Letter to editor Jan 1985,

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Farm profits and land values

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When the Farm Bureau sides with Iowa's Democratic legislative leadership to seek a tax increase to bail out debt-ridden farmers and Senator Charles Grassley sits before the federal Treasury wailing "give us more, more, more," they are only being altruistic with our tax dollars. Their concern is not the economic well-being of our households.

At least there wasn't a like rush to aid unemployed factory workers or failing small businesses in 1982 and 1983, but we got a sales-tax increase to fund property-tax relief for land speculators.

The problem now is, farmers owe billions to banks, farm-credit systems and corporate-franchised vendors of seed, fertilizers, chemicals and farm machinery. Should farmers dump lands securing that debt on a depressed land market, the fat portfolios of a lot of farmers, lawyers, doctors, real-estate dealers and a lot of other land speculators will quickly flatten.

This is why legislators want to tax motherhood, which is exactly what a sales tax or income surtax does, along with fatherhood and childhood.

But do the 840,000-plus households that do not own farmland really want to pay more taxes to keep 20,000 farm families in perpetual debt servitude to maintain high land values for speculators and to pay the residuals for TV actors touting pesticide sales to keep up corporate profits while ignoring chemical pollution of streams and aquifers?

Does a farmer need high land values to make a profit? Does the sun shine more benignly, the rain fall more timely, the earthworms wiggle more adroitly, the rhizobiums fix nitrogen more securely on an acre of land at $3,000 than on the same acre at $30? Of course not, and the farmer needs less cash flow on land at $30 an acre.

It makes no sense to increase taxes on 840,000 households to help pay off billions of debt on land when land values have absolutely nothing whatsoever to do with production except to increase costs and force price-cutting production.

If speculators want tax money to beef up land prices, a statewide levy on the market value of land is a better solution. Those with the most land value to protect will pay the most to help those whose failure would drive down land values. But the latter might find it wiser to abandon the debt to later reacquire land with much less debt-service costs as desperate speculators with rising land taxes seek to unload their land. — Robert P. Willis, 3921 Columbia, Des Moines.

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Dear Bob:

In case you are not familiar with the Utne Reader they are a sort of Readers Digest of the left in that they publish only articles and excerpts from other publications. They also list addresses and subscription rates for all ~~publications~~ they use in each issue.

If you should publish my short essay and send a copy of the Journal to Utne Reader they would likely publish it, or other items of interest to them giving us some free publicity on the left.

Bob Willis.

P.S. I haven't yet visited with Mr. Cusack of the Catholic Rural Life Conference on my Iowa tax study but will do so when I complete my latest revision — he contributed to my city council campaign in 1983. RW