

# 64 Years of Agricultural Earned Income *Lost*

## Why are farmers *unworthy* of their hire?

Year	Parity Ratio*	3-yr avg.	5-yr avg.	1982	58	\	59
1945	109		\	1983	56	57	
1946	114	\		1984	58	/	/
1947	115	113	109	1985	52	\	\
1948	110	/		1986	52	52	
1949	100	\	/	1987	52	/	52
1950	101	102	\	1988	54	\	
1951	107	/		1989	55	52	/
1952	100	\	98	1990	54	/	\
1953	92	94		1991	52	\	
1954	89	/	/	1992	49	47	48
1955	84	\	\	1993	47	/	
1956	83	83		1994	45	\	/
1957	82	/	83	1995	44	45	\
1958	85	\		1996	47	/	
1959	82	82	/	1997	43	\	43
1960	80	/	\	1998	42	42	
1961	79	\		1999	40	/	/
1962	80	79	78	2000	38	\	\
1963	78	/		2001	40	39	
1964	76	\	/	2002	38	/	40
1965	77	77	\	2003	40	\	
1966	80	/		2004	42	40	/
1967	74	\	75	2005	39	/	\
1968	73	73		2006	37	\	
1969	74	/	/	2007	40	39	38
1970	72	\	\	2008	39	/	
1971	70	71		2009	36	\	/
1972	73	/	78	2010	37	38	\
1973	89	\		2011	42	/	
1974	79	84	/	2012	42	\	40
1975	72	/	\	2013	43	41	
1976	72	\		2014	37	/	/
1977	67	69	71	2015	35	\	\
1978	70	/		2016	32		
1979	72	\	/				
1980	65	66	\				
1981	62	/					

Over 64 years (1953 through 2016), agriculture:  
 earned at parity ≈ \$21,816.5 billion  
 was paid ≈ \$9,848.8 billion  
 with a cumulative loss ≈ **\$11,967.7 billion**

\*-USDA Parity Ratio, 1910-1914=100

## **REGAINING ECONOMIC BALANCE, STRENGTH AND PROFITABILITY FOR OUR UNITED STATES**

With an incoming administration there is the immediate possibility of contrary interests in Congress and the Federal Reserve system that would make achievement of much needed public policy changes difficult if not impossible. The approach here is offered as an alternative by which fundamental structural economic balance may be attained through existing statutory powers in the Executive. No legislation is required from Congress as their acts on these matters are still current law. A simple choice by the President to fulfill these existing statutory requirements, through the Secretary, is the only action needed.

A declared state of emergency exists concerning agriculture. It was first declared 12 May 1933 (AAA § 1), subsequently affirmed, validated and reenacted 3 June 1937. It is currently codified at 7 USC § 601 and has never been ended. That emergency took farmers' marketing rights in the national public interest which, according to the 5th Amendment requires just compensation. A plan for that compensation was declared simultaneously with the emergency declaration (AAA § 2), codified currently at 7 USC § 602. It requires the Secretary of Agriculture to regulate markets so as to establish, as the prices to farmers, parity prices. Parity prices are calculated and published each month by the Department of Agriculture (USDA, National Ag. Statistics Serv. Agricultural Prices). Investigation of the historical record of those prices shows that agriculture has not received just compensation since the end of 1952, even though the declared emergency continues to this day. The cumulative loss of earned income to agriculture since that time corresponds very accurately to the total Public Debt of the United States, excluding compounded interest. This reveals the elementary truth that there is, literally, no free lunch. Earnings that should have been paid into circulation on agricultural production at parity would have multiplied through the economy at least 7 times over 64 years. Clearly we could have paid for all the post-1952 development of our nation from our earnings, had we acted on the wisdom available at that time. We can choose to do so again. The statutory obligation persists and is grossly in arrears. The government's legal obligation to the farmers requires market regulation, not checks or subsidies. Parity pricing in the markets for 5 basic storable agricultural commodities would enable growth in our economy unseen since the "Post-War Boom" of 1946-1952. Industrial and infrastructural redevelopment would be enabled; employment expanded; wages raised; debts reduced; governmental revenues increased. Provided the Federal Reserve banks and Board diminish their infusion of unearned money into the economy in step with the increase in earnings paid into circulation, inflation would not be a concern. The amount of currency (M0, M1) may need expansion but that would be paid through the markets on the ag production at parity prices rather than through loans. Regimentation of the economy would diminish; hegemony of the "too big to fail banks" would shrink. We would be on the road toward solvency and present to the world an example of how a nation can sensibly conduct economic affairs. We would also simultaneously move toward self-reliance and foster the well being of our people.

Notice that fulfillment of the legal obligation to the farmers would restart the delivery of justice to those who feed our nation. This has been long overdue as evidenced by the magnitude of our public debts and our unjustified dependence on "entangling foreign alliances." Mr. Joseph Wharton stated in his plan for a School of Finance and Economy, 1 March 1881: a professor has a duty to teach "...how a great nation should be, as far as possible, self-sufficient, maintaining a proper balance between agriculture, mining, and manufactures, and supplying its own wants;..." This "proper balance" has been absent more than six decades, despite our knowledge and experience with its establishment, operation and maintenance.

NORM 9 Feb. 2017