party recognized that the greatest task that lies in the path to socialism is the conversion of the rural areas. It is a problem more difficult than industry . . . . In agriculture we deal with individual farm owners who are independent. They resist socialistic changes.

"But for farmers who do not cooperate (in going to collectivist farms) there is discrimination by higher taxes, stiffer quotas, limitations on supplies of fertilizer, equipment, consumer goods and credit." (Pg. 98.)

### Far Away

But, that was in Czechoslovakia, you say. It is far away from home. Very well, let's move closer.

One of the extreme leftist magazines published in America is called "Political Affairs" (New Century Publishers). In its issue for October 1947 is found an historic article. It is entitled "A Program for Agriculture." The author is Mr. Lem Harris.

This article outlines in fundamental principles a plan for direct compensatory payments to farmers. It begins on page 910. From what I can discover, it seems to be the first statement of a proposal for compensatory payments.

On page 914, at the end of the article, is the following statement, "Submitted to the Committee on Agriculture of the House of Representatives by Lem Harris, in behalf of the Farm Com-

mission of the Communist Party, U.S.A."

Less than two years later, a Bill was reported out of the Senate Agricultural Committee of Congress proposing a plan for compensatory payments to American farmers, and covering the six "basic" crops — wheat, corn, cotton, tobacco, rice and peanuts.

This was Senate Bill 1971 of 1949, and became popularly known as "The Brannan Plan." We are not declaring here that this Bill took its lead from the earlier proposal of the Communist Party. But the fact remains that such a plan was suggested at an earlier date.

It is interesting to look over this 1949 Bill (S1971) a bit and analyze its emphasis. I have a copy of it before me now. It is a Bill of 86 pages in length. A little rough checking reveals that about 50 pages of the Bill outline control regulations, and about 15 pages spell out the penalties designed for farmers for failure to comply.

### It Reappears—1958 - 1959

S 1971 did not make it in 1949-50. But the idea did not die. It simply lay dormant for nearly ten years awaiting a more favorable political atmosphere.

In 1958 and 1959, new Bills proposing compensatory payment programs have emerged out of the Senate Agricultural Committee. The proposed Bills are backed by groups which for years have sought increasing power in the Federal government and the socializing of the total American economy.

### What Is the Heart Of These Proposals?

Many farmers will remember the "Brannan Plan" proposal of 1949-50. The present day proposals follow the same pattern and seek the same objectives. The 1959 Bill is numbered S 306. It is sponsored by Senator Talmadge of Georgia and others.

Those who promote the plan for direct compensatory payments to farmers make it look simple, appealing and an answer to the problems of the farm program. You have to analyze the proposal carefully to see the dangers that lie within it. There are a few basic ideas involved in the proposed plan:

1. Allow farm products to be sold in the market place for whatever price the market will pay.
2. The government will calculate a "fair parity price level" for farm products as a standard of what the farmer should get for them.
3. Since the government will be paying part of the price received by the farmer, it must have the power to adjust the amount any farmer is permitted to sell (pounds, bushels, bales, etc.) And penalties for violations must be written into the law.
4. If the farmer sells any amount of the product beyond his allowed quota, he must accept whatever price the market will pay without supports.
5. For products sold within the quota (with bills of sale for proof) the government would pay the farmer the difference between what he received in the market and 100% of parity for the product.

With this new proposal in prospect, those who have fought for the old high support program are beginning to say that it has failed, and we need this new plan as an answer. They claim that this new program will:

1. Call a halt to the government purchasing and storing costly surpluses of farm products.
2. Cause farm products to move more freely into foreign and domestic markets without government interference.
3. Do away with allotments on acreage and give farmers income supports without having these allotments in force.
4. Give the public more abundant food supplies at lower prices over the counter.

### What Products?

Our observers in Washington tell us that plans are afoot to work out this program for every product of the farm. When and if this happens, it will bring all of agriculture under direct government control. If we start with present basic supported crops, we put a foot in the door to extend it onward to other crops.

### Where Is the Catch?

1. At first, farmers would be given sales quotas based on their past 5 year history of production. There would be a limit, however, (perhaps \$25,000) in the amount of support on a product that a farmer could receive. One

proposal was to limit this to \$5,000.

With high supports in effect on the sales quota products, farmers with any capacity would shoot the works to get the maximum payments. This is natural. They did it during and after World War II on high supported crops. Production would mount at first. The free market prices would fall as a result.

2. It would not be long before the government would begin to tighten up on quotas, especially for the larger producers — to spread the right to government support around "more equitably." In other crops under marketing quotas, we have already seen "quota adjustments" of this sort. Farmers who have expanded their operations so as to meet rising costs would find themselves being pinched off by narrowing sales quotas.

3. Farmers would have to appeal to the government each year for appropriations to keep the program going. With farmers working for the yearly maximum of government support payments, public opinion would soon clamor for less aid to the farmer. Already such a clamor is heard with the present support program. But if all products were included in the new plan, one can well imagine the public uproar.

Costs would involve more than the direct payments to farmers. There would have to be a vast corps of government enforcement agents riding herd on possible violators.

Even for the limited number of crops included in presently proposed Bills, cost estimates run from \$8 to \$16 billion annually. And as production increased under the appeal of 100% of parity and market prices dropped, costs would continue to mount. Present sponsors of the Bill do not

make any estimate of the possible costs of the program.

4. Suppose you decided to stay out of the government program and accept no sales quotas. You simply could not compete. Free market prices would fall so low that you would be forced out of business.

5. This program has no purpose of helping an efficient farmer to do better. While it is a program that aims at government support for farm incomes, it also is designed to place a limit or ceiling on farm incomes and opportunities.

### A Good Question Arises

A good question arises — with incomes bound by quotas, how would a young farmer pay for a farm? It is tough enough to do that under unlimited opportunity to grow and expand.

Yes, farmers who could afford to own a farm in the future might get fewer. It might mean that the government would have to take over and manage the farms of tomorrow.

In countries where the government places a limit on opportunity to win the full rewards of your labor, production eventually falls away, abundance disappears, and is replaced by scarcity and rationing. Farm quotas become lower limits rather than upper limits. Farmers produce their quotas — or pay the penalties, even to the loss of their farms.

This now happens in socialist England, and I have in my files a statement of the government policy of England which is used to justify confiscation of the farm.

### Legal Traps

Over the years many farm programs have been made matters of law and government. Whenever this happens a gate is open-

ed for possible trouble. Anyone can promote and work for a change in the law.

For example, in the wool program farmers receive direct compensatory payments under the Wool Act of 1954. There is a similar act for sugar.

Did the Wool Act open the gate for others in this case? In the present Congress, efforts have been pushed to amend this act. Senate Bill 1570 would amend the Act as follows:

Section 702 — "It is further recognized that the objectives of this Act depend upon the maintenance of a skilled labor force for wool or mohair shearing operations . . . and that the general welfare (is) impaired not only by depressing effects of wide fluctuations in the price of wool or mohair . . . , but also by the depressing effects of the substandard wages of workers in wool and mohair shearing operations. It is hereby further declared to be the policy of Congress that in the promotion of the general economic welfare . . . fair labor standards be established for employees engaged in wool and mohair shearing operations."

Section 706 — "No loan, purchase, payment or other price support shall be made to any wool or mohair producer . . . unless (he) files a certificate with the Secretary (of Labor) certifying that (the workers employed in shearing) have been paid not less than the prevailing wage in the locality, including any overtime or other employee benefits, as determined by the Secretary of Labor."

### Opening the Door

The law becomes a means, then, for opening the door to the control over wages of agricultural workers. As reported last month, the Secretary of Labor is trying to gain control over the unionizing, wages, living conditions, fringe benefits, etc. of all agricultural workers.

The direct compensatory payment scheme is an effort to increase the scope of government operations in agriculture. Do farmers want more government in their farming operations?

### Questions

1. If compensatory payments on farm products should be given by the government, why shouldn't they also be given on automobiles, TV sets, homes and other consumer goods?

2. Suppose that producers of manufactured goods were guaranteed a government supported income on their present products. Would they, then, see any reason to develop new types of products? (Example: Suppose that the makers of buggy whips had been assured of an income. Why convert the industry to anything else?)

3. Do farmers really want more, or less, government support and control in agriculture?

Mt. Mitchell, North Carolina, 6,684 ft., is the highest peak in the U.S. east of the Rockies.

MICHIGAN FARM NEWS  
6 September 1, 1959

## Discussion Topics

Oct. Right of Way Problems on Michigan Farms.

"THESE STEERS HAVE DONE BETTER THAN ANY I'VE HAD"

Wm. B. Bailey of Coldwater, Michigan, says: "I'd recommend Farm Bureau Cattle Supplement 55% to any feeder interested in improving his stock's feed conversion, and lowering grain cost."

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