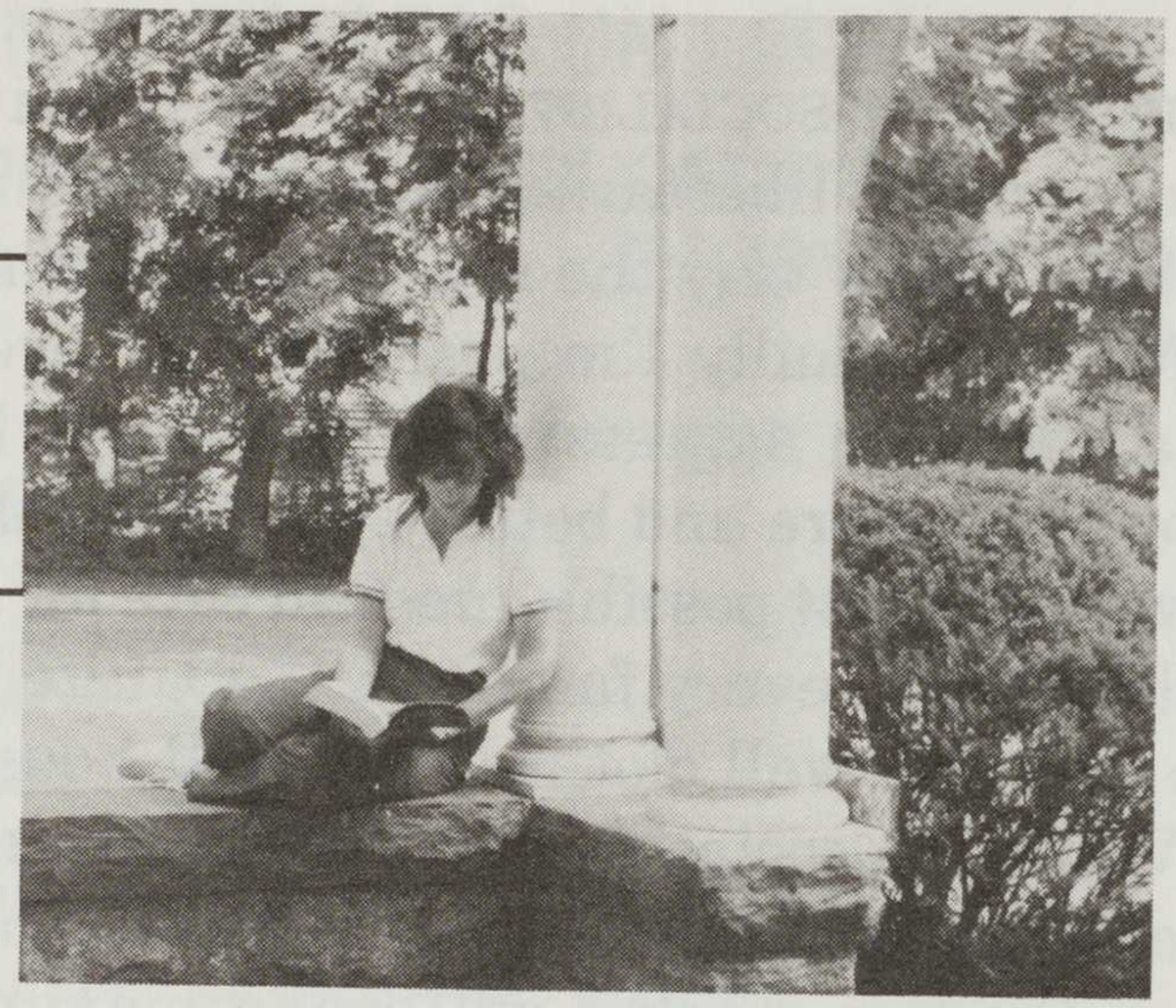
1985 Summer Seminars at FEE

June 23–29
July 14–20
August 4–10



For twenty-two years our annual summer seminars have offered a thorough introduction to the principles of limited government and the market economy. Our sessions attract lively and diverse groups of people—including students, teachers, business proprietors and employees.

The week includes thirty-five hours of lecture and discussion, with ample time for participants to meet informally with both staff and distinguished guest lecturers. The Foundation, situated on a five-acre estate in a quiet suburb near New York City, provides an ideal setting for a week of study and reflection.

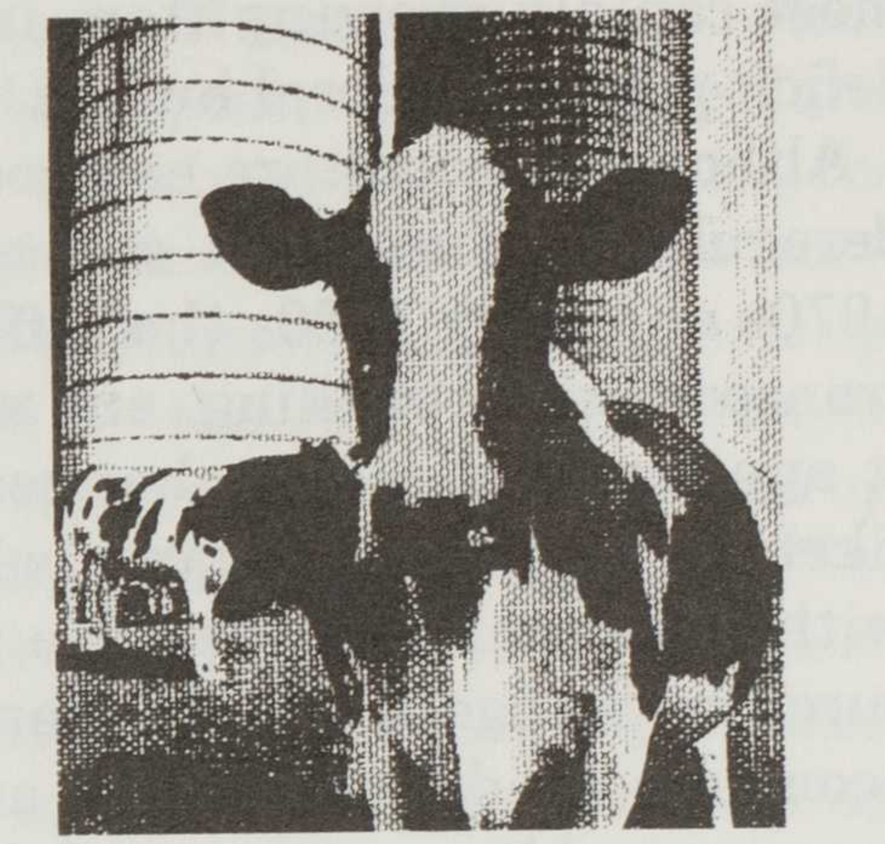
The charge for a seminar—tuition, supplies, room and board—is $400. Fellowships (including partial travel grants) are available. A detailed seminar brochure will be sent on request.

Please address all requests for applications and further information to:

Summer Seminars
Foundation for Economic Education
Irvington, New York 10533
(914) 591-7230

E. C. Pasour, Jr.

Economic Reality and U.S. Government Farm Programs



FARM BANKRUPTCIES are front-page news. Although the magnitude of the problem has undoubtedly been overstated by the media, there are no hard data on the precise number of farm businesses experiencing financial stress. According to a 1984 survey, less than 20 percent of all farm operators had debt/asset ratios of 40 percent or higher.[1] While the USDA on the basis of a recent American Bankers Association survey of agricultural banks found the incidence of farm bankruptcies "relatively low," pleas for government to "do something" are widespread throughout the land.[2]

The paradoxical nature of the call for government action to alleviate the economic distress in U.S. agriculture is too little recognized. As shown in the following analysis, current farm problems are rooted in past government programs.[3] As so often happens when government intervenes, government farm programs not only have failed to achieve their objectives but have created pressures for further intervention to deal with the unforeseen and unintended consequences of these policies.

Despite the fact that U.S. agriculture is often considered to be a bastion of free enterprise, farm programs today are remarkably similar to the protectionist Roosevelt New Deal policies instituted during the Great Depression of the 1930s. Moreover, it is ironic that government outlays for farm programs have increased greatly during the Reagan Administration. The taxpayer cost of farm price support pro-

Dr. Pasour is a Professor of Economics at North Carolina State University at Raleigh.