

Editorial



Farmers' debts deepening despite booming economy

Politicians and businessmen celebrating the apparent economic recovery, especially those from agricultural states like Nebraska, would do well to read a United Press International story published Monday in *The Lincoln Star*.

While most sectors of the economy are booming, the story reported that farmers have continued to go deeper into debt. Because land values have dropped dramatically, some no longer are able to borrow enough cash to continue their operations.

Some startling information reported by UPI:

- The Farmers Home Administration says 263,000 of its clients, or 41 percent, are behind on payments.
- In many areas, lending agencies are moving to foreclose before spring planting begins.
- In Georgia alone, some 700 farmers are facing foreclosure.
- In Nebraska, 1,157 farmers are seriously delinquent on their loans.
- In Mississippi, 89 farmers owe \$1 million each to the FmHA.

Clearly, many people who depend on the farm for their living are in serious trouble.

Who's to blame? The government must accept part of the responsibility for the disastrous farm economy. The Soviet grain embargo enacted by former President Jimmy Carter and other

foreign policy decisions by the Carter and Reagan administration have reduced exports. This means larger surpluses in the United States and lower grain prices for farmers.

But many farmers must also share the blame for their situation. Some have been poor managers, borrowing so much money that, just like the U.S. government, total repayment seems hopeless. Some have purchased more equipment than they need just to keep up with the neighbors. And some have been just plain greedy, planting from fence row to fence row to produce more grain, thus adding to the surpluses and driving prices even lower.

The troubles down on the farm may seem unimportant to city dwellers, but in Nebraska and other Midwestern states, they affect everyone.

Farmers and those engaged in farm-related business make up such a large portion of our population that if they are in a pinch, we all feel it. If they have fewer dollars to spend, the state's economic health suffers and tax revenues drop accordingly.

There are, of course, plenty of reasons to be optimistic about the economy, but for Nebraskans, especially those in charge of state finances, the key word is caution. Until the farm situation improves, the state cannot act as though it has had a complete recovery.

Good farmers — let our government know what you're worth

All right, farmers — what do you want your president to do?

You'll never have a better chance to make yourselves heard than right now.

The few of you don't have the numbers to have much clout in Washington between elections, but you have it now.



Paul Harvey

You are uncomfortable as hell in the cost-price vice — you are hollerin' mad at the way things are — but don't let all the steam blow off in the whistle.

Tell this president and/or the guys who want to be president something specific they can and must do to help you.

While you're thinking about it, let me dare to remind you that some of the trouble you're in no president can help.

Northern Minnesota has had seven years of drought; no president can make it rain.

And even if he could, he'd never get the rice farmers of Arkansas and the catfish farmers of Alabama and the citrus growers of the Rio Grande Valley to agree on how much is too much.

Agriculture is a many splendored thing — but its very diversity sets senators from cotton states against wheat programs and vice versa.

And you tried a peanut farmer in the White House and ended up with an embargo!

Farmers, I don't know how to make a sharp point painless; some farmers shouldn't.

I know that in Iowa 10 percent of farmers are bankrupt or almost. Lots of bottomland farmers have suffered natural disasters.

And I see the tight-jawed men and weeping farm wives on prime-time TV telling how rough it is to be over-the-hill and starting over.

But some farmers shouldn't.

Some farmers are bad farmers; spend more time at the tavern than on the tractor.

Some farmers are good farmers and bad managers, take on too much land, too much debt; have no cushion for a succession of bad years.

Some young farmers for no better reason than trying to keep up with the Joneses will buy bigger tractors than they need — or can pay for.

I know for a fact of a Binford, N.D., dairy farmer whose vanity led him to invest in a new milking machine — though to pay for it he had to sell his only milk cow!

That sounds like a joke. It's no joke. Too many of us have put too many eggs in one basket. Without diversification we're vulnerable. Too many sunflowers and the midge comes along and here comes the sheriff.

Some farmers shouldn't. It's too easy always to blame the government.

But while politicians left and right are courting you, if you have a constructive recommendation to offer, now is the time.

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Editorial Policy

Unsigned editorials represent official policy of the spring 1984 Daily Nebraskan. They are written by this semester's editor in chief, Larry Sparks.

Other staff members will write editorials throughout the semester. They will carry the author's name after the final sentence. They will carry the author's name after the final sentence. Editorials do not necessarily reflect the views of the university, its employees, the students or the NU Board of Regents.

According to the policy set by the regents, responsibility for the content of the newspaper lies solely in the hands of its student editors.

'More real than paper money'

Chickens are currency after crash of '84

If the swishing tail of Juan Jimenez's mule had struck the mule fly before it bit, perhaps the world would not have gone bankrupt.

But as it was, the bite became infected, the mule went lame, Juan was unable to get his spring crop of macrame tea cozies to market in Buenos Aires, his



Arthur Hoppe

taxes of 11,462 pesos (88 cents) went unpaid, and Argentina irrevocably defaulted on its \$43 billion debt.

"What the heck," said President Raul Alfonsin, "there's no way we can ever repay \$43 billion anyway and by belying up we'll save more than \$5 billion a year in interest."

U.S. banks could undoubtedly have survived this loss had not other Latin American and Third World countries followed suit. "What's good enough for Argentina is good for us!" cried the Ratt of Phynkia, filing for Chapter 11 on the \$1.24 he owed the United States in postage due.

The total debt of these nations was \$800 billion and one by one banks around the world closed their

doors. In the United States, the Federal Reserve Board made a gallant effort to rescue the sinking savings institutions. But by the time the national debt had doubled to \$2.92 trillion, cooler heads prevailed.

"What the heck, there's no way we can ever repay \$2.92 trillion anyway," mused Treasury Secretary Regan. "And if we go belly up, we can save \$260 billion a year in interest, thereby more than balancing the budget."

That was when the world went bankrupt. Oddly enough, the results were not as appalling as often had been feared. While all consumer savings were wiped out overnight, money being worth nothing as money, so were all consumer debts. And as any consumer worthy of the name owed considerably more than he or she had saved, consumers generally came out ahead.

Moreover, paper money proved valuable for insulation, fuel and covering the walls of mental institutions in a restful green.

People rather liked the barter system that inevitably developed. "It somehow seems more real than paper money," said Seacaucus, N.J., housewife Muriel Trundle as she gave grocer Clarence Figg a back rub in exchange for a pound of ground chuck and six rutabagas.

Best of all, there was no borrowing. As everybody's credit rating had been ruined in the Great Crash of

1984, nobody was about to lend anybody any goods or services. Consequently, mankind entered a golden era with no bills to pay every day and eight hours of solid sleep every night.

But it was too good to last. Eventually, a desperate used car dealer named Cowtrader Ted put up a sign saying: "1982, 4-dr Lemon Sedan — Ten Chickens Down, Two Roosters a Week."

His success only encouraged the greed in others. With the dollar discredited, chickens became the unit of exchange and soon I.O.U.s for chickens were being swapped for goods and services.

The government, which had always consumed far more goods and services than it provided, quickly began printing slips of paper that said "We Owe You 50 Chickens" on one side and "In God We Trust" on the other.

In less time than it takes to tell it, the government piled up a national debt of 1.46 trillion chickens. And the poor nations owed the world's affluent chicken farmers 800 billion chickens.

All might have been well if a Brazilian bauble farmer named Victor Gonzalez had not taken an ill-aimed swat at a pesky baublefly and crushed his entire fall crop of red and green Christmas baubles, thereby preventing him from paying his taxes of 142 cruzeiros (88 cents) which caused the President Figueiredo to say: "What the heck..."

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