DOCUMENT RESUME

ED 097 136 RC 008 135

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TITLE Sources of Inequities in Rural America: Implications for Research.
PUB DATE Aug 74
NOTE 35p.; Paper presented at the Rural Sociological Society Meeting (Montreal, Quebec, August 1974)

EDRS PRICE MF-$0.75 HC-$1.85 PLUS POSTAGE
DESCRIPTORS *Accountability; Agricultural Research Projects; *Agriculture; Economic Research; Interviews; *Land Grant Universities; Literature Reviews; *Research Needs; *Rural Areas; Rural Extension; Sociology; Taxes

ABSTRACT

The paper identifies the basic factors affecting rural development and the social consequences of rural policies and structural changes in agriculture; it also suggests research areas relating some of these factors to what is happening in America's rural communities. Data sources such as congressional hearings, rural sociologists' critiques, reports by public interest research groups, the National Academy of Science's review of land grant research, and journalists' comments were reviewed. Observations from workers, small and organic farmers, consumer groups, cooperatives, minority group rural enterprises, and scientists who have challenged the production orientation of land grant colleges and participated in a conference on redirecting the research priorities of thes colleges are discussed. Tenured and nontenured faculty in all departments of a college of agriculture were interviewed on the process of selecting research topics, reasons for the research, and implications for tackling the questions posed by representatives of publics currently not being served by land grant colleges. Some research topics suggested were: concentration of ownership and its relationship to poverty; corporate interlocks and their implications in rural development; farm policy and the general public welfare; unfair competition due to the Federal tax structure; vertical integration and its effect on the small farmer, market structure and pricing, and the consumer; and social implications and impact of land grant college research. (NQ)

SOURCES OF INEQUITIES IN RURAL AMERICA: IMPLICATIONS FOR RESEARCH

by

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Rural Sociological Society Meeting, McGill University, Montreal, Canada, August 1974. This paper was prepared in conjunction with regional project report W-114: Institutional Arrangements for Rural Community Services

Sources of Inequities in Rural America: Implications for Research

The plethora of rural problems can lead us to concentrate on studying the problems and ways to ease them. But doing this and getting at their cause may not be the same. Recently, rural sociologists have directed considerable attention to the adequacy of rural community services. Bad housing, poor education, insufficient jobs, lack of capital to start a business, and inadequate health care are problems which cry out for remedy. The study of rural services to meet needs in these areas can be a partial response. However, these are manifestations of something more basic. That is, given the current trends and policies that encourage it, if there are no rural people left to serve, to talk of rural community services becomes academic; to continue to look at surface manifestations of underlying causes will relegate us to studies of the death of rural America.

The fact that so much attention is directed towards research questions that are more symptom oriented, rather than to examine structural changes that have come about as consequences of the agricultural revolution, raises questions about the sociology of rural sociological research. There is much in the tradition of rural sociology to do action oriented, policy directed research, but despite pressing problems of the day, our energies seem to be directed otherwise. And if social science researchers from within the U.S. Department of Agriculture or the land grant college complex try to do policy research, the Pound Committee on agricultural research reports a high probability that such research is not likely to be funded, or the research is unlikely to get published (Science, 1973:721).

In this paper, we will try to examine some of the major factors affecting rural society and what this implies for research and the research process.

For starters, let's discuss the implications of the increasing concentration of land and corporate involvement in American agriculture. The claim is that this is inevitable.

Roger Blobaum (1973:2), a Midwest agricultural consultant, recently wrote:

> I believe it (bigness and corporate involvement in agriculture) is inevitable only if we continue to drift along and don't do anything about it. The fact is that this is largely a political question and we can have any kind of agriculture we want in this country. The government tilts the policy balance between favoring the family-type farm and the corporate approach. The trouble is the government, while issuing policy statements praising the family farm, is doing more than any other institution in America to destroy it.

Blobaum's observation directs attention to some basic inequities re ed to distribution of land and resources dominated by large absentee owners. This situation and policies that encourage it could use some serious attenti.a. Bad housing, insufficient jobs, lack of credit, poor health care are manifestations of the nature of power and privilege. How is it that this trend continues and what is there about policies that work to the advantage of corporate bodies and to the detriment of rural communities? We can begin with some comments on our tax structure.

Rhetoric for social responsibility notwithstanding, large corporations committed to increasing profits display their priority through decisions such as locating in a community without giving jobs to the locals, circumvention of local laws on taxation, including delay in paying taxes.

Some states try to attract industry through tax and financial incentives. But the investment subsidies can be made without regard to the benefit of the area's residents. Of 4000 new jobs created by one Chrysler plant in West Virginia, only 600 went to local workers. Of some 8000 jobs created in Indian reservations by federal subsidies in past years, Indians got less

than half of the jobs, which were mostly lower paying at that (Faux, 1973:23).

In some counties it is better business for companies not to pay property taxes on time because they can make more money by investing what should have been paid as taxes. What they pay as accrued penalties on the delinquent tax is considerably less. The counties also suffer through the rampant underassessment of land. A 1967 study by the Pike county, Kentucky school board found forty to sixty percent of the country's land was either unlisted or underassessed.

> That year the Pike County schools had a deficit of almost $113,000 and 45.3% of the people were below the poverty level. Yet at the same time, $65 million worth of coal was being hauled out of the county (Nader, 1972:12).

A 1971 study by Vanderbilt University showed that in 1970, Tennessee's five most prolific coal counties produced six million tons of coal, yet were losing several hundred thousand dollars per year in property tax revenues. Ralph Nader cites a number of examples:

> Coal land owners control over one-third of the total land area of the five counties, but they provide less than four percent of the property tax revenues. One owner collects royalties of $4,500 per week on land assessed at $20-25 an acre--the same value the county assigns to unused woodland and one quarter of what it assesses farms (Nader, 1972:13-14).

A Maine study showed that state has been losing over one million dollars annually in property tax revenues because its timberlands are underassessed. Furthermore, "the State Property Tax Division does not even have a trained forester to check the work of the private appraisal firm, James W. Sewall, Inc., that assesses the timberland under contract. The president of that appraisal company, which also performs substantial private work for the timber companies, is Joseph Sewall, Chairman of the Appropriations Committee in the Maine State Legislature." In Texas, "a 1970 study of oil and gas properties by Texas University law students in Ector County, Texas, found

that producing properties were undervalued by about 56%, and that non-producing property which Texaco had leased for $460,500 was not on the assessment rolls at all" (Nader, 1972:14).

When property taxes are collected, they fall hardest on the local homeowner. The percentage of family income spent on property taxes, by different income brackets, looks like this (Just Economics, 1973:6):

Income ($)	% of Income
2,000	16.6
4,000	7.7
6,000	5.5
10,000	4.2
15,000	3.7
25,000	2.9

This is because the property tax--vital to rural areas for the provision of services--is a regressive tax. Unlike the income tax, the property tax is not graduated. Over the years, due to special interest group pressure, the property tax has shifted. In the past, it taxed all property--real, personal, tangible, and intangible--equally. Now it applies almost exclusively to real estate (land plus anything permanently attached to it or immovable from it by law). Few states and localities tax intangibles--stocks, bonds, notes, etc. Thus, poor and lower income families whose property consists mainly of their homes (often mortgaged) pay tax on almost all of what they own, unlike wealthier people whose holdings include many intangibles in addition to property.

More Subtle Ways to Deprive the Rural Areas

Underassessment and circumventing of property taxes add to the deprivation of rural areas; unfortunately, these are not the only ways to exploit rural

people. Rural expansion, recreation development, second home take over are other channels, albeit less obvious. These factors add to the expense of food production and also point out a lack of coherency in our attitudes towards growth. The consequences show up in the form of haphazard urban sprawl with its built-in vicious cycle of waste: sprawl contributes to increased energy usage by increasing distances from core work areas; to increased pollution aggravated by increased private travel in the absence of mass transit; to increased use of natural resources used up as building materials related to inefficient construction designs, and increased takeovers of agricultural lands on which to place these structures.

The loss of agricultural land is related to our property tax structure. Agricultural land is taxed not on its current usage, but rather on its going market value. As cities expand into rural areas, city residents are willing to pay high prices for residential plots. Consequently, land values climb. Thus, agricultural lands surrounding urban areas go up in value--not because of farming--but due to urban expansion. Some farmers will directly sell out to residential developers for the high prices they will receive and the added pressure of market competition they face from corporate scale farms expanding to benefit from investment economies of scale. The cycle viciously turns, for as land is sold, it increases the valuation of neighboring land, in turn increasing taxes thereby making it more difficult for those on the land to remain.

The development of recreational sites for the city inhabitant also affects his rural neighbors. In his quest for escaping the city and enjoying the outdoors, the urbanite becomes a target for recreational development schemes. The urbanite gets his recreation. The developer gets his business and profits; and the rural inhabitant . . . well, he gets several things. To start with,

he gets high prices. He also gets higher taxes and higher rents. Opportunities to supplement diets and income by hunting and fishing may be restricted if not entirely lost. His say in local government is eroded or lost.

Second home development is another attraction which appeals to city people looking for weekend, vacation, summer, and retirement homes. The effect on a rural area is much like those already mentioned. In addition, there can be adverse effects on the environment, as in the lowering of water tables, which in turn jeopardizes rural communities and agriculture.

Tied in with the whole question of second homes, recreation, and urban expansion is the issue of land speculation which is encouraged by the capital gains tax. Though vastly simplified, this system of taxation encourages a kind of reckless land use planning, since people buy land with an eye towards profit rather than as stewards of the land they buy.

Even attempts to rectify such inequities merely reinforce the way the system is stacked against rural development intended for rural people. For example, the State of California passed the California Land Conservation Act of 1965, called also the Williamson Act after its legislative sponsor, in an attempt to curtail the loss of agricultural land to urban sprawl. The act was originally intended to provide tax relief for those willing to commit their land to agricultural usage for a given period of time. In contrast to the property tax, the basis for appraisal of land under the Williamson Act is the use to which the land was being put, rather than on its current market value.

At first, this would seem to indicate that all farmers, small and large, would benefit equally. However, this is not the case. There is a cancellation penalty, which can be waived if the action is considered to be for the public

good. Furthermore, the increase in land value, subject only to the capital gains tax, would more than offset the penalties. And finally, many rural counties have lost a great deal of revenue vital to the provision of many rural services--particularly taxes needed for quality education. While large absentee agricultural and timber concerns are not affected, local inhabitants and their school districts are.

Agricultural Subsidies and Taxes: Perpetuating Income Inequities

As if all the preceding methods of rural exploitation were not enough, there are a number of other procedures that not only permit the continuance of income inequities at the general public's expense, but actually give birth to them and nurse them along. Federal and state laws which allow tax and subsidy benefits have been skewed to the point that one California almond grower told Adlai Stevenson III's Senate Subcommittee on Migratory Labor, "I believe we have created the worst welfare system of all times--the welfare system for the corporate farm" (Casalino, 1972:33).

One subsidy that makes agriculture look so attractive to non-farm interests is that associated with "tax loss farming." This allows certain interests to farm the public treasury and its impact merits serious investigation. Only recently has the importance of agriculture as a "tax shelter" come to light. A recent comprehensive work on the subject is by Jeanne Dangerfield of the Agribusiness Accountability Project entitled, Sowing the Till: A Background Paper on Tax Loss Farming (1973). Unlike most writings on taxes in agriculture, which mention benefits without an explanation of what they entail, Dangerfield gets into the inequities.

Non-farm individuals like doctors, lawyers, governors, etc. and non-agricultural corporations go into farming because it pays--ironically, by enabling them to lose money. Witness:

> The Internal Revenue Service figures show this 1965 breakdown: Individuals with $1 million or more income--119 engaged in farming with 103 writing off farm losses; $500,000 to $1 million--202 in farming with 170 reporting farm losses; $100,000 to $500,000--3,914 in farming with 2,874 reporting farm losses; $50,000 to $100,000--12,398 in farming with 7,424 reporting farm losses; $20,000 to $50,000--59,132 in farming with 30,380 reporting farm losses; $15,000 to $20,000--66,003 in farming with 23,843 reporting farm losses (U.S. Senate, 1969).

As for corporations:

> The Government also had data on the 17,578 corporations reporting farming as their principal business in 1965. (Note: for many corporations, farming is not a principal function.) The figures showed these corporations had $4.3 billion in gross receipts in the most recent tax year--roughly 10 percent of total U.S. farm gross income. Yet only 9,244 reported a profit for tax purposes. And the taxable income involved totaled a mere $197 million (U.S. Senate, 1969).

If so many are reporting losses, especially in such high income brackets, what makes agriculture such good business for non-farmers?

First, there's a bookkeeping advantage. Farmers are allowed to use the "cash accounting" as opposed to the "accrual accounting" method. Originally designed to help small farmers with their bookkeeping, it is now being used by "city farmers" to shelter their money. It works like this. Cash accounting is what individual taxpayers use for filing tax returns, while corporations use the accrual method. In the accrual method, sales and expenses are effective when the merchandise changes hands.

In cash accounting, the transaction is completed when cash changes hands. Inventories are not required. Thus, a farmer buying feed in December can deduct the cost for that year, although it will not be delivered until the following year. Accrual accounting does not allow the deduction until delivery. The advantage of cash accounting is that it allows a deduction of expenses against high non-farm income. As Dangerfield points out:

> This lets him postpone paying taxes on that percentage of his income equivalent to the amount of his farm deduction. In effect, he gets an interest-free loan from the government. When the product is finally sold and profit realized, the public's interest-free "loan" to the investor can be extended if the investor chooses to reinvest his profits in another farm venture (Dangerfield, 1973:5).

There are more advantages. The subsidy received due to the investor's tax loss is in proportion to his tax bracket. This means the average farmer paying 20% of income in taxes could save only $200 on a $1,000 feed bill, while an investor in the 50% bracket saves a whopping $500. Or, looking at it another way, he pays only $500 for $1,000 of feed versus $800 paid by the farmer. Another advantage to the non-farm investor is that he can reinvest profits on final sales in other tax shelters, while the real farmer is dependent on such profits for his livelihood and must pay taxes on them. The unjust advantage is that the non-farm investor does not really have to profit in farming. Thus, by losing, he still wins. The farmer doesn't have this advantage and is forced to compete against individual and corporate interests which command such investment write-off resources.

"Capital gains" are another source of inequity. Under the Revenue Act of 1942, farm assets such as livestock, trees, and vineyards are subject to capital gains treatment, as are land sales. Sales from these "capital assets," when held for a specific minimum period of time, are taxable at only half the rate of the individual's regular income bracket. The richer you are, the more you save since the capital gains taxation has a 25% minimum on gains of less than $50,000 and a 35% maximum on gains in excess of $50,000. As with cash accounting, the higher the tax bracket, the bigger the gain. Non-farm investors can invest for a period of time in a farm venture--and apply capital gains treatment as part of his total investments, insuring profit and possession which capitalize on capital gains, while the real

farmer would have to sell his means of earning a livelihood in order to enjoy capital gains treatment.

If the farmer chooses to hold on to his capital assets--such as machinery, equipment, barns, dairy and breeding herds, fruit and nut orchards, and vineyards--their cost can be recovered through depreciation. The cost of maintenance and development of these capital assets is considered to be a capital expenditure and in non-farm businesses would not be immediately deductible (Dangerfield, 1973:5). The costs of raising draft, breeding, and dairy livestock, and the costs of developing vineyards and orchards are capital expenditures. Yet, under the Revenue Acts of 1916 and 1919, they are all fully deductible (Dangerfield, 1973:5).

There are other ways in which investment farmers take advantage of programs intended for real farmers. There is the accelerated depreciation rule which is applicable to certain assets such as cattle and real property. This can be used to quickly depreciate animals bought to build up a herd, and is deductible from taxable income.

The 1971 Revenue Act allows for investment credit for livestock and real property purchases. The Act permits a dollar-for-dollar deduction of the federal income tax payment equal to 7% of the purchase and is thus more equitable than deductions based on tax brackets (Dangerfield, 1973:7). Also, the asset must be held the length of its useful life or the credit or a percentage of it becomes due. However good the intent, benefits are more for the investor than the farmer. For a farmer, a few bad years might make him sell out before the credit period runs out, necessitating a return of part of the credit. A non-farm investor can afford to hold on, all the while writing off his farm losses against his non-farm income.

Thus current tax laws encourage the non-farm investors to seek tax

shelters in vineyards and orchards, or in breeding herds, as they are reaching maturity. The cost of capital assets can be recovered through depreciation, while capital expenditures are fully deductible. Accelerated depreciation sweetens the operation, while investment credits and land improvement deductions aren't bad either. And before production even begins they can be sold off subject to capital gains. All the while, the investor uses the cash method of accounting rather than the accrual.

The methods employed to reap the harvest of tax benefits are many and varied--often the only limit seems to be one's imagination (Dangerfield, 1973). Limited partnerships, contractual arrangements with agencies specializing in farm management services, and personal investments are ways in which one can become an investment farmer.

Rather than list more schemes and their finer points, let us turn to the impact of this phenomenon of "farming the till." Investors farming for a tax loss offer unfair, even deathly, competition to farmers farming for their living. Large plantings for tax purposes increasingly put independent farmers out of business. As in the case of the broiler industry, corporate entry into agriculture has made previously independent producers mere sharecroppers for large companies such as Ralston Purina. Once independents are out of the picture, consumers will face up to the consequences of increased concentration of control in agricultural production, processing, and marketing: the rhetoric of lower prices will ring hollow when matched against the tyranny of prices being set at will by the selected few vertically integrated companies that will control each commodity. Nick Kotz describes such an integrated system:

> Tenneco officials--who do not want to be named--acknowledge they are building a vertically integrated food delivery system, but they deny any plans for coordinated use of the conglomerate's

total resources. Each company must compete and earn a profit separately, they say. Nevertheless, the Federal Trade Commission is actively scrutinizing the corporation's agricultural activities for possible antitrust violations.

Tenneco is reluctant to discuss details of its finances in agriculture, but available information indicates the scope of its present agricultural interests.

In 1970, Tenneco reported agricultural and land development sales of $107 million and profits of $22 million. It farmed 324 tenant farmers. It produced two million boxes of strawberries and large amounts of other fruits and vegetables. But that is only the beginning.

Heggblade-Margoleas, Tenneco's processing and marketing firm, sold its own products and those of about 2,000 other farmers. Heggblade-Margoleas is the nation's largest marketer of fresh fruits and vegetables, and the world's largest marketer of table grapes. Its processing facilities include a new eight-acre plant and the world's largest date processing plant. Tenneco even has its own farm lobbyist in Washington, D. C. (Note: Tenneco also owns J. I. Case, farm machinery manufacturer.)

Tenneco agricultural operations employ 1,100 full-time workers and 3,000 at the peak of harvest . . .

Tenneco's future plans include development of its Sun Giant brand produce and putting into production 30,000 newly irrigated acres (Kotz, 1972).

The effect of such operations on our nation's market structure has concerned Senator Gaylord Nelson's Senate Subcommittee on the effects of corporation farming on small business.

There is evidence that much of this country's corporation farming is a nearly invisible type operation aimed at control of farm commodities at the producer level and bypassing of traditional markets rather than direct operations of farms and ranches.

This is achieved through contracts with producers, plus some actual ownership and operation of feedlots and similar facilities. One common characteristic is that little or no corporation-owned land is involved (U. S. Senate, 1969:15).

But researching corporations and the impact of big money is extremely difficult as it is very hard to obtain accurate and complete data. Not all

ventures must file with state or federal agencies. There is no information of acreages subject to this new type of "farming." Nor is there information on livestock managed by tax shelters. Ralph Nader's task force on power and land in California found this to be a major problem. In terms of research, if we are to make a link up between land ownership, power, and what happens in rural communities, there lies ahead a major data problem.

Additional subsidies that make land purchases so attractive include tax deducations allowed for soil and water conservation and land clearing. As land values do not seem to be going down, these deductions make land speculation and weekend homes even more attractive to the high bracket taxpayer.

There are other ways in which the natural resources are being exploited with attendant social consequences. In addition to intruding on the land, corporations are buying rights to water, which will be used more to mine than nurture the land. Participants at the First National Land Reform Conference were reminded by Angus McDonald (1973:5-7) how energy companies were acquiring water and water rights from federally funded water projects to use in mining operations.

The American Natural Gas Service Company, which has 1.9 billion tons of coal reserves in North Dakota, has plans to build 22 gassification plants for which it seeks to reserve 375,000 acre feet of the Missouri River.

As of January 1971, the Bureau of Reclamation approved contracts to supply 473,000 acre feet of water a year from Big Horn Lake to users in Montana and Wyoming.

265,000 acre feet of water were destined for use in Wyoming and 208,000 acre feet in Montana under the auspices of corporations including Gulf Mineral Resources, Peabody Coal, Panhandle Eastern Pipe Lines, Ayshire Coal, Shell Oil, and Westmoreland Associates.

The availablity of cheap water is critical for agriculture. Boeing Aircraft, which owns 100,000 acres in eastern Oregon, has been using the public water of the Columbia River for irrigation purposes. Similar actions have been declared illegal. In California, despite favorable rulings, the federal government has not followed up on efforts to prevent usage of federally financed irrigation project waters on lands which exceed the 160-acre limitation of the Reclamation Act of 1902.

To avoid the hassles and bad publicity, corporate interests have been able to secure legislation which legally allows them to have access to publicly financed water projects, which in effect subsidize their operations. A case in point is the California State Water Project. The east side of California's Central Valley receives irrigation water from the Bureau of Reclamation's Central Valley Project, whose waters are subject to the Reclamation Act of 1902, limiting delivery of water to any single landowner to 160 acres, or 320 acres if married. Although the federal government was willing to extend the project to the west side, the mighty landlords of the west side blocked and substituted it with the California State Water Project.

At the time the California Water Plan was placed on the 1960 ballot, west side landowners included (Marine, 1970:133):

Standard Oil of California	218,000 acres
Other oil companies, combined	264,000 acres
Kern County Land Company	348,000 acres
Southern Pacific Railroad	200,000 acres
Tejon Ranch Company	348,000 acres
Boston Ranch.. Company	37,000 acres

A 1959 study by the California Labor Federation reported that 33% of the land to be irrigated was owned by 11 landowners (Casalino, 1973:4). The biggest donors to the successful 1960 campaign for the project's bond issue were Southern Pacific and Tejon Ranch. A powerful supporter was the

Los Angeles Times owned by the Times-Mirror Corporation which controls Tejon Ranch. And the biggest bondholder is the Bank of America.[1]

Although the most optimistic estimate of the bare minimum cost of the project was $2.5 billion to insure the bond issue's passage, the cost was understated at $1.75 billion. The Ralph Nader Task Force Study, Power and Land in California, calculated the figure to be closer to $10 billion. Project water will be delivered to the west side of the valley at the mere cost of transportation. This amounts to a 90% discount--quite a subsidy from the individual California taxpayer to the west side's agricultural giants. And when the time is right, the land can be sold at values vastly increased due mainly to the presence of water made possible by the public. Furthermore, the capital gains tax can be applied to the land sold, which leaves more for the landowners and less for the public coffers.

Federal subsidies also apply to grazing lands. Grasslands in the national forests and the Taylor Grazing Lands are leased out at up to one-tenth the cost of privately owned grasslands. When the Departments of Agriculture and Interior decided to raise grazing feeds from the going rate of about 30¢ a month by a few cents a year, cattlemen said they were facing ruin. The American Farm Bureau protested the increase. At present, 3/4 of all the Bureau of Land Mangement forage is leased to 11% of the permittees (McDonald, 1973:10).

Recently, the government's export subsidy program was thrust into the

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[1] In the state of California, the Bank of America "is responsible for over 40% of the loans available to farmers for crop production. During the decade of the 1960s, Bank of America extended agricultural credit in excess of ten billion dollars to growers and two or three times that much to agricultural related industries. During that same decade, the number of California farms declined by half--from about 110,000 to 56,000" (Agribusiness Accountability Project, 1972b).

spotlight when it was tied into agribusiness' movements in the U.S.-Soviet Union wheat deal.[2] This subsidy program was originally designed to enable American firms to compete effectively overseas by allowing the federal government to pay a subsidy equal to the difference between the domestic price and going world price of wheat and cotton.

Another widely known subsidy concerns crops. One of the basic ideas of the soil bank program for subsidizing crops is to take acreage out of roduction in order to prevent surpluses. Presently, this means taking land out of all production--keeping it idle. Until the late 1950s, however, it meant shifting production from one crop to another. What remains is a voluntary control program under which a farmer will participate when he figures out the economic return is greater from holding land out of production rather than farming it. The intent of this control has been shattered by the intervention of new technologies, which has increased production despite the limiting of acreage.

Given the high cost of inputs necessary for increased production through technology and the lower prices brought about by surpluses, the advantages accrue to those who already are in positions of advantage.

While certain politicians go about the country decrying welfare, the fact remains that federal crop subsidy programs cost the taxpayers more than all federal, state, and local welfare programs combined. For example, in 1970, Tenneco received crop subsidies of over a million dollars. California's J. G. Boswell, one of the world's largest cotton growers, received

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[2] For a detailed analysis of the U.S.-Soviet Union wheat deal, see Martha M. Hamilton, The Great Grain Robbery and Other Stories, Agribusiness Accountability Project, 1972.

$5 million (Casalino, 1973:34). This prompted George Thayer, a California almond grower to testify before Senator Stevenson's Senate Subcommittee that, ". . . we have created the worst welfare system of all times--the welfare system for the corporate farm" (Casalino, 1973:34).

Research as Subsidy

> We tried to change the direction of research while I was in the Department of Agriculture, away from strict production research and in the direction of facilitating adjustment. About all that happened was that we succeeded in renaming a few projects, getting the word "adjustment" inserted in the titles, with no real change in the nature of the studies.[3]

A rather unique subsidy to agriculture is that of research. A detailed and well-documented analysis of the land grant college complex was done in 1972 by the Agribusiness Accountability Project under the directorship of Jim Hightower. Though the Project's book, Hard Tomatoes, Hard Times, became a center of controversy for a period of time, the data was never challenged. It could not be. The data was from USDA and the state land grant colleges themselves. Yet little or no follow-up has resulted. Hightower's group documented the very charges we have heard directed against the land grant colleges and consequently, our own research, by individual farmers, consumers, and public interest groups. But nothing has been done, least of all by us. It seems to be incumbent upon us to look into the charges that only certain segments--and rather limited ones at that (corporate farms, processors, and retailers)--have and continue to benefit from Experiment Station research. Especially since in this case, the charge of causing and encouraging inequities is laid at our doorstep.

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[3] Don Paarlberg's quote from Hard Tomatoes, Hard Times, Agribusiness Accountability Project, 1972, p. 113. Dr. Paarlberg wrote this in 1968 in a report for the Department of Agricultural Economics of Ohio State University.

No other industry enjoys such a federal and state subsidy. Fiscal year 1970 saw approximately $341 million (including private funds) going to the various State Agricultural Experiment Stations, including almost $100 million from the federal government (Hightower, 1972:113). Furthermore, private funds bought more than one dollar's worth per dollar. By giving small donations for research, industry is able to secure research and research facilities without the cost of full-time permanent salaries, equipment purchase, and plant maintenance. So the subsidy greatly exceeds any yearly figure.

When the preceding procedure is criticized, the answer is that research findings are available to all. This disregards the fact that not all farmers can buy a $30,000 tomato harvester. The high cost of technology ultimately makes that statement a lie. Yet USDA/AES policy choices imply that increased concentration of production, vertical integration, and continuing use of expensive technology are the wave of the future. The words of Secretary of Agriculture Earl Butz, "Adapt or Die," seem to be their slogan (Kotz, 1972).

Consequently, the State Agricultural Experiment Stations have become living examples of self-fulfilling prophecies. If bigness and technological innovation is the name of the game, nothing will stop it--not even research done by USDA/AES personnel, which belies the soundness of that belief. J. Patrick Madden did a study entitled, Economies of Size in Farming, for USDA's Economic Research Service--Agricultural Economic Report No. 107--that was concerned with "the relationship between farm size and efficiency of production" (Madden, 1967). The answer given to this question from land grant college administrators and researchers to USDA officials is that efficiency can only be increased with size, therefore, technology ranging from chemical control to genetics to mechanization are all vital, indeed

necessary, for increasing farm efficiency. In case after case, Madden found that economies of scale could be achieved by what are considered by today's standards small acreages and that one and two-man operations can be as efficient as larger ones. Yet in our rush to promote agribusiness, such operations are discouraged and at best, neglected.

To aid growers in dealing with problems that arise with farm labor and their unionizing efforts, Experiment Stations have increasingly been developing appropriate mechanization to displace laborers. At the University of California at Davis, it is a given in the Agricultural Engineering Department that no innovation will be accepted by growers until they feel their labor supply is endangered. Thus, labor problems, not efficiency, provide the motivation for mechanization research. Indeed, it is often admitted that mechanization increases costs. More important, there are some serious questions for social scientists: What has been the social consequences of mechanization? What has happened to the labor scene? Where did the displaced go? Who got displaced? What has been the cost in social welfare? Agribusiness and the land grant colleges say innovations save the consumer money, without saying that it is the same consumer who through his tax dollars must pick up the welfare cost for the very same workers displaced by technology developed without thought of the social consequences. Who benefits in the long run from this, and who pays the price? Have food prices come down as claimed? Curiously, food prices rarely go down. Cost of living indices show that while farm prices have decreased, consumer prices have increased. Somebody must be benefiting and it behooves us to examine the relationship between USDA/AES research and groups that have benefited most from the continuing rise in food prices.

Rural Social Science and the Rural Scene: Where to from Here?

We've discussed some of the forces at work on the rural scene. Although admittedly somewhat prolonged, we feel this discussion relevant in directing attention to areas of research meriting priority. Inequities do exist and in our own backyard. Not looking at them will not cause them to go away. Avoiding them will only make it worse. Because we are being told something is inevitable does not make it so, regardless of who says it. And if we, as social researchers, do not do anything about it now, we will hear about it later, not from other social scientists, but from an increasingly sophisticated public.

Two preceding presidents of the Rural Sociological Society have taken into account this call for accountability (Copp, 1972; Ford, 1973). In the light of the discussion here and our experiences in California, we would like to add some comments on research areas.

In terms of research utilizing the resources of the land grant colleges, there is that involving the physical sciences as well as the social sciences. For suggestions in the first area, we will cite examples drawn from a conference on redirecting research held at the UC Davis campus in June of last year. The conference brought together University people and groups who felt that they were not being served by the University. They included groups such as farm workers, farm worker co-ops, organic farmers, consumer co-ops, small farm organizations, and scientists concerned about technological advances less exploitative of energy resources.

Writing on behalf of the United Farm Workers Union, then Research Director Jim Horgan conveyed the general mood of those in attendance, ". . . we don't object to efficiency in agriculture. But we do reject irresponsible 'efficiency' which gives no care for the lives of the farm

workers, who, like the growers, make their living in agriculture. . . . Research should be done to promote jobs, not eliminate employment. The public's money should be used to benefit the public" (Fujimoto, 1973:3).

This was reiterated by Wendell Lundberg, Vice-President of the California National Farmers Organization. "Efficiency," he said, "has been applied to the wrong thing--not to people oriented efficiency, but money type efficiency--what can make the most dollars, not what is best for people. . ."[4] Those in attendance stressed the necessity to begin putting research efforts into improving not just efficiency but the general quality of life as well. Although not all were in agreement as to priorities, there was an underlying theme--an improvement in our quality of life with a due regard for our environment and our natural and human resources.

Research suggestions expressed these concerns. There was a call for research into alternative energy sources such as methane and energy conservation: an example being which of two methods had the most effect on soil structure--using organic matter on the soil to feed soil organisms to restructure the soil, or using organic matter for methane production to fuel tractors to turn the soil.

Jerry Kresy, representing the Consumers Co-op of Berkeley, listed a number of suggestions. Some follow:

--Since Holland's farms (average size is only 15 acres) demonstrate that bigness is not synonymous with greatness, research is needed on:

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[4]These and other statements from the UC Davis conference are from the conference summary, "The People and the University: A Conference to Initiate the Redirection of Priorities for University Research," compiled by Isao Fujimoto et al., Department of Applied Behavioral Sciences, University of California, Davis, June 1973, 38 pages.

a. techniques for small farming
b. ways to grow food on city lots; how much tillable land is there within urban areas; what types of plants would grow best in urban areas; what tax and environmental benefits would accrue from city lot growing, and develop:
c. light hand and peddle powered tools, using modern gearing systems and light metals--to get away from the utilization of fuel to grow food.
d. pilot programs on urban land use for farming; use three city areas, such as Corte Madera, Richmond, and Palo Alto--calculate their amount of tillable but non-used land and develop programs to farm as much as possible, utilizing treatment waste water for irrigation.

--Develop portable units for flash freezing for use on meat produced at areas of growing, rather than at centrally shipped-to places.

--Explore the cost to consumers (both gross as total extra cost, and specifics as cost per item) of the crop advisory board's activities, i.e., Cling Peach Advisory Board, Milk Control, etc.

--Research the disparity between the prices farmers receive and consumers pay; how much by product, and where costs are allocated.

In regards to alternative agricultural schemes, Professor Robert van den Bosch of the Division of Biological Control, UC Berkeley, stated, "We should begin building a back log of techniques that do not require large energy inputs if the species is to survive. The government should support the research of organic gardeners instead of working solely on how to grow a more efficient rutabaga."

Another research need cited was on the marketing and food handling problems of small farmers. Bernard Bricmont of the California Certified Organic Farmers observed, "Everything has been oriented around such large quantities that the small grower can't process his own food, and this is where it is at. If the grower can deliver his product prepared to the market, then he will get his share of the wealth in return."

If anything, the conference was revealing in bringing together a

diversity of publics who are not willing to sit back and criticize but to offer concrete suggestions for research questions that land grant colleges could consider.

Some additional suggestions on social science related questions:

Land Grant College Research. The social implications and impact of land grant college research: What are the social consequences of the technological innovations and policy oriented research findings of agricultural experiment stations? Who has benefited and is benefiting from AES research? Is the consumer the prime beneficiary of AES research as claimed? What is the political and social structure influencing AES research?

Corporations and Agriculture. Concentration of ownership and its relationship to poverty: What is the impact of the increasing concentration of land and means of production vis-a-vis workers, community people, and consumers? As conglomerates grow, what effect will this have on workers, communities, and consumers?

Corporate interlocks and their implications in rural development: What happens as corporate directors sit on various boards? How do the interests of one company affect the operations of another? What do such corporate interlocks mean for rural residents? The example of the Times-Mirror Corporation interests in the Los Angeles Times and Tejon Ranch was cited earlier. How was the fact that Tejon Ranch was to benefit from the California State Water Project a factor in the Times' advocacy of the water project? Also examine the power structure of rural and agricultural establishments (see Wesley McCune's Who's Behind Our Farm Policy and The Farm Bloc).

Corporate intrusion into rural areas: What is the net effect of corporations moving into rural areas? In what ways do corporations moving into agriculture help or hurt the quality of life of rural areas?

Vertical integration and its effect on the small farmer, market structure and pricing, and the consumer: We are constantly being told that vertical integration will bring the consumer better and cheaper product. To what extent does this hold? What has been the social consequences of past experiences with vertical integration--such as in the poultry industry--on independent producers, to the market structure, and to the consumer?

Government Agricultural Policies and Who They Really Benefit: How are government agricultural policies developed? Who develops them? What relation do these people have to agriculture? Who are the beneficiaries of agricultural programs? For example, in the case of the Food Stamp Program, there's a return to producers, retail stores, as well as to food stamp recipients. With what orientation are such studies done, i.e., a recent study of food stamp program by UC Davis agricultural economists

had as its criterion the economic effects on retail stores and county economies without any mention of effect on recipients.

Taxes. Unfair competition due to the federal tax structure: What is the effect on agriculture and rural residents of tax policies as regards agriculture? How does unfair competition farmers face from non-farm investors affect the consumer and the community?

Land Ethics. An examination of our land policies: Given limited land resources, a burgeoning population, and tax structure that encourage profit motivated schemes regarding land use, what alternatives besides private ownership are most conducive to the public good? How feasible are land trusts and land reforms in this country?

Alternatives to Agribusiness. What structural arrangements can be created that will enable quality agricultural production while minimizing the exploitation of energy, human and natural resources?

Many of these topics have been studied by rural sociologists in other countries, and it seems time to reverse the version of the brain drain and strain. Also, there's a problem of choice of topics to study and what to call it. Overseas, unequal land distribution is called unjust, here it is considered efficient.

The Pound report on agricultural research, referred to earlier, calls for developing data relating to the welfare of rural people. "The research that has been done is generally descriptive of past trends rather than analytical, and it 'does not seem to be building any significant body of knowledge'" (Science, 1973:720). It seems time for rural sociological research, whether done alone or collectively as in regional projects, to rise to the challenge. We need a critical reappraisal of our efforts. For those of us looking at predominantly agricultural areas, to what extent are we looking at the social consequences of the agricultural revolution? For those of us looking at non-agricultural rural areas, are we looking at the effects of corporate intrusion, or the other phenomena such as those discussed here? To what extent have we critically reviewed what we are doing in light of the issues discussed?

Notwithstanding previous policy, we have the ability through our own research, to start facing these questions. By following the current discipline oriented research, whose overemphasis has been criticized (Ford, 1973), we are merely contributing to the problems we now have. There are also a number of questions concerning the sociology of research that might be worth discussing.

As suggested at the beginning of this paper, there is more to looking at the rural scene than just the manifested problems. Challenging questions arise from the social consequences emanating from the agricultural revolution and the structural changes occurring in rural areas. Nor do we need to shy away from the fact that much of the suggested research is policy oriented. No research is neutral, but it is easy and it is convenient to believe otherwise. The very nature of research is such that it sets out to discover or establish facts or principles. These facts or principles are then used to support or refute present or proposed policies and systems or to establish new ones. As long as research findings can benefit one group over another, support the status quo, or change the status quo, research is political. Nolan and Galliher in their analysis of Hightower's work point out (1973:497):

> Rural sociologists by not critically examining the societal institutions which both sponsor and utilize their research findings are in effect advocating the position of the sponsors and users. If questions of advocacy are not raised, they are in effect answered; namely, that research should benefit those who pay the bills (emphasis supplied).

While Nolan and Galliher see rural sociologists as advocates by default, James Copp, as a USDA official, saw the sponsoring institutions as simply not interested in the basic questions. Copp (1972) came to the conclusion that most research in rural sociology is irrelevant to social policy concerns because it is guided mainly by availability of research funds rather than relevance and those controlling the mission of funding agencies are not interested in addressing the broad structural issues required for this type

of research.

To enlarge on examing the social implications of research, it would do well to ask: To what extent is research done by the land grant system contributing to or creating rural problems? To what extent is it a factor in promoting rural underdevelopment as well as development, and for whom? Such questions suggest that research in development itself is political, a reality recognized in the statement that, "social science must be political science" (Frank, 1969:xviii). There is the matter of assuming responsibility for the findings of our research and being both scientists and members of society. In the words of John Lilly (1973:72):

> If you are going to live in a society in which the fruits of your labors in science are going to be taken over by others and applied in the service of that society, you have to take some sort of responsibility for it as a human being--not as a scientist.

It is a truism to note that the rural scene is very much affected more by what's outside the rural area. Its destiny is much affected by multi-national corporations which are heavily involved in both national and international politics and policies. Though there is some utility to the rural label, there is no denying the reality that we are also inhabitants of a global village where urban problems are linked to the rural, and the rural linked to theurban, with international policy affecting the domestic rural and urban situations. The least we can do is to start looking much more seriously at the impact of this trend and the consequence of the concentration of power and policies that get promulgated against the best interests of rural America.

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