

Farmers Will Lose Right To Run Own Business, Co-op Leader Says

Farmers will lose another measure of the right to say how their own business is to be run, unless the House-passed tax reform bill is amended by the Senate.

That's the opinion of a farm business leader, Kenneth D. Naden, executive vice president of the National Council of Farmer Cooperatives. Naden referred to a little-publicized section tacked onto the tax bill during final deliberations by the House Ways and Means Committee.

The proposal would dictate the amount of a cooperative's earnings that must be returned to a farmer in cash each year. It also would state when the remaining patronage refund certificates must be redeemed. Refunds not paid in accordance with the new requirements would be subjected to a current corporate federal income tax.

Aside from raising havoc with the financing plans of many small farmer cooperatives, the bill breaks new ground in permitting government to set policies that ordinarily are entrusted to a farmer-elected board of directors," Naden declared.

Over the years, farmers have agreed to take only part of their annual share of earnings in cash, deferring the rest to provide working capital for the cooperative. This gave them considerable equity in the business, without taking any money out of their pocket. It was an expression of

their belief in the long range benefits of a strong and healthy cooperative. They realized too that a cooperative is the only type of business that gives them any patronage refunds — cash or otherwise.

"The Internal Revenue Act of 1962, passed after lengthy hearings and debate in both Houses, supposedly settled the cooperative tax issue. It provided that at least 20 percent of a patronage refund would be paid in cash to enable the farmer to pay income tax on the total amount allocated to him."

Late in July, the Ways and Means Committee departed from its announced agenda on tax reform and took up the plan to impose stiffer rules on cooperative financing. As finally passed, the bill would require the

20 percent cash payout to be increased by 3 percent a year, building up to 50 percent after 10 years. It would require the retained capital to be redeemed within 15 years.

The proposal was included in a mammoth tax reform bill passed Thursday by the House. It reached the floor under a rule barring amendments and was passed easily.

Naden concluded: "We are hopeful that the Senate Finance Committee will remove the co-op section when they take up the bill after the August recess. We think they will see that (1) it is not true tax reform. It will not bring any more nor any less revenue to the Treasury, and (2) it is not a bill to help farmers. It is opposed by every organization that represents farmers."

"It is a bill sponsored by businessmen who are in competition with farmer cooperatives. Its aim is to weaken that competition and in doing so, weaken the marketing and bargaining power of farmers."

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Opportunities For Volunteers

Volunteer work can provide the change of pace a homemaker may need from her daily routine, according to William M. Smith, Jr., extension specialist in rural sociology at The Pennsylvania State University.

Homemakers volunteer their services for many different reasons and can choose from jobs that range from donating money to self-commitment and long hours of work.

A homemaker can be a 4-H or scout leader or work with other youth groups, be a hospital visitor, help elderly citizens adjust, tutor young people, or teach a foods class for newly marrieds. If she enjoys painting she might choose to volunteer her talent in training interested adults and young artists.

Not only does volunteer work offer a legitimate service for someone in need, but also it can provide a meeting ground for persons with similar interests, Dr. Smith says.

What may be volunteer work today for a woman can lead to a professional interest later. The homemaker who enjoys hospital volunteer work might decide to train for a nurses aide or a practical nurse.

Many volunteer jobs can be done right at home, reminds Dr. Smith. The homemaker, who is tied down with young children or other responsibilities, might consider becoming a volunteer caller for a church or organization or do emergency baby sitting.

Before she decides to take on volunteer work, a homemaker must be sure she can handle both the job and her family. She will need to set her own priorities on what kind of volunteer help she will give, with what age group, and how much time she can devote to the job, Dr. Smith adds.



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