

situation (there is an ongoing thorough reevaluation also in the case of women), collaborates for the general good.

If the monetary maneuvers are attuned to shaping an effective structural development, it would be possible to respond also to the call coming from "third and fourth" countries. In his recent trip to Italy, the President of Peru, Alan García, made a request which has also come from government officials of many other countries that partake of the cultural bond of aiding and promoting human development, to be able to deal as a partner with the rich countries. Otherwise, the conflicts which are of a class nature inside a country, become the dominant forces in the relations between nations.

What has all this to do with family savings? One must consider the origins of the problem, because it is clear that social security alone does not autonomously allow for the recovery of the capacity of the family. In the Financial Law of 1987, the Italian counterpart to the Gramm-Rudman bill, there is a clause dedicated to the need to "support the family"; the dominant idea is to guarantee the intervention of the State by way of services and transfers to families that are truly in difficulty, avoiding the deregulation of services.

The family capable of spending an income without fiscal tangles, allocated to equal services for all, becomes an economic agent in truth as interpreted by the Constitution.

Interview: Edward E. Kennedy

Federal food curbs: unconstitutional

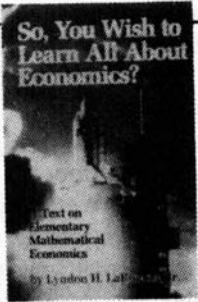
Both the current farm law, and opposition measures recently proposed by members of Congress, are based on the false premise that the root cause of the farm income collapse is the "overproduction" of food. A tireless fighter against this misconception is Edward E. Kennedy, a leading agriculture policy maker in the 1920s and 1930s, who has exposed the role of the Federal Reserve Board in undermining farm prices and farm credit. Kennedy served as national secretary and legislative director of the National Farmers Union, research director for the United Mine Workers, probate judge in Maryland, and many other leadership positions. In 1983, he released his book The Fed and the Farmer. Today, at 92, he is actively engaged in formulating emergency agriculture policies, and gave this interview on Oct. 21 to agriculture editor Marcia Merry.

EIR: In the 1930s, you fought laws requiring farmers to destroy food. From your experience as a farmer and farm leader, how did these orders affect farmers?

Kennedy: Back in the 1930s, the government was paying farmers to destroy 6 million pigs, to shoot every 10th dairy cow, to veal all the heifer calves, to plow under every third row of cotton, and plow under a certain percentage of the crops that were in the ground, like corn and wheat. For example, farmers were ordered to plow under a third of the wheat that was already growing out of the ground, which is the food and the substance of life itself.

Of course I contended, at that time I was secretary for the National Farmers Union, that the government of the United States was enforcing and paying for *the abortion of mother nature*. And this was the beginning of the Supreme Court decision. Actually there was no physical connection, except that they were testing whether or not the farmers would stand for destroying the little pigs that had been farrowed, the wheat that had been planted, the corn that had been planted, the cotton that had been planted, which was a violation of everything that a farmer believed in and that he had dedicated his life to do, that is, to create growth, to bring forth the fruits of the earth.

We got Congress to repeal the Joint Resolution No. 60 [the food destruction orders], and when we went to Kansas and got into federal court, the Department of Agriculture at



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that time knew that we were going to the U.S. Supreme Court, and have the law declared unconstitutional. What I was saying in farm meetings would curl the hair of these farm destroyers.

EIR: We have to say it again. This summer a vote was taken among U.S. wheat growers, on whether to impose mandatory wheat production quotas. A minority of U.S. wheat growers eligible participated, but those who did, voted up the idea. The vote was administered by the U.S. Department of Agriculture under the new 1985 farm act. What do you think of these present-day proposals for mandatory controls on food production?

Kennedy: It's absolutely wrong. The federal government has no constitutional right to regulate the farmer and the production of food. The commerce part of the Constitution limits the federal government to regulate and control interstate and foreign commerce. But farming is strictly an interstate operation, and not subject to federal controls and regulations.

This new farm bill that was passed in 1985 contains some 991 pages, and authorizes the secretary of agriculture to violate the Constitution of the United States in about 9 different sections. And it doesn't make any difference if the farmer voted for or against such regulation. It's still a violation of the Constitution.

And in connection with this matter, in 1939, around the time of the start of World War II, the secretary of agriculture asked the Congress to pass a law that would penalize the farmer 49 cents a bushel on the amount of wheat he produced that exceeded the quota assigned to him by the federal government.

This law, when it hit the farmer right at harvest time, resulted in the farmer getting a notice from the secretary of agriculture that he owed a penalty tax, for example, \$104.17 in one instance. And some of them ran as high as \$107.95, and so forth. That was a penalty levied. It wasn't a tax. It was a *penalty-tax* for growing wheat. It made the farmer out as a criminal. And made the production of wheat a criminal offense, without a trial by jury or due process of any kind.

So when this hit the farmers in Ohio in the fall of the year, they started to call farm meetings ad hoc. They were desperate. Why did they get this bill? In the notice, it said that the farmer couldn't sell any of his wheat in order to pay the tax because the secretary had a lien on his whole crop, so he couldn't pay the penalty unless he sold some wheat, and he couldn't sell his wheat because the secretary had a lien on it, and he couldn't dispose of the lien until he paid the penalty.

He was boxed in on all fours. At any rate, they sent for me, a group of them, and I went out and I organized 31 counties—farmers in 31 counties, and had them put up around \$1,200, and we filed a suit enjoining the secretary and the local committees from collecting the 49 cents a bushel.

I have in front of me right now the petition we filed. We had nearly a hundred farmers as plaintiffs, and the lawsuit

was to enjoin the secretary of agriculture and his agents from collecting the 49 cents a bushel. That was an unconstitutional act. The federal government has the power to regulate commerce, but not to regulate the production of food.

Anyway, we got 31 injunctions in 31 separate counties at that time, with the list of the farmers in each county as plaintiffs. In other words, in addition to limiting the production of foodstuffs—as we were about to enter World War II—they were making the production of food into a criminal act, subject to a penalty, without due process.

EIR: It's similar to today, isn't it? With the need for food today in the Western nations—in Africa and other places, we need more food production and food security, not less food security.

Kennedy: That's exactly right. [When this happened before] I was making speeches in each one of these counties, and I was telling the farmer the truth, and we were filing these suits in the Court of Common Pleas.

As soon as we walked in with our lawyer into the court, the court in every case was willing to grant an injunction. And, of course, a state court couldn't serve notice on the secretary, so we finally went down to Kansas, and filed a suit in the federal courts where we could get service on the secretary of agriculture. And, of course, the three-judge court, I appeared there as an expert witness, they questioned me for over an hour, about the fact that I had presented that there was no overproduction. There was no "surplus," and there never had been a surplus of food—as that term is properly used. . . .

So actually the Department of Agriculture has been lying to the President, it has been lying to members of Congress, and in fact the first farm bill under this administration was just the same as the farm bill back in 1933. And the farm bill of 1985, is just a continuation with more expenditure of money with the same object: blaming the farmer for low prices because he produced "too much," which of course was never true in all history. This is never true.

EIR: You know that in Western Europe it is proposed that "surplus food" should be burned.

Kennedy: That would be criminal.

EIR: Why do you think today that there are a number of farmers in Kansas and the other wheat-belt states who are so demoralized that they vote for mandatory production controls?

Kennedy: They've been lied to. And they don't have any farm organization to speak for them. They tried to bribe and browbeat me when I was secretary of the National Farmers Union, and their legislative representative, and so on. And they couldn't bribe me; I wouldn't pressure.

This is a weird story. In 1936 Huey Long was in the picture as a challenge to Roosevelt, and he had charisma. They made fun of his "share the wealth" program, but what

he was getting at was exactly the same thing that I was. And the other farm leaders were vulnerable, like the Farm Bureau and the Grange, and so on. They helped sponsor the Resolution No. 60 [food destruction—ed.]. But they couldn't do anything with me. So Huey Long had decided to make me secretary of agriculture. When his book (*My First Days in the White House*) came out, he didn't live 12 hours afterward.

The farm leaders were supposed to "go along in order to get along." But I wouldn't "go along to get along." They tried a lot of tricks. I was offered patronage. I was offered the moon, the sun, and the stars, but I wouldn't buy.

. . . It was Huey Long in the Senate who did make it possible for the farm moratorium act that I had developed and sponsored, to pass.

That was 1936, the moratorium on farm foreclosures bill. It was an amendment to the bankruptcy act in which the farmer could file a petition of bankruptcy. He'd have five years to rehabilitate himself. This resulted in saving about 250,000 farms in the United States from foreclosure.

EIR: What about the measure Congress recently passed that is supposed to do the same thing?

Kennedy: They don't want it to be effective. But this [1936 bill] was effective.

EIR: What particular features of the new farm law do you want to make known?

Kennedy: You wouldn't believe what's in this law. The bill itself and the report of the committee to the Congress was around 999 pages of print. Nobody, except the Federal Reserve, knows what's in that bill. It is their bill. It was written to their specifications. Even Senator Helms of North Carolina wouldn't sign the Committee report that reported out the bill, which is unprecedented in the history of the Senate Agriculture Committee. I think this farm bill is unconstitutional because it undertakes to regulate the farmer and the amount of acres that you use to produce food. It's unconstitutional because it gives the secretary of agriculture powers to actually shut down the agricultural plant in the United States. And that part is in the process of being consummated right now.

EIR: Have you seen the new "National Save the Family Farm" bill that would impose across-the-board food reduction quotas, in the name of increasing farm commodity prices? Senator Harkin, and the Willie Nelson-FarmAid, Inc., network are promoting the idea.

Kennedy: It's as unconstitutional as anything possibly could be. Supply and demand does not have anything to do with the price of agricultural products. The Federal Reserve Bank has complete control over the price level of agricultural products. Through their control of margin credit, and the Chicago Board of Trade futures market, they determine what they, the speculators and gamblers, will pay; that's how they control agricultural prices.

. . . Look at what the Federal Reserve did to agriculture

in the 1920s and 1930s. From my own personal experience in Iowa . . . in 1920 the Federal Reserve announced they were going to foreclose on the farm credit in Iowa. The Federal Reserve was requiring bankers to call in the farmers' loans. At that time, I had two carloads of cattle on feed on my farm. I was farming 335 acres of land, and I borrowed the money to buy the feeders on the western market. . . . The last week of May, the Federal Reserve Bank of Chicago called four regional meetings in Iowa (Ft. Dodge, Waterloo, Red Oak, and one at Ottumwa) and they called the bankers into these meetings and told the bankers to bring into the meeting about two or three of their best customers, so my banker invited me. I went up to Ft. Dodge. . . . [The end result was that they] closed out a third of the Iowa farmers. In my county alone there had been 17 banks. But before the Depression was over, there wasn't a single bank open in the county except for three in Grand Junction, that was my home. The reason that my three banks in my little town of Grand Junction survived is that I wouldn't let them foreclose on any farmers. I invented the "3 cent" operation—bid 3 cents on everything that was offered for sale. That was the days before chattel mortgages. . . .

EIR: What about the role of the grain cartel companies associated behind the scenes with the Board of Trade, the Federal Reserve, the International Monetary Fund, and so forth? What emergency program can we undertake today?

Kennedy: Well, the cartel companies, of course, have a great deal to say about the price of agriculture products all over the world. What the Congress of the United States should do, is to pass a simple law, to require all contracts for agriculture products on the board of trade to pay at least the minimum price for that contract that would reflect a real price for the farmer that would cover the cost of producing his commodity.

EIR: As was done during the Second World War?

Kennedy: Yes. Except this law should be directed to the Commodities and Exchange Commission, and require them to fix the minimum price based on the cost to produce it. I've outlined this elsewhere, in simple language, how this could be done.

. . . You know, we do not have a cabbage-patch doll economy. We live under an agricultural economy, and about 90-some-odd percent of all the goods produced in the United States come from the farm, and that is the new wealth. Nobody seems to understand. And when you would raise the level of all agricultural products by about 50% you would add about 50% to the value of the new wealth. . . .

The kind of simple law that I recommend, would require no appropriations to speak of, to administer it. The machinery is all in place, that is, the Commodities Futures Exchange and the Board of Trade—the only price fixing mechanism of agricultural products in the United States. And if this were done, it would raise the level of agricultural prices. . . .