

MICHIGAN FARM NEWS

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MAKE IT HAPPEN

July 1, 1972



If a nation values anything more than freedom, it will lose its freedom; and the irony of it is that if it is comfort or money it values more, it will lose that too.

... W. Somerset Maugham

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NATIONAL FARM SAFETY WEEK

JULY 25-31

EDITORIAL . . .



How Much?

Each year on July 4 this nation observes the anniversary of its independence. It is a day when many people fly the American flag, watch or participate in a parade or some way celebrate the birth of our country.

The founders of this country created a Constitution to guide us in operating our government. This Constitution provides us a guarantee of certain rights, which cannot be denied us and basic laws or the source for laws. It provides for the rights of individuals and restraints for those who might try to attain power beyond that which would be for the best interest of the nation as a whole.

Law is an authority which, for some reason or another, great masses of men feel themselves bound to follow, perhaps not because they choose to, but in order to be able to live with other men. It may be termed the controlling force which shapes the daily conduct of men. Law is essentially the expression of what individuals deem best for their own guidance and is jealously guarded against encroachment.

Today, the people of this nation are presented with a choice between two forms of political and economic life. One form is that of traditions in which individual liberty prevails and is guarded by the law. The other is the dominance of the state in human affairs.

Presently, some segments of our society promote the idea that progress is possible only through more and more government. On the other hand, a portion of our population believes a person should have the right to work and receive a reward for his toil without undue government intervention; that people and not the government is responsible for progress.

The big question in many people's minds is how many government activities we should have and how and who should pay for these programs.

By tradition and general acceptance, government activities can be classified roughly in two groups; first, services; and second, restraints and regulations.

Typical of government services are lawmaking, enforcing, and judging; coinage and regulation of currency; defense of our nation; postal service; roads and highways; preservation of public health; care of the helpless and unfortunate; and conservation of essential natural resources.

Essential, sound and safe government regulations limit and protect our freedom on every side, from the traffic light on the corner to the theft of our homes.

A huge pile of legislation is pending in Congress which will affect all of us and carries a potential price tag of billions of dollars which we or future generations will have to pay.

One item pending is a measure under which Social Security payroll taxes paid by employers would be increased 66 percent over the next five years to finance higher benefits and set up a guaranteed income plan in a reshaping of welfare laws.

Health care plans calling for additional taxes are being kicked around. One plan calls for a three and one-half percent tax on total payroll to be paid by employers and an additional one percent on the wages of employees, plus substantial money to come from the general revenues to finance the plan.

Anti-pollution requirements, consumer protection measures, federal standards for private pension funds, minimum wage increases, new social programs and even plans to discourage American companies from investing abroad are but a few that make up the huge pile.

It is time to ask ourselves, "How much do we really want?"

Carl P. Kentner

The first place winner of the Essay Contest sponsored by Farm Bureau Insurance.

"AMERICA AND ME"

by Tim Kelleher
Grand Blanc, Michigan

Whenever I hear the great word "free"
I think of America and me.
But then I sometimes start to cry
And then I ask myself; Why?
Why should others feel the sting
Of war and crime, and the things they bring?
Why do some lock the door
Of peace and love and much, much more?
Why do some get all the power
While others are locked in the great black tower?
Maybe I can fix this place some day
So others in the future may say
"Good morning! Hello! How are ya!! Hi!
What's happening! Good Evening! So Long! Good bye!"
They will say it with feeling, not with haste.
With no feeling those words are just a waste.
I can fix this land with the things I do
I can fix it for me, I can fix it for you.
I can be a mason and make my bricks
Out of happiness and love, not out of sticks.
Sticks fall apart all along the way.
I want my bricks of good to stay.
I can be a flower in the sod
Where no evil is allowed to tread
My blossom will be great for all to see,
Maybe a flower is what I'll be.
I can be a carpenter and out of wood
I'll make the house of peace and good.
The wood will materialize out of sand
Which will come from all over the land.
Any maybe this house that I will build
Will be in remembrance of those who were killed
In the middle of a dream just like mine.
Oh yes! That house will be fine.
I can be an artist and out of tears
I will paint a window of all the years.
I'll create a masterpiece and when I'm done
Maybe I'll say, "Hello there! Do ya' mind if I sing
'Bout all the joy my picture will bring?"
I may be a fork or a spoon or a knife
It may not be an exciting life
But I will feed everyone dinner,
The poor, the rich, the good, the sinner.
I can be a head full of hair
I think we can learn a lesson there.
If the hairs ever start a fight
A comb will come to make it all right.
I can be a mailman and I can send
Happiness and joy and love times ten.
Neither snow nor rain nor gloom of night
Will keep me from spreading my sunshine bright.
But maybe if I just be me
I can accomplish tasks from A to Z.
I'll help my nation to be free
and show it independently.
But there is one that can do more than I,
to prove His point He had to die.
I think if we get together and pray
America will shape up one day.
And with His help I think that we
Can come together to plant the tree,
The tree of joy that we will make
So strong that it will never break.
But we need some help to plant the sod
We need the helping hand of God.

PRESIDENT'S COLUMN . . .

Our Transportation Needs



Agricultural goods are unlike most others in that speed with which they are transported to market has a great effect in determining their value and acceptance by the purchaser. Our complete dependence on transportation makes it imperative that all of us have more than just a cursory knowledge of the transportation issues confronting our industry.

When farmers have produced a commodity despite the perils of weather, disease and insects, with toil, sweat and worry, that commodity, regardless of what it may be, should be able to move to market. If not, it is lost and the time, effort and money put into it has been wasted.

Proposed legislation, now pending in Congress, would provide a means for promptly and permanently settling transportation strikes. It provides for the President to be given authority to extend the "cooling-off" period 15 days beyond the 80-day cooling-off provided by the Taft-Hartley Act.

Additionally, the President would also have the authority of limiting the strike to specified portions of the total industry or appointing a "final offer selector panel" which would choose one of the final offers . . . either the final offer of the union or the final offer of management.

Another disturbing transportation issue which is being reeved up, and is gaining momentum, is a sort of backhanded attempt to open the door to more regulations on farm trucks through the disguise of freight rates.

Two major proposals have been introduced. One, and the most sensible, favors greater reliance on competition, rather than on regulations to determine freight rates. The other favors more regulations, including the provision that only common carriers would be allowed to haul livestock, poultry products, processed milk, redried tobacco and shelled peanuts.

The rules and regulations governing the operation of common carriers — those who "haul (do it themselves) for the public at large, transporting either property or passengers or both," — generally are beneficial. Placing all haulers of farm products under these regulations would eliminate many farmer-owned vehicles from the highways. This in turn would make more farmers dependent upon common carriers and could very easily increase the cost gap between what the producer receives and what the consumer pays for the product.

History clearly shows us that when the rates for hauling agricultural commodities are not set, competition forces those competing for the business to lower their rates. Two cases in point show this. When the rates for frozen fruits and vegetables and processed poultry were deregulated, the freight rates declined 19 and 33 percent, respectively.

I find it somewhat difficult to picture common carriers being willing to load less than truckload lots on the farm for the short haul to the sale barn or processing plant. Likewise, I doubt the ability of common carriers to adapt their schedules to meet the needs of such things as loading farm products in the wee hours of the morning to get it to the market at day break.

Because of agriculture's dependence on efficient and economical transportation, reliance on fewer federal regulations and more on freedom of competition to stimulate improvements in the service of moving our products to market should be the aim of those working in our behalf.

Elton R. Smith

MICHIGAN FARM NEWS

THE ACTION PUBLICATION OF THE MICHIGAN FARM BUREAU

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CAPITOL REPORT



Robert E. Smith

Farmland Tax Bill Before House

The House Taxation Committee has now favorably reported out for action by the Legislature H.B. 6229. This bill, introduced by Rep. Warner and 40 others, has been rewritten in committee and came out of committee with no votes to spare. The final version affects the taxation of agricultural and other open land.

In order to qualify for specific taxation, a farm would have to be of 60 or more acres in size, devoted primarily to agricultural or horticultural use during three of the five preceding years. Farms between five acres and 60 acres could qualify if they produce a gross income of \$100 or more per acre during three of the five preceding years.

An owner of such farmland desiring to come under the provisions of the bill could do so by application, together with a \$10 fee, to the assessing officer. The application would also be filed with the Register of Deeds.

The land would then be classified and would remain under such classification for at least five years and until withdrawn from classification. It would also be qualified for a specific per acre tax in lieu of the regular property tax. The specific tax would be according to the capability of the land as defined by the USDA Handbook on Land Capability Classes. Farmland Classes I and II would be in Category A, with a per acre tax of \$9; Class III in Category B, with a per acre tax of \$7; Class IV land Category C, with a per acre tax of \$5; Classes V, VI, and VII in Category D, per acre tax \$3; Class VIII land in Category E, with \$1 per acre tax. The specific tax would only apply to the land and would not apply to buildings, which would continue to be taxed as at present.

The owner could request withdrawal of the land from specific taxation any year after three years of the initial five-year classification period. The request would be made to the assessor. The assessor then, after two annual tax days having lapsed, would withdraw the land from classification. In other words, after withdrawal request there would be two years before the withdrawal takes effect.

Upon withdrawal, there would be a tax rollback not to exceed five years. The tax would be the difference, if any, between

the specific tax and the tax that would have been paid had the land been assessed for taxes under the regular property tax laws. The rollback would also include interest.

There would be severe penalties should the owner of the land change its use during the period of classification and before it has been withdrawn from classification. It would then be subject to the regular rollback plus a penalty amounting to a declining scale, depending which year the land use was lawfully changed. For instance, if this should occur the first year after the classification, the penalty would be 12.2% of the market value. This would decline to the fifth year or more, which would be 2.4% of the market value. Such penalties, of course, could be avoided by withdrawing the land previous to the change in use. In the event the land was condemned for some public use, the penalties would not be imposed.

This legislation, if passed, will be interim legislation in an effort to encourage the preservation of farmlands in those areas where property taxes have reached well above the amounts per acre specified in the bill. Thirty dollars or more per acre tax on farmland is not unusual, with some running \$70 or more.

The bill is limited, as applications would not be accepted after 1975. It is thought in the meantime that more comprehensive land use legislation will be developed.

Provisions in the bill for "open land" are considerably different than for agricultural land. In order to qualify for that designation, it would have to be approved as part of a land use plan adopted by state or regional planning commissions or other units of local government and applications would have to be approved by the governing body.

Such open space land would also have to meet criteria, such as a need for wildlife, conservation, protection of streams, water supplies, preservation of historic sites, etc., etc. Such land could also be required to be open to public use under reasonable conditions required by the local body granting the open space classification. The specific per acre tax for this classification would be \$6.

Probably no other single piece of legislation has received as much attention as the marketing rights legislation, S. 1225. Both the House and the Senate committees have given both those supporting and opposing the bill every opportunity to have their views considered.

There have been five public hearings in addition to committee meetings. The five hearings have been held in St. Johns, Benton Harbor, Shelby, Lansing and Blissfield. All have been well attended by farmers, most of whom have supported the legislation.

The largest hearing was held in Lansing on the evening of May 23, with an estimated attendance of 400-500. The hearing adjourned at 11:30 p.m., with an estimated 40 more people who had requested time to speak.



Elton R. Smith, president MFB, expressing the belief that such enabling legislation as S.B. 1225 can help lead to a stable and healthy agriculture in Michigan and can help maintain the family-operated farm.

President Elton Smith testified for the Michigan Farm Bureau in support of the bill. Others strongly supporting the bill included Glenn Lake, President of Michigan Milk Producers Assn.; Kenneth Bull, Vice President of MACMA; Laura Heuser and Connie Canfield, officers of WSAM; Claudine Jackson for the Michigan Farm Bureau Women's Committee; Loren Armbruster, Executive Vice President of the Growers Section of the Sugar Beet Assn.; Henry Nelson speaking for the Michigan Horticultural Society. Support for the bill was also provided to the committee by the Michigan Blueberry Growers Assn. and the Michigan Celery



Loren Armbruster, vice-president grower, representing the grower's section of the Farmers and Manufacturers Beet Sugar Association.

Growers' Assn. Several farmers from all parts of the state spoke on behalf of the bill.

One supporter of the bill was not a farmer nor did he represent an organization, he was John S. Olds, President of the Van Buren State Bank. He said that eight years ago growers were in good shape, but that now the "good, efficient growers are in real trouble." He used prunes as an example of where bargaining is needed. He said that two years ago they sold in the store for 39¢ a pound and the farmer got 5¢; last year, there was a big crop and he got 2.5¢. He said only



Kenneth Bull, vice-president MACMA, testified in support.

the amount needed for processing was bought. The price to the consumer obviously did not come down. The conclusion that can be reached from this testimony is that while only the amount needed for processing was bought and the rest left on the ground there was no reason for the price to the producer to drop in half.

Those strongly opposing the bill in public have been elevator and grain handling groups; also, sugar processors and bean shippers. It is interesting that this should be true inasmuch as grain and livestock have been exempted from the bill. The strongest opposition comes from chain stores, fruit and vegetable processors, canners and freezers, etc. — and yet while these interests have



Laura Heuser, Women for Survival of Agriculture in Michigan.

been heavily represented at the public hearings, not once have they chosen to testify in public on their opposition.

Another area that needs to have the record set straight is the fact that many in the independent grain trade have used their opposition to the bill as an opportunity to attack cooperatives in general, implying that cooperatives do not pay taxes. This is absurd, misleading and absolutely false. At least one Legislator has fallen for this propaganda and has distributed it to his constituents and on the radio.



Senator Charles O. Zollar (R-Benton Harbor) prime sponsor of the State Agricultural Marketing and Bargaining Act, S.B. 1225.

Farm Bureau cooperatives are taxpaying cooperatives. They pay all the numerous taxes that anyone else does, such as real and personal property taxes, sales taxes, corporation franchise taxes, income taxes, etc. As cooperatives, they share with their members the income in the form of patronage refunds. Such refunds are taxable in the farmers' hands. Monies retained by the cooperatives for expansion, etc., or paid out as dividends, are subject to the same corporate taxes as any other business. The independent operator could, if he chose to do so, operate in the same manner and share a portion of his profit with those with whom he does business.



Henry Nelson, apple producer, outlining the support of the Michigan Horticultural Society.

Many people think that cooperatives exist only in agriculture. This, too, is untrue. Many businesses and services also operate in the same manner. For example, bank clearing houses, food distributors, some grocery chains, press associations, optical associations, some types of manufacturing associations, mutual insurance companies, etc., etc.

National Legislative Notes

by Albert A. Almy

NATIONAL AGRICULTURAL MARKETING AND BARGAINING ACT OF 1972

A clarified version of the Sisk Bill has been introduced by Congressman B. F. Sisk (D-California). The new bill, H.R. 14987, is known as the National Agricultural Marketing and Bargaining Act of 1972. It incorporates a number of amendments designed to clarify certain provisions of the original bill, but does not change its purpose. H.R. 14987 would establish a mutual obligation of a handler and a qualified producers' organization to meet at reasonable times and negotiate in good faith with respect to the production and sale of commodities grown under contract. The Subcommittee on Domestic Marketing and Consumer Relations of the House Agriculture Committee has held executive sessions on H.R. 14987.

FARM LABOR LEGISLATION

A key farm labor relations bill with strong bipartisan support has been introduced in the House of Representatives. Known as the Agricultural Labor Relations Act of 1972 (H.R. 13981), the bill would create an Agricultural Labor Relations Board with jurisdiction over agricultural labor disputes. This Board would have essentially the same powers as the National Labor Relations Board.

Strongly supported by Farm Bureau, the Agricultural Labor Relations Act would permit the development of rules and regulations suited to the needs of producers of perishable farm products. Included in the provisions of the proposed act are a promotion of secondary boycotts and a secret ballot election to permit workers to decide for themselves whether or not to be represented by a union.

The House Farm Labor Subcommittee has begun hearings on H.R. 13981 and several other different pieces of farm labor legislation, most of which would bring agriculture under the National Labor Relations Act.

MINIMUM WAGE LEGISLATION

The House has approved a Minimum Wage bill (H.R. 7130). The House-passed bill makes little change in the eligibility or coverage of farm workers from existing minimum wage requirements. It would raise the Federal farm minimum wage rate from \$1.30 per hour to \$1.50 per hour 60 days after enactment and to \$1.70 per hour a year later.

H.R. 7130 is now before the Senate Committee on Labor and Public Welfare. This committee also has under consideration another minimum wage bill (S. 1861) that would have an adverse effect upon farmers. S. 1861 would increase the farm minimum wage to \$2.20 per hour within two years after enactment, substantially reduce the scope of current agricultural exemptions and eliminate the present exemptions from overtime now applicable to farm employers.

AGRICULTURAL CHEMICALS

The Federal Environmental Pesticide Control Act of 1971 (H.R. 10729) passed the House last November by a strong 288-91 vote. As approved by the House, H.R. 10729 would divide pesticides into "general use" and "restricted use" categories.

"General use" pesticides would be those considered relatively safe under normal conditions and could be applied by anyone following usual precautions.

"Restricted use" pesticides would be those that are considered toxic or hazardous under normal operating conditions. Farmers and others applying these pesticides would be licensed. States would have responsibility for licensing users of restricted pesticides.

Senate action on H.R. 10729 is expected during 1972.

TRUCK ACCIDENT REPORTING

The Bureau of Motor Carrier Safety of the Department of Transportation has proposed new revisions to regulations for the reporting of truck accidents. These revisions would require all private carriers to conform to the reporting requirements of common carriers.

If adopted, the proposed revisions would increase by about 23 times the number of trucks for which accident reports must be made to the Bureau of Motor Carrier Safety. Common carriers and other for-hire carriers operate an estimated 780,000 trucks. Private carriers operate an estimated 17 million trucks.

Any private carrier, including any farmer, engaged in interstate commerce, would be required to submit accident reports in triplicate on forms which he would be expected to obtain from the Bureau of Motor Carrier Safety. A person would be considered to be engaged in interstate commerce if one or more of the trucks he operates crosses a state line for purposes connected with his business.

Farm Bureau has written to the Director of the Bureau of Motor Carrier Safety protesting the proposed revision and its impact upon private carriers.

CABINET REORGANIZATION

In his January 1971 State of the Union Address, President Nixon proposed an extensive reorganization of the Executive Branch of government. The proposal would combine the functions of several present cabinet level departments into four new departments.

Bills have been introduced to create the four new cabinet level departments. One of the bills is H.R. 6962 which would create a new cabinet level Department of Community Development.

H.R. 6962 proposes to transfer to the Department of Community Development the functions of the Rural Electrification Administration and the Farmers Home Administration related to rural housing programs and water and waste disposal loans and grants. These REA and FHA functions are new within the Department of Agriculture.

The REA administers loan programs for rural electrification and rural telephone service. The FHA administers housing loans to farmers, rural residents and others in open country and small rural communities and water and sewer programs in rural areas.

Concern has been expressed that if transferred to the proposed Department of Community Development the rural oriented REA and FHA programs would be subverted by growing demands for more money and program activities in urban areas. This concern may be justified since the new Department also would absorb the entire Department of Housing and Urban Development with its Model Cities and urban renewal programs.

H.R. 6962 is expected to reach the floor for House consideration soon.

Clarified Version of Sisk Bill Introduced

In April 1971, the National Agricultural Marketing and Bargaining Act of 1971 (H.R. 7597) was introduced in Congress. It would establish a mutual obligation of a handler and a qualified producers' association to meet at reasonable times and negotiate in good faith with respect to the production and sale of commodities under contract.

The bill has been in the Subcommittee on Domestic Marketing and Consumer Relations of the House Agriculture Committee since public hearings were completed last fall. It has been opposed by handlers and processors partly because of misunderstandings about certain provisions in the bill.

On May 15, 1972 a clarified version of the bill was introduced by Congressman B. F. Sisk (D-California). The new bill is known as the National Agricultural Marketing and Bargaining Act of 1972 — H.R. 14987. It incorporates a number of amendments designed to clarify certain provisions without changing the original bill's purpose. The purpose of H.R. 14987 is to strengthen farmers' bargaining power in negotiating for terms of commodities grown under contract.

The revisions were developed as a result of meetings between the House Subcommittee on Domestic Marketing and Consumer Relations, Congressman Sisk, U.S.D.A., the Justice Department and the American Farm Bureau Federation.

Amendments incorporated into H.R. 14987 clarify the following points:

1. Relate the legislation specifically to contract sales of agricultural products.
2. Protect the right of a producer not to belong to a producers' association if he so chooses.
3. Provide that independent agricultural contractors are covered by the legislation.
4. Increase the size of the National Agricultural Bargaining Board from three to five members.
5. Provide that an association of producers be qualified with respect to specific commodities and geographic area. It would also establish a reasonable period of time during which negotiations would be conducted.
6. Clarify terms of bargaining.
7. Reduce the period for determining "a prior course of dealing" by a handler with a producer.

8. Clarify conditions under which a handler may buy products from nonmembers.

9. Provide that the anti-trust exemption would be limited only to those activities specified in the bill.

10. Provide that assignment of association fees includes independent agricultural contractors.

H.R. 14987 is now before the Subcommittee on Domestic Marketing and Consumer Relations of the House Agriculture Committee. It is important that both the Subcommittee and the full Agriculture Committee give prompt and favorable action to H.R. 14987. Such action is necessary if this Congress is to enact much needed legislation to strengthen farmers' bargaining power in negotiating for terms of commodities grown under contract.

Farm Bureau members are encouraged to write their respective Congressmen and urge his support of H.R. 14987.

Licenses Issued

Licenses have been issued to 125 restricted use pesticide dealers by the Michigan Department of Agriculture, according to B. Dale Ball, director.

The restricted use pesticide law, which became effective this year, requires any dealer handling such products to obtain a state license. A license is issued only after he has demonstrated, through written examination, his knowledge of the law and rules governing the sale of pesticides.

"During the short period of time since implementation," Ball said, "we have established testing procedures, printed tests and licenses and have authorized 125 dealers to sell restricted use pesticides."

As established in MDA Regulation No. 633, the person in charge of each sales location or outlet must be licensed. Pesticides covered under the regulation are those formulations determined after public hearing to be serious hazards to man, warm-blooded animals and to the environment, when applied under normal accepted conditions of use. There are thousands of sales outlets for pesticides in Michigan. They may still sell non-restricted materials, but only the newly-licensed dealers may handle products on the restricted list.

"Selling restricted pesticides without a license," Ball added, "is a misdemeanor punishable by a fine of up to \$200 and up to 60 days in jail."

Copies of Michigan's economic poisons law, Regulation No. 633 and a list of restricted use pesticides are available by writing Michigan Department of Agriculture, Plant Industry Division, Lewis Cass Building, Lansing, Michigan 48913.

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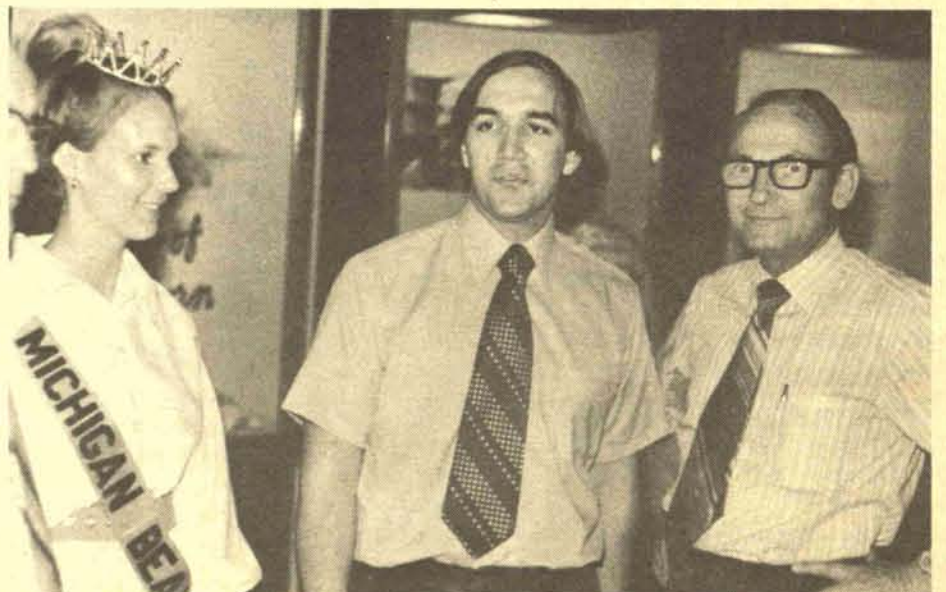
Speaker of the House William A. Ryan (D-Wayne) (L) chatted with Miss Pam McKenzie, Michigan Bean Queen and Representative J. Bob Traxler (D-Bay City) about Michigan Navy Beans.



Among the first to receive Michigan bean soup ladled out by Governor Milliken (l) on the front lawn of the Capitol Building were Pat McKenzie, Michigan Bean Queen and Representative Robert D. Young (R-Saginaw).



Representatives Dennis O. Cawthorne (R-Manistee) and James F. Smith (R-Davison) were two of the legislators who enjoyed bean soup on Capitol Bean Day.



Michigan Bean Queen, Pat McKenzie of Breckenridge; Representative John M. Engler (R-Mt. Pleasant) and Maynard Brownlee, executive secretary, Michigan Bean Commission, were on hand when tasty bean treats were served by the Gratiot County Farm Bureau Women.

STATE WIDE --PICTORIAL REPORT



Representative Stanley M. Powell (R-Ionia) enjoyed the tasty steaming bean soup served on Capitol Bean Day.



Nile L. Vermillion, Farm Bureau Insurance Group executive vice-president, (center right) accepts the Freedom's Foundation George Washington Honor Medal Award from the Honorable Thomas E. Brennan, Associate Justice of the Michigan Supreme Court. Elton R. Smith, MFB president (l) and Kenneth Bull (r) president of Farm Bureau Mutual, the Community Service Insurance Company and Community Service Acceptance Company are on-lookers. Farm Bureau Insurance Group received the award for its sponsorship of the "America and Me" Essay Contest.



City guests take a good look at farm produce on display at the Genesee County Rural-Urban meeting sponsored by the Farm Bureau Women's Committee.

UP Farm Bureau Appreciation Days



A plaque containing the natural resources of the U.P. was given to Elton Smith (r) by U.P. board member Schwiderson.

A Special Two-Day Event

"There is no place like the Upper Peninsula of Michigan. We have the clearest air, the best food, fishing, hunting and people."

In a two-day event, "U.P. Farm Bureau Appreciation Days," leaders and insurance agents attempted to prove their point to Elton Smith, president of the Michigan Farm Bureau, Nile Vermillion, executive vice president of Farm Bureau Insurance Group, Mrs. Smith, Mrs. Vermillion and other special guests.



Brian Yaroch of WLUC-TV, Marquette, hosts a half-hour show with Smith and Vermillion.



Nile Vermillion (l) and group visit the warehouse of the Mead Paper Company in Escanaba.

An "Open House" was held on May 18 at the new area service office of Farm Bureau Insurance, located at 213 North Front Street, Marquette, to start the Appreciation Days. This new facility will provide additional services to members and insureds in the ninth central area of the peninsula.

A guided tour of the Sawyer Air Force Base, including a close-up look at how bombs are loaded, how planes are refueled in the air, housing for service men and the Base facilities helped spotlight the second day.

A first-hand view of what happens to some of the forest products as they are transformed into paper was experienced at the Mead Paper Company in Escanaba. Publication paper stock for many magazines flows from the end of the long paper mill, including paper for the AFBF "American Farmer."



A special gift of U.P. real estate, in a fish bowl, was presented to Nile Vermillion by MFB board member Franklin Schwiderson.



Guests are greeted at the Marquette Farm Bureau Insurance area office by (l to r) MFB director Franklin Schwiderson and MFB president Elton Smith.

The world's largest iron ore docks at Escanaba were also visited. Tons and tons of iron ore, mined in the U.P., are shipped by rail to the edge of Little Bay De Noc where ore is stockpiled in huge mountains for later shipping or placed directly on board ship to be sent to other parts of the country.

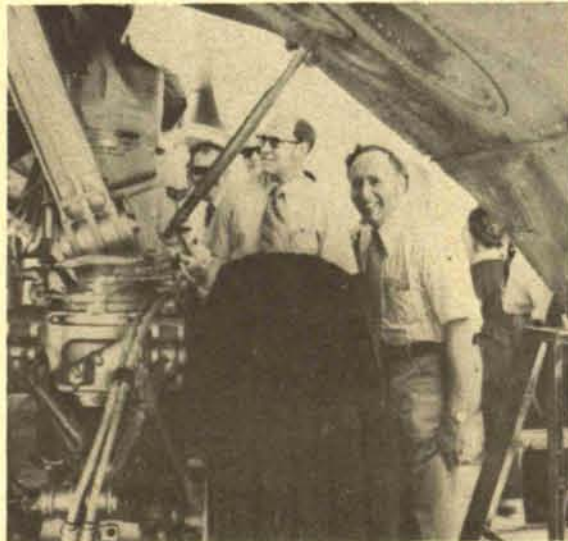
The special two-day program was sponsored jointly by Farm Bureau members and insurance agents of the U.P. to show their gratitude for having a Farm Bureau program in the Upper Peninsula.



Channel 6 news director Irvin Horton (l) interviews MFB president Elton Smith for the evening news.



Bomb loading, by special electric equipment, is demonstrated and explained to the Farm Bureau group.



Roger Hansbargar, vice president of marketing, F.B. Insurance, and Dawson Way, agency manager, get a close-up look at how the wheels work.



It's a big plane and has armament in the tail, as explained to the touring group at Sawyer Air Force Base.

AIC Meeting

The Michigan Association of Farmer Cooperatives will sponsor youth, young farm couples and adults to the national meeting of the American Institute of Cooperatives again this year.

Attending the AIC meeting July 30 through August 3 on the campus of Iowa State University, Ames, Iowa, will be approximately 800 youth, 100 young farm couples and 1,500 adults from 40 states.

Karl Kincade, State FFA President, a representative from the Hastings FFA Chapter, which won the State Cooperative Activities Contest, and an outstanding 4-H youth will be among the youth, young couples, managers and directors from various Michigan cooperatives in attendance.

—NOTES—

The Michigan Association of Teachers of Vocational Agriculture held their May meeting at Farm Bureau Center. Following a dinner meeting with members of the Michigan Farm Bureau Board of Directors, items of mutual interest and concern were discussed.

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Managers from 14 co-ops. serving the needs of agriculture participated in the Financial Comparis Program conducted June 13 by the Michigan Association of Farmer Cooperatives.

• • •

Executive Committee officers of the Michigan 4-H Foundation recently elected at the annual meeting of the Board of Trustees were: Jack Leaver, Director of Agricultural Operation for Gerber Product Company, elected president for a one-year term; two vice-presidents elected with equal status were P. R. Schepers, Consumers Power Company and Elton R. Smith, president of Michigan Farm Bureau.

Crop and Supply Report

by Gregg Sheffield
FARM BUREAU SERVICES

FIELD CROPS — Dry soils have delayed planting of dry beans and retarded germination of late planted corn. Cool, dry weather has limited development of oats, early planted corn and wheat. Soil moisture has varied from short to adequate in southeastern and upper peninsula counties, to short in most other counties. Eighty-two percent of soybeans were planted by June 12. Less than 20 percent of the dry bean acreage was planted by June 10, because of dry soils and farmers waiting for rain. Winter wheat is developing well. Sixty-eight percent of the state's acreage is reported headed. Dry soils have limited growth of oats. Dry weather was ideal for first cutting hay and about one-fifth of hay is harvested.

Supplies — Heavy infestation of alfalfa weevils reported with Malathion-Methoxychlor and Alfatox in good supply. Seasonal rush on fertilizers still in full swing in some areas. Pre-emergent and pre-plant herbicides sales are sharply down due to dry soil. Heavy use of post-emergence herbicides on corn and soybeans is drawing strongly on supplies.

Navy bean seeds still available. Some soybean seeds are left. Certified wheat seed could become tight due to Thumb area winter kill estimated at 50-80 percent.

SWINE — Prices rose \$2.30 per cwt. from mid-April to mid-May. The mid-May average price of \$24.80 per cwt. was the highest for May since the \$26 average in 1954. Hog futures have been relatively steady, and it is felt price improvement will be made into the mid-summer period, unless the USDA report of June 23 shows large on-farm increases.

CATTLE — Heavy supplies moved to market at continued higher prices. A strong demand for the cash beef absorbs all offerings. The average price, mid-April to mid-May increased \$1.60 per cwt. to \$29.80 — the highest on record for any month.

WOOL — Prices rising sharply to \$1.18 in Boston, June 9, 1972 from 30-year low of 48 cents per pound, August, 1971.

Supplies — Corn price is expected to be weaker unless incentives such as more exports occur. If progress of corn crop is good, lower prices expected into the summer. As of June 12, bulk soybean meal, Decatur, Illinois, 44 percent at \$95.50 and 49 percent at \$105.50 per ton. Strong demand continues for all feeds.

FRUIT AND VEGETABLES — Millions of dollars worth of horticultural crops were lost due to the low temperatures on June 11. The frost damaged tender vegetables and fruit in many of the low ground areas of the state.

BLUEBERRIES — A high percentage of the blueberry crop was destroyed by the freeze.

ASPARAGUS — Production in the state this year is expected to exceed 1971 by about 10 percent despite a late start and dry weather.

RED TART CHERRIES — The crop in Michigan is larger than last year. The amount of cherries marketed in the Great Lakes area may need to be tailored through a Federal marketing order to be kept in line with market needs.

Supplies — Farm Bureau appointed distributor of Ethrel the "shake-off chemical" when sprayed on tart and sweet cherries 7-14 days before harvest it causes cherries to shake-off mechanically with a minimum of damage to trees and roots. On certain hard-to-shake cherry varieties, just a three-second burst of shaking removed 90 percent of the cherries. Technical Parathion is in unusually critical short supply. Vegetable and fruit growers should get their parathion now. Sevin insecticides remain short, too.

DAIRY PRODUCTS — Milk wholesale per 100 weight: Price—May 15, 1972, \$5.90. Change from one year ago, May 15, 1971, plus five cents; change from April 15, 1972, minus 15 cents. Cheese and lowfat milk to see consumption increases. The import price on cheese to go up from 47 cents to 62 cents — seven cents above the CCC purchased price. Formerly, imports valued at 47 cents per pound were covered by this quota.

Supplies — Prices paid by Michigan farmers for mixed dairy feed, 16 percent protein per ton, May 15, 1972, \$78; April 15, 1972, \$79; May 15, 1971, \$80. Mixed dairy feed over 40 percent protein per ton, May 15, 1972, \$126; April 15, 1972, \$128; May 15, 1971, \$130. Livestock sprays for fly control, salts, sanitation chemicals, animal health products, adequate supplies. Interest in LPS liquid protein supplement continues to grow.

POULTRY AND EGGS — Michigan farm paying prices, week of June 12-17, ranged: large whites, 21-22 cents; medium, 13-14 cents; small, 9-10 cents. Prices below cost of production. The longer term outlook hopefully tends toward decreased laying flocks and increasing prices. Spent hens offerings light with steady quotation 8-8½ cents F.O.B. farmtruck lots.

Supplies — Bulk corn down slightly at \$44.60 per ton, average principle markets. Prices on poultry feeds are steady to slightly higher.

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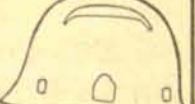
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NATIONAL FARM SAFETY WEEK JULY 25-31, 1972

—NOTES—

The importance of the bean crop in Michigan was shown to the Governor, Legislators and Capitol staff at the biennial Capitol Bean Day, held in Lansing the latter part of May.

Governor Milliken ladled out bean soup—tasty and steaming—to Lansing residents and Capitol guests during the lunch hour.

In the afternoon, Gratiot County Farm Bureau Women, under the chairmanship of Mrs. Lester Dershem, sat up a long snack table in the Capitol hallway and served bean treats which they have made famous over the past 25 years.

The ladies brought homemade bean breads, bean sweet rolls, bean cookies and cakes, bean coffee cakes, and bean doughnuts and other treats. These were handed out as dessert when the legislators, other officials and their staff returned to their afternoon duties.

• • •

A new multi-million dollar phosphate terminal is being planned in Florida which will improve Michigan's future supplies of this fertilizer essential.

The new terminal, which will be completed by 1973 at the new port facility in Tampa, is being built by C. F. Industries, a combine of 18 regional farm supply cooperatives, including Farm Bureau Services of Michigan.

Phosphates produced by C.F. Industries in Florida will be channeled through the terminal for delivery up the Mississippi to distribution points serving the Midwest farm market.

The new terminal will handle up to 500,000 tons annually and facilitate movement of phosphate to all of the cooperatives, including Michigan's.

• • •

Clarence Yntema retired as Plant Manager of the Farm Bureau Services Jenison Egg Plant as of June 1, after 13 years of loyal service.

Clarence has had a long and diversified background in the egg business, including three years with the original Farm Bureau Egg Association of Zeeland. He was also employed by Taylor Produce Company for 21 years, Van Harn Egg Company for six years, Vande Grift Egg Company for one year, and Farm Bureau Services for the past 13 years.

H. Eugene Wyngarden was appointed Plant Manager to replace Yntema.

Gene, a graduate of Ferris State College, Big Rapids, has been the manager of the Michigan Fowl Marketing Exchange for the last two years. In this new position, Gene will report to the Sales and Operations Manager for the Egg Marketing Division, Dan Crowle. Gene has a diversified background in all areas of the poultry business including four years as a flock supervisor.

Gene, his wife Hazel, and their four children will continue to reside in Jenison.



LYNN COLEMAN

An Upper Peninsula seed potato selection and parent stock program to develop new varieties of potatoes in Michigan won the 1972 Agricultural Development of the Year award in the annual Michigan Week event.

Developed at Coleman Farms, Skandia, with the cooperation of Lynn Coleman, the potato seed program received impetus from Michigan State University, the Michigan Crop Improvement Association and the Michigan Foundation Seed Association.

Experimental plots of numbered varieties of plants were field selected and field and laboratory tested with serological procedures in 1967 and 1968, in the initial phase of the project. In following years, plots were expanded and additional varieties introduced. The major aim was to fill an existing gap in the Michigan seed program by introducing new varieties and new seed stock into the total seed program.

At the present time, the project has some seven newly released varieties which are in various stages of increase, and is working with six varieties which are still being improved, as well as with several new seedlings in a potato breeding program.

Drought Areas Declared Fall Wheat Starter

Twenty-one counties have been declared as drought areas. ASCS is permitting farmers to "buy back" their set aside acreage on hay and pasture. The cost of buying this back is considerably less than what they were paid for the set aside. The 21 counties so far in drought areas are Arenac, Bay, Clare, Clinton, Gladwin, Gratiot, Huron, Iosco, Isabella, Lake, Lapeer, Mecosta, Midland, Missaukee, Muskegon, Newaygo, Osceola, Sanilac, Shiawassee, Tuscola and Wexford.

Essay Contest Winner Announced

Three eighth-grade students earned top honors for their entries in the fifth annual "America and Me" Essay Contest sponsored by Farm Bureau Insurance Group.

Tim Kelleher of Holy Family School in Grand Blanc, Bonnie Bernard of Escanaba Junior High, and Marti Griffith of Forest Hills Junior High in Grand Rapids placed first, second and third, respectively, in the statewide competition.

Tim won a fully expense-paid, four-day, three-night trip to Washington, D.C., with his parents and teacher, Mr. Michael Kelly.

In addition to the trip, Tim will receive an engraved presidential desk flag. A large stand-up display flag will be presented to Holy Family School by LaVerne Spotts, manager of the Farm Bureau Insurance Group Agency in Flushing.

An all expense-paid weekend in Chicago awaits Bonnie, the second-place essayist. Also, she has earned a presidential desk flag for herself and Escanaba Junior High. Both awards will be presented by Gene Mercier, Farm Bureau Insurance Group's agent in Delta County.

As third-place winner, Marti earned a trip to Mackinac Island and an executive desk flag. Forest Hills Junior High, where Marti attends school, will receive an executive flag. Dale Johnson, representative of the Farm Bureau Insurance Group in Comstock Park, will present the third place awards.

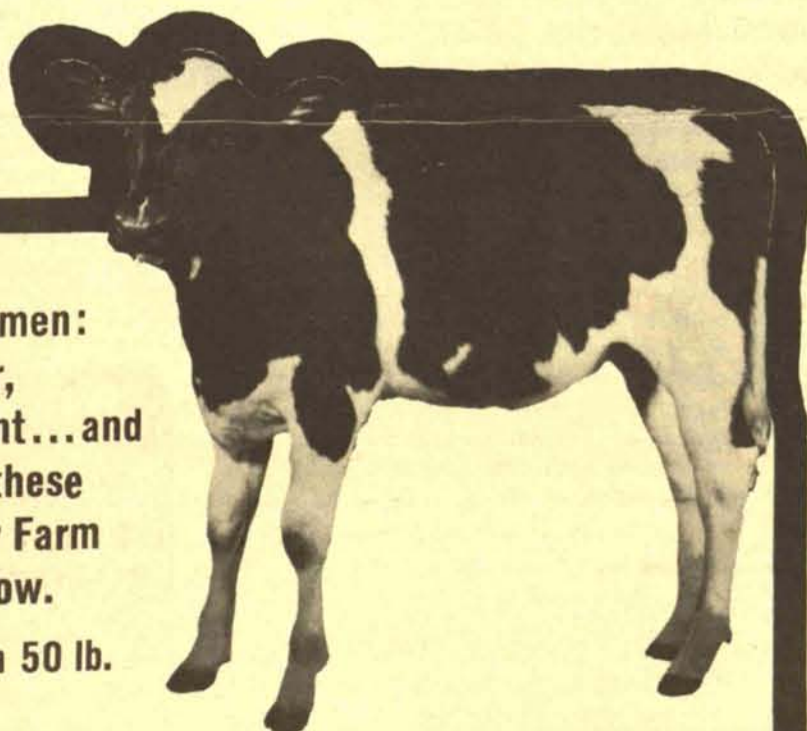
Serving on the panel of finalist judges were: James H. Brickley, Lieutenant Governor of Michigan; Philip A. Hart, United States Senator; Charles E. Chamberlain, Congressman for Michigan's Sixth District; Bob Talbert, Columnist for the *Detroit Free Press* and Martha Dixon, mid-Michigan TV personality.

Beginning as a Lansing community project in 1968, the contest, encouraging young people to seriously consider their role in shaping America's future, was expanded to a statewide competition in 1969. This year, over 250 schools and 5,000 students participated in the contest conducted through 52 Farm Bureau Insurance Group offices around the state. In March, the young essayists wrote on the theme "How Can I Help America." In April, first, second and third place awards were presented to top entries from each school. Finally, the top essayist in each school was placed in statewide competition.

The three top essays from this year's state competition will be forwarded to Freedoms Foundation at Valley Forge for entry into national essay competition.

Freedoms Foundation at Valley Forge is a nonprofit, nonpolitical, nonsectarian, educational organization created to achieve a better understanding of the basic principles underlying the Republic and to encourage Americans to be more articulate about Freedoms in today's America.

The Freedoms Foundation George Washington Honor Medal Award was conferred on Farm Bureau Insurance Group for sponsorship of the 1971 "America and Me" eighth-grade contest. This was the fourth consecutive Freedoms Foundation award earned by the Lansing-based firm for its annual statewide essay competition.



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"WELFARE"



"Self Perpetuating?"

Discussion Topic

by KEN WILES

DIRECTOR OF COMMUNICATIONS

In all ages and all societies, there have been individuals and groups who were not able to sustain themselves.

History tells us that people tossed bread to the lepers, convents took in foundlings, Caesar made a big deal out of flinging gold to the mobs, and our grandparents wept over Oliver Twist. But, it has only been in recent years, in what might be described as surplus economics, that the right of an individual to some kind of minimum living, whether physically handicapped, mentally crippled, accidentally bankrupt or just plain lazy, has gained broad acceptance.

During the last few decades, as this country's prosperity reached unparalleled heights, there has been a shocking rise of dependency. The easier it has been for a man or woman of good intentions and energy to make the grade of self-support, the more the displays of individual irresponsibility have increased.

The higher the public outlays for "relief," the worse the crime; the higher the illegitimacy, the higher the venereal disease rate; and the higher the incidence of narcotics addiction, the more critical the problem of juvenile delinquency.

This is not to say that "relief" was the cause. But it has certainly been no cure. The rising tide of unrest testifies to the growing desperation of those receiving public assistance and those providing it.

Many individuals receiving public assistance appear to be afflicted by self-hate. In an effort to flee this evil, they hurl bitter, harsh and abusive language against the so-called "establishment" — against those who operate within the laws of a productive economic system, who hold the jobs, who pay the taxes, and who provide the "relief."

Groups of citizens in this and other states, in an effort to provide cash, incentives, medical care, meaningful jobs, adequate housing, day care facilities etc., which they feel an enlightened nation owes the unfortunate, have organized to promote meaningful welfare reform.

This has lead many to ask the question: Why, if I'm not eligible for low cost housing, don't qualify for food stamps, can't get free baby-sitting at pre-school nurseries, can't get set up in business with free management to help run it, can't escape paying light or heat bills, and can't receive free medical care, am I eligible to help support those who do benefit from these?

Many citizens, particularly those with political aspirations, are busily rethinking and searching for new approaches to the welfare situation. So far, while no agreement has been reached on just how to correct the situation so all concerned will be happy, there is general agreement that the present systems are the wrong ones.

They are also in general agreement on several basic principles. First and the most obvious, that the people who have difficulty making it through no fault of their own have a prior claim upon public assistance. The ill, the old and the disabled must be cared for.

Secondly, children must be shielded from the consequences of the inadequacy or misbehavior of their parents. The theory that any home, however drunken

or disorganized, has to be maintained at public expense for the sake of the children has gotten a little threadbare.

Beyond these points the areas of agreement widen. But all are trying to find the magic formula which will produce the maximum degree of self-support and dignity with the minimum cost for public relief.

There are two sides to the question on how this can be accomplished. On one side are the Guaranteed Annual Income advocates. Their theory is that it will be cheaper in the long-run if there is no differentiation between the "deserving" and the "undeserving" poor. There would be more incentive to self-improvement and renewed individual responsibility if the "snooping" of the welfare worker ceased and if all persons could count on a minimum subsistence income from the government (taxpayers).

One of the problems, according to this school of thought, is that the present method of distributing relief degrades the receiver. He is subject to a penalty unless he pleases the distributor of the funds. This leads to resentment, self-humiliation and a pre-occupation for staying within those guidelines necessary if he is to be a card-carrying pauper.

By removing these pressures, say the advocates of guaranteed income, men will be more inclined to leap for an opportunity to work.

On the other side of the question are those who believe that a large number of people will work only if forced by dire necessity. They argue that there is no way you can explain a rising appetite for relief during periods when jobs have been plentiful except for the fact that when the threat of starvation is removed many people will simply set.

The United States, they fear, is headed for the day when the conscientious will retain less and less of the fruits of their own labor as they contribute to an ever increasing tax load to maintain a growing army of takers.

Welfare costs account for a large share of the financial costs of the State of Michigan. Michigan was required to spend 24 percent of its 1970-71 budget on public assistance programs. The recommended appropriation for welfare during the coming fiscal year is \$604 million — \$60-70 million more than for the current fiscal year. This enormous sum is to match funds coming from the federal government. Thus, one can readily add and realize that the expected expenditure for public assistance programs in Michigan for the next fiscal year will be in excess of a billion dollars.

Some of those concerned with the rising costs of welfare in this state claim that in many cases welfare aid is equivalent to a wage of as much as \$3.75 per hour. Rep. Roy Spencer (R-Attica) has said that, if this is true, the state would be better off to put welfare clients on the payroll, inasmuch as many state jobs pay about \$2.50 per hour.

Rep. Spencer seriously presents the idea that welfare payments could be considered as wages and able welfare recipients should be required to work. Even if they were only required to keep their living quarters clean and neat, wash the windows, keep the litter picked up in the yard and neighborhood, this would clean up the slums to a great degree and, at

the same time save large amounts of money for local municipal governments, he philosophizes.

Since the Federal Emergency Relief Act of 1933 was passed, the federal government has granted large sums of money to states for public assistance. The Social Security Act of 1935 established three public assistance programs. The Social Security Act of 1935 established three public assistance programs; Old Age Assistance; Aid to Dependent Children (now Aid to Families with Dependent Children); and Aid to the Blind.

An additional category, Aid to the Permanently and Totally Disabled was added in 1950 and in 1955 Medicaid was authorized for medical care of dependent persons and those unable to pay their medical bills.

The public assistance program which, more than any other, has brought the working of the present welfare system into question is AFDC. Noncontroversial in the beginning, it was primarily initiated to benefit widows with dependent children. However, the program has grown at a high rate and has changed in character and orientation. Divorce, desertion and illegitimacy have replaced widowhood as the main cause of dependency.

It has been reported that in 1960 there were in Michigan 149,548 female heads of families and 49.4 percent of these had children under 18, which made them eligible for public assistance in terms of family characteristics. By early 1970 the figure had risen to 211,282 female heads, with 64.3 percent with children under 18.

Accurate statistics are extremely difficult to obtain in order to determine the exact number of these eligible for public assistance. However, data from the Department of Social Services indicate that in 1961 approximately 35.5 percent of those who were eligible for ADC were receiving support. By April 1970 the figure had grown to 46.3 percent and the projection for the fiscal year 1971-72 is 74.5 percent.

The percent of eligible people who apply for public assistance is dependent basically upon their knowledge of the existing programs and their willingness to make application. The increased urbanization, some feel, has lead to greater knowledge of and accessibility to the program on the part of many. Also, the "War on Poverty" has brought the programs to the attention of many, as workers were sent out to encourage the eligible to apply for assistance and helped them obtain it.

Public assistance programs are usually administered at the local level by a county social services department which consists of a director and staff. The administration of the powers and duties of this department lies with the county social services board. The only portion of the net county expenditures over which the director of the social services department has any direct control is general assistance. But, even these expenditures are limited by state law.

This might lead one to assume that the state social services department is in charge of local welfare programs — particularly since it audits direct relief records to be sure local offices administer this program in compliance with public assistance policies approved by the state office. However, the federal department of Health, Education and Welfare (better known as HEW) audits the state social services department's records. The federal government can and does mandate program changes which costs the state additional dollars, without an increase in federal financial support.

The Food Stamp Program (administered by USDA) is considered to be a form of welfare or public assistance program by most individuals. However, many of those administering it prefer to consider it a nutrition program rather than a welfare program. Their reasoning being that the children and adults using the program are able to get better food and they can purchase varieties of food not otherwise possible on their limited funds.

Many individuals have expressed knowledge of individuals improperly benefitting from public assistance programs. Those who administer the programs agree that there may be some cases where this is true, but they also emphasize that very few people are actually willing to report such cases to the authorities so corrective action can be taken.

Putting together a public assistance program which will be satisfactory to all appears to be somewhat like working a jigsaw puzzle after youngsters have lost a number of pieces. However, one thing is clear — social welfare expenditures have been and are on the increase, but what politician dares to stop using welfare as vote bait? Until they do, it appears that welfare, as many maintain it is, can be considered self perpetuating.

