

**EDITORIAL:
CONGRESS MUST ENACT FOOD AND TRACTOR CREDITS NOW!**

Jan. 12 (IPS)--Over the next one hundred days, Congress must enact the emergency measures necessary to ensure food production and re-start collapsed industrial production. An appropriation of \$32 billion must be effected to meet three basic requirements.

*This year's spring plantings must be saved from the imminent threat of disaster provoked by credit cut-offs.

*Tractor production must be expanded on the basis of already existing, off-the-shelf technologies and parts.

*The conversion of idled auto capacity to full tractor production capability must begin.

These three interrelated efforts define Phase One of the reconstruction job that will be necessary to turn capitalism's worst depression around. As of this weekend, Labor Committee and U.S. Labor Party organizers around the country will begin to direct workers and supporting layers to contact all elected officials, trade union officials, press, etc. to agitate for the immediate necessity of these measures. Additionally, such proposals will be drafted in legislative form for expeditious action by Congress itself.

Congress must also move immediately to guarantee full unemployment and Supplemental Unemployment Benefits (SUB) pay for workers until they can be hired for useful production. Those workers who cannot be reemployed as part of the emergency tractor and food program will be targetted for employment in later phases of the program to reconvert the U.S. economy as a capital goods and consumer goods supplier for the entire world. Phase Two and Three of this program will involve industrial areas such as housing, transportation, etc.

Save the Spring Planting!

The proposed \$32 billion appropriation will be divided into two parts to finance Phase One reconstruction efforts. The major allocation will be directed to alleviate the potential global

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disaster that is looming as delays, uncertainties, and material shortages, such as fertilizer production cutbacks, threaten this spring's planting season in the United States. Full agricultural output by the United States will provide more than sufficient grain to prevent the inevitable famines in the Third and Fourth Worlds.

Corollary legislative measures will be designed to ensure the expansion of fertilizer output by preventing Federal Power Commission and company sabotage of natural gas supplies and processing operations. The Congress must also take action to ensure cheap, abundant oil supplies--now fully available at the cost of breaking up, and nationalizing if necessary, the Seven Sister oil companies under control of the Rockefeller family.

Congress must enact the appropriation of \$25 billion to safeguard the spring crop.

The incompetence and disarray of the U.S. banking sector forces such a high order of assessment on this appropriation. Surveys conducted show that bankers around the country, whether in major New York operations, or regional and local outfits, simply do not know, even at this late date, how much credit will be available to finance farmers' production requirements. Similarly surveys have also revealed that bankers do not know what proportion of total costs farmers themselves will be able to defray. That chaotic financial situation forces us to adopt the safest course and budget the entire cost of the operation, as opposed to the margin that would be left uncovered by bankers' extensions of credit, and farmers' current ability to pay.

Calculations are based on the U.S. Department of Agriculture's Farm Income Situation Report of July 1974 (USDA FIS-224) and are adjusted for inflation.

Costs

Seed	\$3 billion
Fertilizer	\$6 billion
Constant Capital	\$8 billion (new equipment
Labor	<u>\$7 billion</u> and repairs)
Total Cost	\$25 billion

To meet current expenses of the entire year an additional \$30 billion will be necessary, thereby forcing a commitment to provide for \$55 billion total cost over the year.

The existing administrative machinery of the Farm Credit Administration (including the Cooperative Credit Corporation, Intermediate Credit Banks, and Federal Land Banks) can be used to direct funding into the appropriate channels. A two per cent interest rate on credit extended will be levied to meet such administrative costs.

The necessary fund will be levied by opening the following sources of new taxation, which will provide the required \$55 billion.

*A tax of one per cent on the total loans and investments of large commercial banks. To yield \$40 billion.

*A tax of 0.6 per cent on the total assets of life insurance companies. To yield \$15 billion.

*A tax of one per cent on the turnover of the Chicago Mercantile Exchange. To yield \$2 billion.

To ensure that such funds are used for the production of food, and related real production, such as fertilizer, it will be necessary to postpone payments on the \$19 billion of Farm Credit Administration notes coming due during 1975. It will also be necessary to remove the burden of the \$85 billion of farm debt outstanding in 1974, pending re-evaluation of the real-production related component of that debt, and its transference to the Farm Credit Administration.

Expand Tractor Production

The second major component of the necessary appropriation will be allocated for the immediate full utilization of existing tractor production facilities and the institution of a crash program to convert idle auto capacity to tractor production. Seven billion dollars will be necessary in the first instance, to finance both elements of the needed program over the first three-month period.

Such conversion not only will immediately employ over 200,000 workers now out of work, but will provide the basis for full utilization of all arable land in the United States and for beginning the export of tractors to Soviet and other agricultural areas. On the basis of this mechanization and expanded fertilizer production, the food crisis could be resolved in a year and a real foundation for detente laid.

Specifically, under conditions of full utilization of capacity, the tractor industry as presently constituted can produce minimally 750,000 tractors a year. At current operating costs, the cost of production of one tractor is \$20,000 or \$15 billion annual total. Therefore, on a quarterly basis, beginning January 1, 1975, Congress will take powers to appropriate \$4 billion. These funds could come from the military procurement budget of the Department of Defense, crediting the necessary payments and ordering schedules for tractor production to be implemented under the auspices of the Department of Agriculture, or from other non-working-class income.

Second, cost estimates for the initial retooling of auto capacity for tractor production are \$3 billion. Estimates of leading

production engineers in the field give a ratio of one tractor and accessories for each two-and-one-half autos of present capacity. Conversion of the idle five million per annum rate of auto capacity, therefore, will yield capacity for two million tractors.

At present costs of production, the two million tractors to be produced through initial conversion will cost \$40 billion. Congress will therefore make reappropriations, on a quarterly basis, from such sources as the Defense Department or the non-working-class tax base, of \$10 billion for the credit of the Department of Agriculture to defray current production costs of tractors.

These initial Phase One measures, by saving the spring planting, and getting the U.S. workers back on the job, will immediately lay the basis for turning around the widespread famine situations that prevail throughout the so-called developing countries, areas which have been earmarked by the Rockefeller brothers as bases for the genocidal policies of triage, as in the plague-ravaged Indian subcontinent. Congress must be forced to act now while we can still get the crops into the ground for the spring.

HOW TO BUILD FIVE MILLION TRACTORS A YEAR

Jan. 11 (IPS)--The National Caucus of Labor Committees Research and Development section has estimated, on the basis of information supplied by several engineers inside and outside the tractor industry itself, that the current rate of U.S. tractor production can be increased 20 times over--from 250,000 to five million units per year--within three to six months after auto plants begin to be converted to tractor production.

Tractor production can be immediately tripled without auto plant conversion, merely by using existing tractor production facilities to full capacity, the engineers said. By using existing unconverted auto-parts production facilities to "feed into" tractor production instead of auto production, tractor production can be increased by another 33 per cent.

Full conversion of auto plants themselves will take from three to six months, according to engineers who based their estimates on the length of time required to convert auto to tank production during World War II. Based on a capacity of 10 million autos produced in 1973, Labor Committee researchers estimate that conversion will produce some four million tractors per year.

Tools for the Working Class

Engineers from tractor companies and university agricultural engineering departments supplied this information to persons working