

Farmers Will Fight Rural Crime

By Jim Bernstein

The rural crime prevention program that has been so successful as a pilot project in Barry and Lapeer Counties is now being expanded to all interested county Farm Bureaus. The program consists primarily of marking property with an indelible ink, using the owner's driver's license number preceded by the letters "MI." But while marking is the basic performance in the program, there are many other necessary activities before the program can be implemented, including gathering support from police organizations and other service groups, coordinating a network of township coordinators, and simply practicing with a marking device.

"The marking looks simple, just like riding a bicycle for the first time," says Ron Nelson, Local Affairs Specialist for the Michigan Farm Bureau and coordinator of the state Rural Crime Prevention Program. "But there are many unknown factors that occur. Marking takes practice, if for no other reason than to prevent smearing."

Marking practice can also result in finding new places in which to identify equipment. The uniform marking location is the right front part of the equipment. If there is no right front, however, other locations must be found. In fact, Nelson says every piece of machinery should be marked at least seven times—in the uniform location, on the battery, and in at least five other spots. "There are several good hidden locations," he explains. "The component parts of a tractor are always good places. Once someone starts using his imagination, it's easy to do a good job."

Accuracy Vital

Once the marks are made, they should be recorded on an inventory sheet that, along with other program materials, is supplied by the county Farm Bureau. The inventory information should include all hidden marking locations, which are known only to the owner of the equipment. Accuracy in filling out the inventory and in marking is vital. "It's extremely important that the license number on a stamp is correct," Nelson warns. "We're dealing with a criminal justice system that requires that laws be followed and things be done right. We're not just putting any number on, but the owner's driver's license number."

The driver's license number is used because it's

the only number unique to an individual that law enforcement agencies work with regularly. Such is not the case with social security numbers, so they are not acceptable. Nor are the driver's license numbers of previous owners. If equipment is purchased with an existing identification mark, the new owner should not alter or remove the old number; merely mark below it with a new number. By the way, the ink is high quality and industrial purpose and very difficult to rub off. Nonetheless, it can be removed. "That's another good reason for marking in spots known only to the owner," Nelson adds.

Team Approach Important

Before any marking can be done, however, a "team" must be gathered and organized. Members of that "team" must include members of area law enforcement agencies, both the state police and the sheriff's department. Nelson advises, "Nothing will kill the program quicker than a man in uniform not knowing anything about it."

It is in this area that a supreme communications effort is not only desirable, but essential. Sergeant Wes Haney of the Rockford State Police Post says, "The problem with law enforcement is they don't know very much about farming." Statistics bear this out: only four per cent of the nation's police officers come from rural communities, a complete reversal from the past.

Many times photographs are effective in educating the police officer. Trooper Charles Brown of the Michigan State Police Crime Prevention Unit says, "Many times the officer doesn't know what a farmer is talking about when he describes a portable feed grinder. But if he can show a picture, there is something to relate to."

Welcoming law enforcement officers on the farm can also be beneficial. "Most policemen do not understand the farm inventory or the value of supplies like feeds and seeds, so if he can't associate with farming—can't obtain important information—the officer will not have the skills or the information to pursue the case," claims Brown. "There should be an interaction of knowledge. Many stolen items from the farm pass through city corridors. The chances of apprehension are increased as the awareness of both the policeman and the farmer is

Michigan Farm News

Michigan Farm Bureau's

ACTION

Publication

VOL. 56, NO. 10

Farm Bureau

OCTOBER, 1977



Michigan Farm Bureau, in cooperation with various police agencies throughout the state, has developed a method of marking members' equipment to allow identification and recovery of stolen property. Shown reviewing the marking procedures are (left to right): John Thelsen, Emmet County Undersheriff; Trooper David Knowles,

Traverse City; Trooper Charles Munyan, Petoskey; Jim Shiflett, MFB Regional Representative; Eugene Fleming, Otsego County FB president; Ron Nelson, MFB Local Affairs Specialist, and Sgt. Robert Beadle, District 7 Coordinator, Michigan State Police.

increased."

Ron Nelson emphasizes the same point. "The important part of the program is to raise

the level of awareness of Farm Bureau members," he says. "If they are more aware of their potential for

loss, they will be more conscious of what they can do to prevent the opportunity for loss."

ISSUES ON THE INSIDE:

ENERGY

MFB President Elton R. Smith tells members they must act NOW to stop the proposed Energy Bill—Page 2. Industry spokesman John Miller agrees that the proposed legislation will not increase needed energy supplies—Page 5.

LAND USE

MFB shares farmer-concerns with Governor regarding loss of productive farmland—Page 4.

AGRICULTURAL CHEMICALS

Proposed bans on pesticides and drugs worry farmers. Consumers, too, have reasons for sharing their concerns—Page 7.

WORKER'S COMPENSATION

A special report on this issue of concern to farmers and others—Pages 9-10-11. Discussion Topic—an indepth look at this complicated law and how it effects you—Page 12.



*From
the Desk
of
The
President*

Energy Issue Needs Member Action NOW!

October is Co-op Month, and it's appropriate that we relish some of the accomplishments we, in agriculture, have attained because we have worked cooperatively to make them happen. The recent MI-OSHA victory is a heartening example of what is possible when we work together with determined, courageous, intelligent efforts. It is an illustration of how farmers, working cooperatively through their organization, can have an impact on issues which affect them.

But we cannot afford to "rest on our laurels." We cannot allow one major victory to lull us into complacency and apathy. To realize this, you have only to consider the many current issues -- yet unresolved -- that are discussed in this publication. These challenges, which need our concern and active involvement, include Worker's Compensation, the continuing loss of productive farmland, the use of agricultural chemicals in the production of food and fibre, and the energy bill which has passed the House and is currently being considered by the Senate.

It is the latter issue that requires our IMMEDIATE ATTENTION AND I MAKE A STRONG PLEA FOR YOUR ACTION. I sincerely believe that no other issue can have more impact on our futures -- as farmers and as citizens -- than this one will. And, if the proposed energy package is passed, that impact will be an extremely negative one which will affect not only the agricultural industry, but the standard of living of every U.S. citizen.

The measures contained in this proposed legislation are counter-productive. The bill offers absolutely no incentive to our oil companies to explore new reserves. It calls for regulation, federal price controls, and redistribution of gasoline tax revenues through social welfare programs. These measures will not produce oil and natural gas! They will, in fact, block the supplying of our energy needs!

What can you, as a concerned farmer and citizen, do to stop this disastrous plan? There are many constructive ways you can get involved, but it must be done TODAY because the Senate is expected to give final consideration to the bill early this month. Here is a simple step-by-step suggestion for action:

1. Read carefully the analysis and warnings of John Miller, past president of the Independent Petroleum Association of Michigan on Page 5 of this issue. Relate the facts he presents personally. How would these facts affect you, your family, the economy of our nation, the future generations?

2. Sit down and write Senators Griffin and Reigle NOW, telling them of your concerns and urging them to vote "NO" on the proposed energy bill.

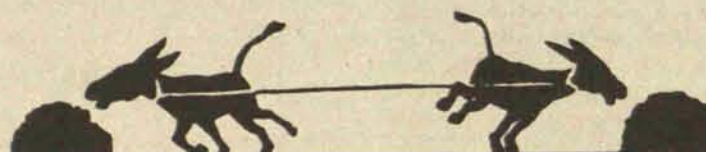
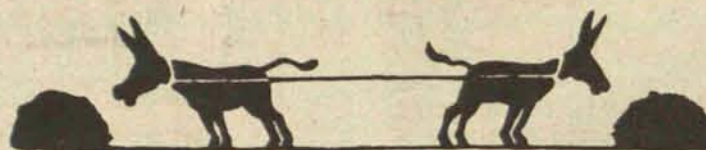
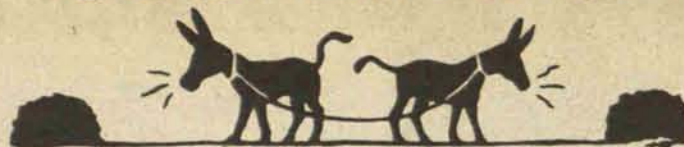
3. Share your concerns with your urban friends and ask them to consider the worst kind of energy shortage -- people starving because there's not enough fuel to grow food. Ask them to remember 1973 when many gas stations closed down -- and then think about what would happen if grocery stores had to close for lack of food. Tell them the increases they will pay for gasoline will not go toward the search for more fuel -- but to the federal government so it can form one more regulatory super-agency or finance some "socially acceptable" program.

4. Ask your urban friends to write Senators Griffin and Reigle asking them not to let this happen to America! This is not just an agricultural problem; it involves everyone and we have a responsibility to share our realistic concerns with those who are not aware of the consequences or feel that there is nothing they can do to solve the problem.

If every Farm Bureau member who reads this plea would follow this step-by-step plan of action, we could report yet another cooperative victory in the next issue of your FARM NEWS.

Elton R. Smith

COOPERATION



—FROM UNIVERSAL COOPERATIVES, INC.

It Pays to Work Together

Earlier this year, Representative Dent (D-Pa.) introduced H.B. 3744, a federal minimum wage proposal. This bill included indexing, an automatic annual adjustment of minimum wage tied to the annual average manufacturing hourly wage.

On May 27, 1977, members of the Michigan Agricultural Services Association (MASA), an organization of 1,000 agricultural employers, voiced their opposition to this bill to all their Michigan Congressmen. They asked, instead, for federal minimum wage legislation which did not contain indexing, that would initiate an in-depth study of the overall concept of minimum wage and its effect upon unemployment, and would include a provision for employment of youth under 18 years of age at a rate of 75 per cent of the regular minimum wage.

On September 15, 1977, the U.S. House of Representatives took the following action:

—Removed the indexing provision in the bill by a vote of 223 to 193.

By a vote of 301-118, created a National Study Commission to study the concept of the minimum wage and its effect on unemployment.

The attempt to include a youth provision received a tie vote, which was broken by the Speaker of the House, who voted against it.

This issue must receive Senate consideration before it becomes law.

By farmers working together through their farm organizations, such as MASA, Michigan Farm Bureau and American Farm Bureau Federation, and those farm organizations working together with other organizations with similar concerns, organized labor has been dealt another overwhelming defeat in 1977.

It pays to work together.



*If it weren't
for mirrors...*

Pardon me while I brag a bit about my Associate Editors. Not now, nor ever having been, "farm girls," they face each new agricultural issue that comes along as a personal challenge. They fret and worry and pray... How can we write intelligently about MI-OSHA or Worker's Comp, for instance, when we know nothing about them?

Being of a more experienced vintage, I soothe their young, wrinkled brows by informing that, indeed, it is against the rules to become experts in all the areas about which they must write. Once they become experts on a topic, they lose their audience, their empathy, through jargon, assumption that others know as much about a subject as they do, and the human tendency to show off your expertise by "talking down" to those with whom you are communicating. Worst of all, when you become an expert, you lose your awe for related actual experiences, and I don't think any writer should ever lose his awe.

The Work Comp topic, which is one of our special features this month, was more than just a test of being objective writers; it was a test of character and I'm proud to announce that the FARM NEWS staff passed the test. However, it was not without its temptations. As interviews filled the note pads and recording tapes, illustrations of people basking in the Florida sun to recover from their on-the-job "stress" -- courtesy of Worker's Compensation -- made the deadline stress we suffer seem a major disability... the headaches, the inability to sleep, the lack of concentration on non-F.B. related matters, the stress on home life...

With that background, I draw upon a personal experience... One day, many years ago, on a cold winter day, I entered the FB building and hurried toward my desk. I slipped on a melted-snow spot on the tiled floor and ungracefully landed on my tailbone. It hurt a lot then; it hurt worse when, a few years later, I clipped the end of it on a steel wastebasket as I bent down to fill a box of materials for annual meeting. It hurts today when I ride long distances in a car, when the weather changes, when I think about it.

I was grateful for the "company doctor" who gave me a few treatments when it first happened, with no charge to me. It never entered my mind to seek compensation for those "bad days" when "personal time lost" made a hole in a much-needed paycheck.

(Continued on Page 13)



Paul Bixby, Berrien County fruit farmer, was the first in his county and among the first in the state to take advantage of MASA's new programs.

First Members Signed

At a meeting in Oceana County on September 13, two newly - developed programs were introduced by the Michigan Agricultural Services Association (MASA), an affiliate of the Michigan Farm Bureau. The programs, outlined by MASA Operations Manager, Donald Shepard, were the Legal Services program and Legal Defense Fund program. Interest in the programs was expressed by the growers who attended; and the first members were signed. Similar meetings will be held throughout the state, according to Shepard.

The Legal Services is designed to provide legal services relating to agricultural issues, such as Workmen's Compensation, MIOSHA, OSHA, environmental concerns, energy, chemicals and taxation. A firm of agriculturally - oriented attorneys has been retained to handle the legal matters for members, at the rate of \$45 per hour of actual use of the firm.

When a member signs into the program, he may select the service fee schedule which he believes will best fit his needs: 1 1/4 hours for \$50; 2 hours for \$75, or 2 1/2 hours for \$100. In cases where more hours are required than are provided in prepaid time, members will pay at the \$45 per hour fee, for the 1978 year.

To cut down on the time required "when the meter starts running," said Shepard, a collection center for legal information will be maintained. This "legal library" of briefs on previous law suits, legal actions and other information will be available to members of the program.

Complementing this program is the Legal Defense Fund, which is developed to provide legal protection on agricultural issues of concern to Michigan farmers.

Membership in this program is gained through annual pledges based on gross farm sales. An annual membership fee of \$25 is paid at the time of the pledge, with pledge calls issued as needs arise.

If a member desires to use the Legal Defense Fund, he makes his request to a Legal Defense Fund Advisory Committee, appointed by the president of MASA from program participants. It is the responsibility of this committee to evaluate requests, recommend to the MASA board whether to provide funds, and determine how much shall be provided for the defense of a participant or an issue of common interest to agriculture.

Both programs are offered to members beginning October 1. For further details or specific questions, contact MASA, P.O. Box 30960, Lansing 48909, or call (517) 321-5661.

P.A. 344 on Trial

Facts and opinions about the Michigan Agricultural Marketing and Bargaining Act (P. A. 344) were presented by witnesses appearing before Judge Thomas Brown of the Ingham County Circuit Court in Lansing. The lengthy trial, which started September 6, resulted from a Michigan Supreme Court remand of a lawsuit first filed in the same circuit court four years prior.

The constitutionality of P.A. 344 is contested by the Michigan Cannery and Freezers Association, a fruit and vegetable processor organization which opposed the enactment of P.A. 344 and is the plaintiff in the suit. MACMA and the Michigan Agricultural Marketing and Bargaining Board, which administers the act, are the defendants.

P.A. 344, the first comprehensive farm bargaining act in the nation, is enabling legislation which provides for the establishment of bargaining units, accreditation of associations to represent producers in bargaining units, mediation, arbitration, and requires

processors to recognize and bargain in good faith with accredited associations.

Witnesses questioned during the non-jury trial included producers, processors, agricultural economists, and persons who have had experiences working under the provisions of the act. The information obtained will go to the Michigan Supreme Court to aid that court in resolving the constitutionality of the act. Particular attention focused on the conditions which led to P.A. 344's enactment, the imbalance of bargaining power between growers and handlers, farm numbers and trends, the effect of the act on producers, processors and consumers, and evidence that the act alleviates problems.

The Michigan Farm Bureau supported the enactment of P.A. 344, which was passed by the Michigan Legislature in 1972 and was signed into law early in 1973 by Governor Milliken. The Michigan Legislature, early in 1976, removed a September 1, 1976 expiration date in the act. Five MACMA divisions - processing apples,

asparagus, kraut cabbage, potatoes, and red tart cherries - have been accredited and have operated under P.A. 344 provisions.

Noel W. Stuckman, MACMA General Manager, indicated "the testimony presented by witnesses for both sides was very similar to the testimony given at the various hearings held by committees of the Michigan Legislature in 1972 and in 1976. We are confident that Judge Brown and the Michigan Supreme Court will uphold the act based on the facts now in the trial record."

Did You Have Your Say?

Michigan Farm Bureau's Political Action Committee (PAC) urges members who have not yet returned the questionnaire in last month's FARM NEWS to please do so.

The Committee desires member-input in the consideration of a Political Action Program for 1978.



4-H clubwork gives us 2,284,769 reasons to believe in American youth.

In cities and small towns, on farms and ranches, more than two million 4-H club members prove what a great resource America has in the potential of its youth. □ They live the 4-H pledge...get involved in farm and home projects...tackle leadership assignments...and work on special community improvement projects. 4-H makes activities of "head...heart...hands...health" mean a lot. □ PCA people are proud of 4-Hers and salute them for their outstanding contributions to the country—and to this community.



Production Credit Associations of Michigan



Farming is everybody's bread & butter

MICHIGAN FARM NEWS

The Michigan FARM NEWS is published monthly, on the first day, by the Michigan Farm Bureau Information Division. Publication and Editorial offices at 7373 West Saginaw Highway, Lansing, Michigan 48909. Post Office Box 30960, Telephone, Lansing (517) 321-5661, Extension 228. Subscription price, 65 cents per year. Publication No. 345040.

Established January 13, 1923. Second-class postage paid at Lansing, MI. and at additional mailing offices.

EDITORIAL: Donna Wilber, Editor; Marcia Ditchie, Connie Lawson, Associate Editors.

OFFICERS: Michigan Farm Bureau: President, Elton R. Smith, Caledonia, R-1; Vice President, Jack Laurie, Cass City; Administrative Director, Robert Braden, Lansing; Treasurer and Chief Financial Officer, Max D. Dean; Secretary, William S. Wilkinson.

DIRECTORS: District 1, Arthur Bailey, Schoolcraft; District 2, Lowell

Eisenmann, Blissfield, R-1; District 3, Andrew Jackson, Howell, R-1; District 4, Elton R. Smith, Caledonia, R-1; District 5, William Spike, Owosso, R-3; District 6, Jack Laurie, Cass City, R-3; District 7, Robert Rider, Hart, R-1; District 8, Larry DeVuyst, Ithaca, R-4; District 9, Donald Nugent, Frankfort, R-1; District 10, Richard Wieland, Ellsworth, R-1; District 11, Franklin Schwiderson, Dafer.

DIRECTORS AT LARGE: Walter Frahm, Frankenmuth; Bruce Leipprandt, Pigeon; Michael Pridgeon, Montgomery.

WOMEN OF FARM BUREAU: Mrs. Andrew Jackson, Howell, R-4. FARM BUREAU YOUNG FARMERS: Robert Rottler, Fremont

POSTMASTER: In using form 3579 mail to: Michigan Farm News, 7373 West Saginaw Highway, Lansing, Michigan 48909.

MFB Tells Governor Land Use Concerns

(Editor's Note: At the request of the Eaton County Farm Bureau, whose members have been actively involved in the fight to save productive farmland in their area, Michigan Farm Bureau President Elton R. Smith wrote a letter to Governor Milliken expressing farmer concerns and offering to personally discuss the issue with him. As this FARM NEWS goes to press, there has been no response from the Governor, but MFB leaders are hopeful that such a meeting will be arranged in the near future.)

Dear Governor Milliken:

In recent weeks you have been made aware through requests to your office from local citizens of the land use controversy surrounding plans for construction of an extension to I-69 in Eaton County. I shall not go into the details of the issue because these have already been presented by others, except to say that I am deeply concerned about the unnecessary loss of prime farmland which will occur if the presently proposed route is utilized.

As you know, Michigan Farm Bureau supports legislation to protect essential lands including farmland. I firmly believe that even if such statewide land use legislation were to be passed by the 79th Legislature, it would not be effective in preserving farmland for at least 4-5 years because of the time required for local planning and adoption of a statewide plan by the Legislature. A recent report released by Michigan State University indicates that Michigan is losing about 100,000 acres of farmland from production each year. We simply cannot afford to lose additional prime farmland through actions of state government such as the I-69 project without a very thorough and careful review of the implications.

Recently the Eaton County Board of Commissioners adopted a resolution asking for a review of the proposed I-69 route. Shortly thereafter, the Tri-County Regional Planning Commission adopted a similar resolution. The actions of these two local governing bodies accurately reflects the concern of many people for the loss of such a large area of prime farmland in Eaton County.

In view of these recent actions, together with the continued longstanding concern by Michigan Farm Bureau for preservation of prime farmland and numerous contacts from local people, I respectfully urge you to reconsider your earlier decision and ask the Michigan Environmental Review Board to conduct an immediate review of the proposed I-69 route with special emphasis being given to the land use impact.

Because of the tremendous importance this issue poses to Michigan agriculture, I shall be most appreciative of the opportunity to personally discuss my concern with you at your convenience.

Sincerely,
Elton R. Smith
President

Freedoms Foundation Awards FBIG

The Freedoms Foundation at Valley Forge has presented the national Valley Forge honor plaque to Farm Bureau Insurance Group (FBIG) for promoting a better understanding of the American way of life through the America & Me essay contest.

FBIG's America & Me essay contest, held annually for Michigan eighth grade students, was cited by the Freedoms Foundation for "stimulating the understanding of liberty and the quality of life in America during 1976."

The America & Me contest was judged a 1976 award winner in the "Americana" category. Other winners of the Valley Forge honor plaque in the same category were Newsweek, which won the award for its special issue on America; the American Bar Association; Walt Disney World in Florida; the Esson

Company; the National Music Council; and the Saturday Evening Post Company.

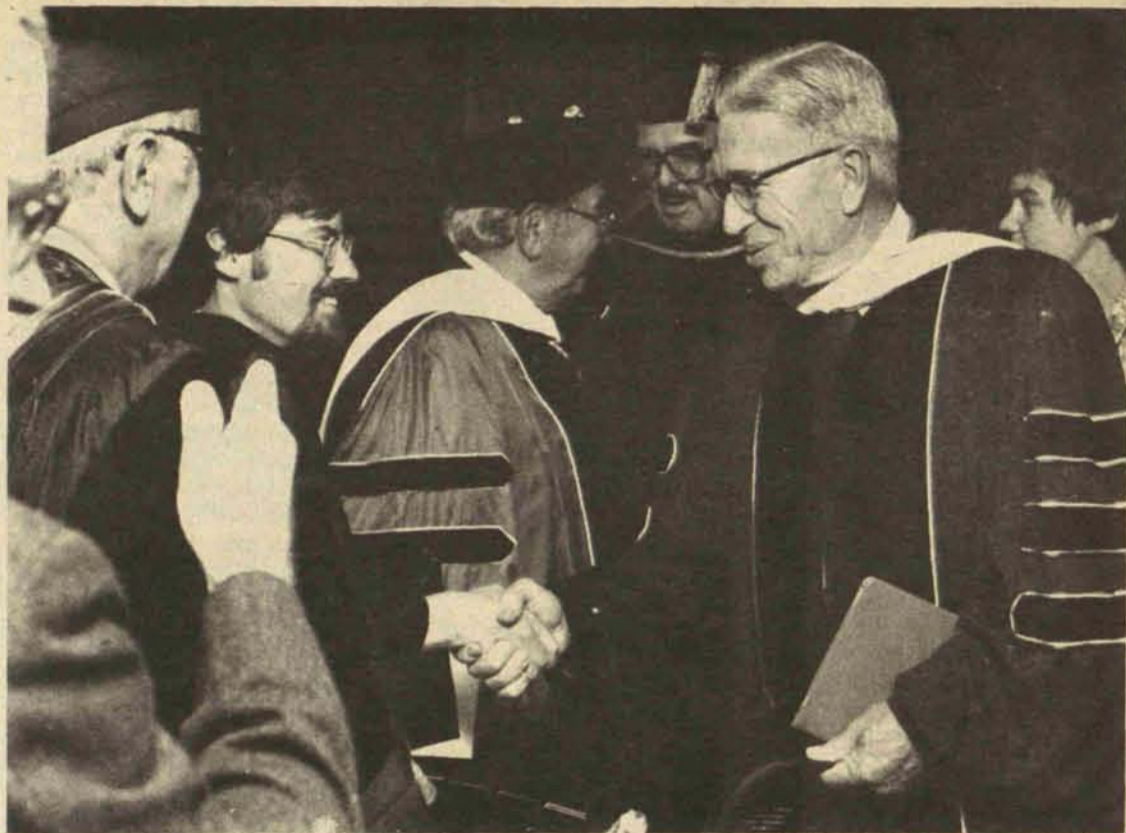
The winner of the principal award in the category was Operation Sail 1976, the grand fleet of 225 ships which sailed into New York Harbor on July 4, 1976.

"Considering the competition, we are extremely proud of the award from the Freedoms Foundation," said Robert Wiseman, executive vice president of Farm Bureau Insurance Group.

Started by FBIG in 1968, the annual America & Me essay contest encourages Michigan's young people to explore their roles in shaping America's future.

FBIG has also earned five George Washington Honor Medals from the Freedoms Foundation for sponsoring the America & Me essay contest in previous years.

Shuman Honored by College



Charles B. Shuman, former president of the American Farm Bureau Federation, is congratulated by a Hillsdale College faculty member after receiving an honorary doctor of agriculture at that school's summer commencement exercises.

Active in Farm Bureau affairs since 1932, he was elected to the Farm Bureau Federation Board of Directors in 1945 and served as president of that

organization from 1954 to 1970.

A member of the Illinois State Board of Regents since 1971, Mr. Shuman also serves on the Board of Directors for the Illinois Power Company and General Telephone of Illinois.

Hillsdale is an independent, coeducational, liberal arts college for 1000 students. It is located in southern Michigan.

New PBB Law Takes Effect

The Michigan Commission of Agriculture has approved establishment of a special project unit to administer the new PBB law (P.A. No. 77), which takes effect October 3.

Arrangements are being made with Cooperative Extension Service at Michigan State University to set up county meetings for dairy farmers and livestock haulers to explain the new program and answer questions. Similar meetings are planned for managers of livestock auction sales.

A packet of information, including a copy of the new law, will be sent to all dairy farmers in the state advising them of the program implementation. After receiving these materials, farmers who have questions should contact the PBB project unit at 517-374-9480.

The new law, scheduled to expire September 30, 1982, applies to all Michigan dairy herds and not just those previously quarantined under federal guidelines, explained Kenneth VanPatten, head of the special project unit. Dairy cows born before January 1, 1976, must be tested for PBB prior to shipment to slaughter.

A computer program is being set up to record all pertinent information concerning PBB contamination. Explicit records must be kept because the law requires

MDA to report this information to the legislature no later than September 1 of each year, according to Van Patten.

The information could also make it possible for the MDA director to require the legislature to exempt from further testing when one-half of one percent or less of the dairy cattle located either by county, geographic location, or any other grouping show levels of PBB higher than 20 parts per billion, he said.

MDA has hired a contractual laboratory to handle milk and tissue sample testing for PBB levels. Van Patten estimates about 100,000 to 150,000 dairy cows are culled from Michigan herds each year.

Once the law takes effect, MDA has four months in which to bulk test milk on every dairy farm in the state to determine if that milk exceeds the newly established PBB tolerance level of 5 parts per billion, Van Patten said. Milk exceeding the level will be excluded from the market. Samples of milk will then be taken from individual cows in the herd to determine which are causing the contamination.

The law provides for the Michigan Department of Natural Resources to collect and dispose of milk prohibited from sale. MDA is required to reimburse the

owners at 90 percent of the fair market value of the milk while the testing is in progress.

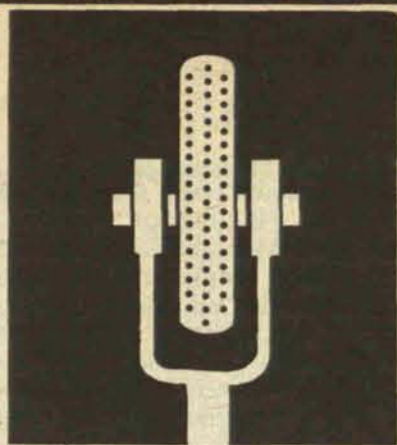
In addition, the PBB law requires all dairy cows born before January 1, 1976 to have tissue samples analyzed before they are culled for slaughter. Local veterinarians will take the tissue samples and will be paid by the state, Van Patten said. Laboratory testing of the samples will be supervised by MDA.

The owner of a cow which tests at 20 parts per billion or less in tissue will receive a certificate which must accompany the animal to slaughter. Cows must be shipped to market within 60 days after the test results are received.

A cow found to be above the legal level of 20 parts per billion of PBB must be quarantined and branded. MDA will then notify the DNR which is responsible for pickup and burial of the cow.

Owners of cattle to be buried will be paid indemnity based on slaughter market prices for their animals. In order to receive payment they must sign a subrogation agreement assigning the state all rights in a claim for damages up to the amount of indemnification, and make application to MDA for payment. Compensation will be paid within 30 days after application.

INTERVIEW



Energy Sources ARE Available, Says Oil Industry Spokesman

Need Return to Free Market System

By Mike Rogers
If the Energy Policy Act is passed and signed into law, it would substantially boost the cost of energy, but it would do little or nothing to increase energy supplies.

So said John Miller, Allegan County oil producer and past president of the Independent Petroleum Association of America, in a recent interview.

The energy bill, as passed by the House and being considered by the Senate, would tax domestic crude to bring it up to the price of world market oil. "The federal government will be imposing a very substantial tax on oil products," said Miller. "This tax will go into the federal bureaucracy. It will not go to find more domestic oil and gas. There is no incentive in this program to develop new domestic oil and gas."

Miller said that by 1980, consumers could expect to pay 7 or 8 cents more per gallon of gasoline. "It does not go to the refiner or the and gas," he said. "It does not go to the refiner of the marketer. That increase goes directly and totally to the federal government."

Consumers would pay an estimated \$25 billion dollars extra for energy the first year the law would be in effect. Miller said that although the tax would be returned to the public with each taxpayer

getting about \$22, "it's important that everyone understands that at this time this new Department of Energy being formed is a department that starts in with some 20,000 employees and a budget in excess of \$10.6 billion per year. So this idea of the rebate that they're talking about is a little bit of a charade because that money will not be coming back to the consumers in rebates. It will be going to fund the beginning of this ultra-bureaucracy."

The bill would actually discourage domestic oil production and increase our dependence on foreign oil, according to Miller, because it relies too much on conservation. "This has to be a two phase program," he said. "One of conservation, one of increased supply. One without the other will not be successful."

Miller pointed out that there are now an estimated 15 million people in their sub-teen years that will hit the job market by 1985. "If we are going to have a 4 percent unemployment level at that time we will have to increase our energy output by 48 percent from its present place. You can't do that through a conservation program alone."

According to 1975 estimates by the U.S. Geological Survey, the United States has huge potential domestic oil

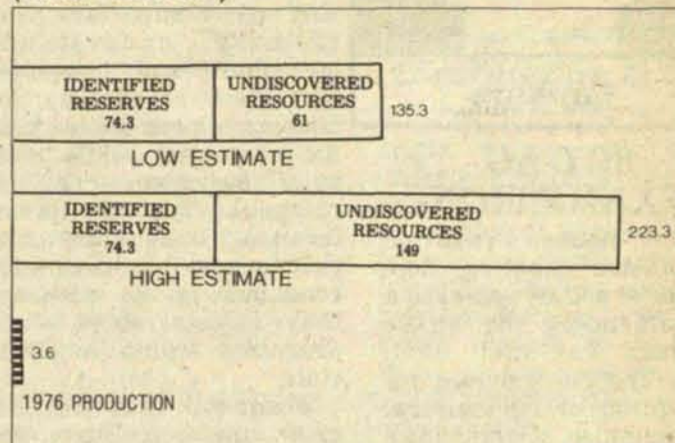
and gas supplies, as much as 38 to 63 times the total 1976 U.S. oil production, and 38 to 55 times the 1976 production of natural gas. But Miller said these reserves will never be developed if oil producers do not have the money or incentive to explore for the deposits.

"We need to have a return to the free market concept, the supply-demand equation that has served this country well," he said. "The United States has all the capability to become independent in energy. We have vast amounts of coal and tremendous amounts of gas that can be extracted from deep, hard to produce formations. We have oil from shale that can be obtained. We have vast amounts of energy, but we lack a program to go forward and develop them."

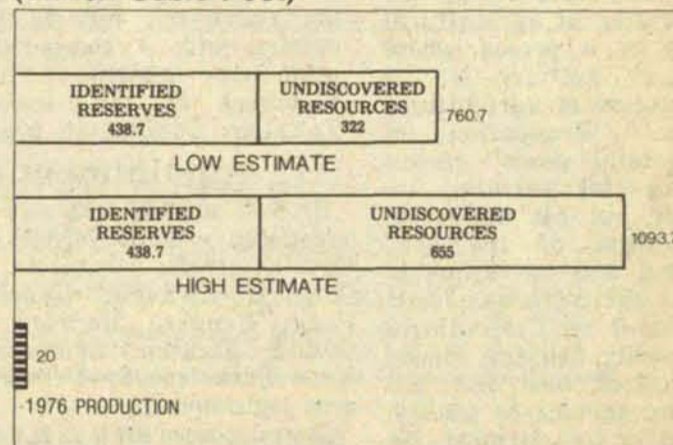
Miller pointed out that only a few years ago there was no hint that there might be petroleum in the Michigan Basin. "But with the recent development of new technologies and geophysics, and a real concentrated drilling program," he said, "we have found a very large amount of oil and gas. We have set new records for the production of oil in the state of Michigan."

So energy sources are available, Miller said, "but it will not be cheap. We need to let the consuming public make the choices of which energy they utilize and in what way they utilize it, and not look to Washington to design a program to tell each of us what to do in every aspect of our livelihood."

U.S. OIL SUPPLIES (Billion Barrels)



U.S. GAS SUPPLIES (Trillion Cubic Feet)



Source: U.S. Geological Survey

IRS Makes Error

If you're a farmer and did not pay any federal income tax last year due to the drought - disaster situation, you can still claim a refund for the 4-cent per gallon federal tax on farm use gasoline.

A release from Missouri Senator Tom Eagleton's office says that "in at least one case this year the IRS in Kansas City had erroneously rejected a farmer's claim on grounds that the credit could be applied only against taxes paid. Actually, the credit on farm use gasoline is one of the few instances in federal tax law where a rebate could be claimed, but this point was misunderstood by an IRS tax examiner in Kansas City."

IRS is correcting their error, but it is unknown how many other farmers in a

similar situation had their claims rejected.

NORTHERN MICHIGAN COOPERATIVE FEEDER SALES 10,250 Head

These are all native cattle sired by registered bulls and out of predominantly beef type cows. All sales guarantee heifer calves open and male calves properly castrated. All calves dehorned.

- Oct. 10 Paulding 1250 yearlings and calves
- Oct. 11 Rapid River 1100 yearlings and calves
- Oct. 13 Gaylord 4000 yearlings and calves
- Oct. 18 Alpena 1200 yearlings and calves
- Oct. 19 West Branch 2000 yearlings and calves
- Oct. 28 Baldwin 700 yearlings and calves

All sales start at 12:00 Noon

Cattle are graded to U.S.D.A. Standards and will be sold in lots of uniform grade, weight, sex and breed.

Brochure available with description of cattle in each sale.

Michigan Feeder Cattle Producers Council
Harvey Hansen, Box 186 #2
Posen, Michigan 49776



October's Member - Only Special

This winter feed your feathered friends Farm Bureau Wild Bird Feed and Sunflower Seeds. Both are available at a special low price just for Michigan Farm Bureau members.

	50-lb. bag	25-lb. bag
Sunflower Seed	\$ 9.70	\$4.95
Wild Bird Feed	5.70	2.95

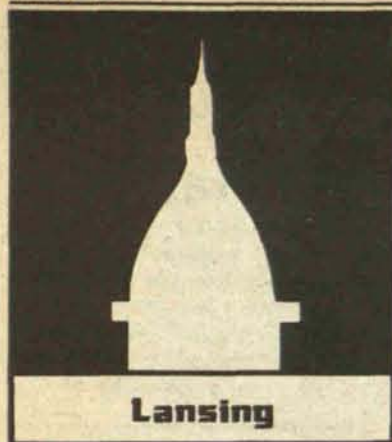
Get ready to spend an enjoyable season of birdwatching. Farm Bureau Wild Bird Feed and Sunflower Seed is the menu Michigan's wild birds prefer!

This offer is good October 1 to November 1, 1977, at participating Farm Bureau Dealers. Remember to have your MFB membership card available. It's good deals like this that help pay for your membership so save now and buy your supply today.

Where Your Farm Comes First
Farm Bureau
FARM BUREAU SERVICES, INC.
FARMERS PETROLEUM

CAPITOL REPORT

Robert E. Smith



Lansing

SBT AG EXEMPTION

The House Taxation Committee meeting September 14 and 15, approved a bill amending the Single Business Tax (Sub. H.B. 4633). The bill provided for exemption of agriculture. The definition of agriculture is:

"That portion of the tax base attributable to the production of agricultural goods by a person whose primary activity is the production of agricultural goods. 'Production of agricultural goods' means commercial farming including but not limited to cultivation of the soil, growing and harvesting of any agricultural, horticultural or floricultural commodity, dairying, raising of livestock, beef, fish, fur-bearing animals or poultry, or turf or tree farming, but not including marketing at retail of agricultural goods."

The legislation is ready for House action when the legislature returns from summer recess on September 19. In addition to the agricultural exemption, there are many other amendments that will be most helpful to other kinds of small businesses.

For example, the labor intensity component or circuit breaker has been reduced from 65 to 63 percent and the allowable deduction raised from 35 to 37 percent. The small business or low profit exemption was raised to \$40,000 and the exemption for each partner to \$12,000. A new circuit breaker type of relief was provided to businesses with less than \$2 million in gross receipts and with low profits.

The present credit against income taxes was repealed and replaced with a credit to be applied directly against the Single Business Tax. Credit is limited to those with \$40,000 business incomes where before it was available for all taxpayers. Certain other businesses were also made eligible for a credit. The additional revenue needed to cover these and other amendments will result primarily from raising the level of preexisting depreciation included in the base to 100 percent. This is expected to raise \$52 million additional revenue which will primarily come from the

large taxpayers or corporations. During the committee meetings Chairman Montgomery (D-Detroit) pointed out that in his opinion the one segment of business that deserved consideration was agriculture. Mr. Montgomery understands agriculture and recognizes that there is no way for farmers to pass the tax onto the consumers while most other businesses can. He recognizes that the prices farmers receive are often determined by worldwide conditions, in no case are they determined by producers within a single state.

When the final decision came the committee was unanimous in approving the exemption for agriculture. The final committee vote for the entire bill was 13 to nothing with 4 committee members absent. The members of the House Taxation Committee are:

Appointment of Ag Director

HB 5102 and HB 5103 were introduced by Reps. DiNello, East Detroit; Spaniola, Corunna; Wilson, Hazel Park; Bennett, Redford; Griffin, Jackson; Symons, Allen Park; mostly Detroit area legislators.

The purpose of the bills is to require that the Director of the Department of Agriculture be appointed by the Governor. Presently, the Director is appointed by a five-member bipartisan commission which, in turn, is appointed by the Governor with consent of the Senate.

The present system was vigorously promoted by Farm Bureau many years ago because, at that time, department heads were appointed by the Governor, thereby making the depart-

Petition to Raise Drinking Age

Senator Alvin DeGrow (R-Pigeon) and Rep. Melvin DeStigter (R-West Olive), have announced support for a petition drive promoted by Coalition 21, to raise the drinking age to 21. The bills raising the age to 19 have passed the Senate, but are presently being held up in the House Committee.

The petition drive will force the issue and give the people opportunity to vote on the legal drinking age.

According to the Michigan State Police there has been a 96 percent increase in alcohol caused fatal crashes among 16 and 17 year olds during the first five years of the lower drinking age in Michigan. For example, a recent crash, involving drinking, took the lives of 6 teenagers in the Ann Arbor area. According to State Police fatal accidents in the 18 to 20 years old group have gone up 132 percent since 1972. During the same period alcohol caused fatalities

Representatives George Montgomery, Detroit; V. Smith, Detroit; T. Brown, Westland; Gerald, Madison Heights; Jondahl, East Lansing; Mathieu, Grand Rapids; Trim, Davisburg; M. Brown, Kalamazoo; Bullard, Ann Arbor; Cushingberry, Detroit, these are all Democrats, the Republican members are: Brotherton, Farmington; Buth, Rockford; Gast, St. Joseph; Hoffman, Applegate; R. Smith, Ypsilanti; Stevens, Atlanta; and VanSingel, Grant. Some members of the committee are either farmers or have farm backgrounds and were very effective in helping to achieve the recommendation that agriculture be exempted.

Governor Milliken, Minority Leader Dennis Cawthorne and Speaker of the House Bobby Crim, have all announced support for the bill.

ment subject to the political whims of whoever the Governor might be. When the commission system was introduced, the Department was still responsible to a commission, but insulated to some degree to the political "spoils system". Since that time, there has been continuity of leadership, even though control of the Executive Branch was fluctuated from Democratic to Republican and back.

HB 5102 and 5103 are regressive bills, as they would return this important Department to the old "spoils system". Every farmer or anyone else who is concerned with good government should be very much opposed to such an effort to politicize the Department.

for older drivers have risen only 14 percent. School administrators and teachers have pointed out serious drinking problems in the classroom and at sports and social events.

The ballot question will amend the Michigan Constitution to make 21 the legal age for purchase, possession and consumption of alcoholic beverages. The petition goal is 400,000 signatures to assure a place on the ballot. Farm Bureau's position on this issue is that the drinking age should be raised to 20 years old from the present 18. However, if it is raised to 21 it still would be well within the position taken by Farm Bureau voting delegates last year.

Anyone wishing to circulate the petitions may have copies by writing the Michigan Farm Bureau Public Affairs Division at 7373 West Saginaw Highway, Lansing, Michigan 48909, P.O. Box 30960.

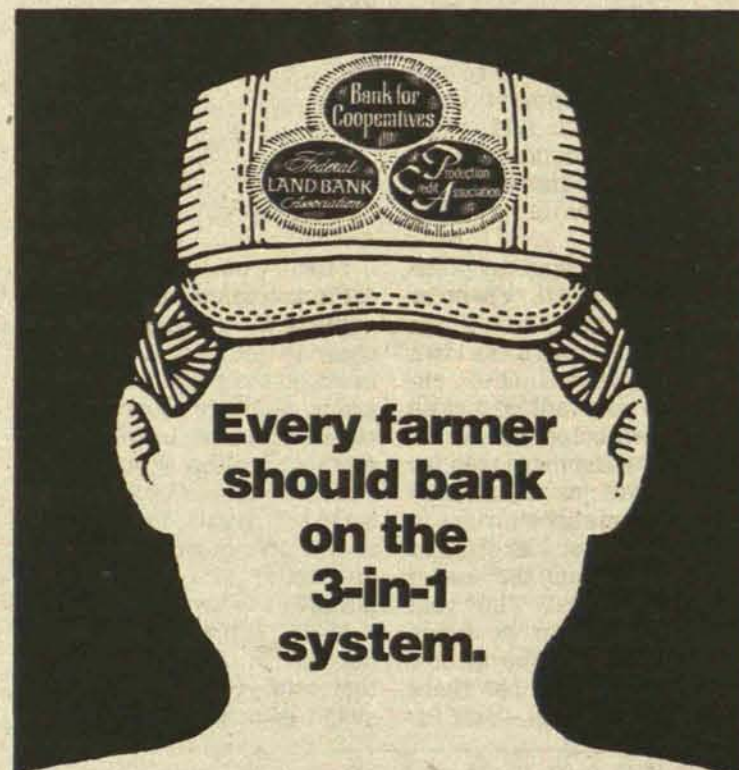
Chemical Test for Imported Foods

Senator Richard Allen (R-Alma) and Rep. Charles Mueller (R-Linden), have announced that they intend to introduce legislation to require that all foods imported into Michigan from other countries must meet Michigan chemical contamination guidelines. They said that food imports are apparently allowed from areas that continue to use agricultural chemicals that are banned in Michigan. There is presently no testing for the presence of these illegal chemicals. Rep. Mueller, a fruit farmer, cited a number of chemicals that are prohibited in Michigan but are legal in Canada such as Amitrol "T" which is the chemical that caused the "cranberry scare" several years ago. Another chemical is Red Dye No. 2, used in producing maraschino cherries, red apple rings and other products. Presently fruits and vegetables move

freely across the border into Michigan without any effort to determine whether banned chemicals have been used in their production. The proposed legislation will require foreign governments to certify that their products are grown without use of prohibited chemicals.

Senator Allen said there are two reasons for the legislation, one is to insure Michigan consumers that banned chemicals are not being used in imported products; and the other is that Michigan farmers are forced into an unfair competitive situation as they must produce products that meet higher standards.

Senator Allen said that Canada has used the PBB situation as an excuse for banning Michigan beef. He said he was "amazed" to find the difference in standards between Michigan and Canada.



Agriculture is a complicated business...and so are its credit requirements. That's why the cooperative Farm Credit Banks of St. Paul are three-banks-in-one.

The Federal Land Bank makes long-term loans secured by first mortgages on farm real estate and rural homes through local Federal Land Bank Associations. The Federal Intermediate Credit Bank provides funds to and supervises Production Credit Associations which make short- and intermediate-term loans to farmers for just about any agricultural purpose. The Bank for Cooperatives makes loans to farmer-owned marketing, supply and service cooperatives, directly from St. Paul.

All three banks raise funds in the nation's capital markets. The money helps provide credit to farmers, ranchers and their cooperatives in Michigan, Minnesota, North Dakota and Wisconsin.

It's a good System. 'Cause when it comes to farm credit... every farmer can count on the three banks of the cooperative Farm Credit System.

THE
COOPERATIVE **FARM
CREDIT
BANKS**

OF ST. PAUL

Federal Intermediate Credit Bank (for your PCA)
Federal Land Bank (for your FLBA)
Bank for Cooperatives (for your cooperatives)

375 Jackson St., St. Paul, MN 55101/Phone: (612) 725-7722

NATIONAL NOTES

Albert A. Almy

Ban on Penicillin in Feed Proposed--What Next?

Pesticide Amendments

In 1972, Congress substantially amended the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA). The final amendments were believed to be the best balance between the varied needs of pesticide manufacturers, environmental groups and users. With proper administration by the Environmental Protection Agency (EPA), the amended FIFRA could have become a landmark of good legislation. However, after the new FIFRA was signed into law, EPA began to add restrictions and roadblocks to its successful operation. This has been done through regulations which have the force of law. The result is that the original expressed intent of Congress in FIFRA has been bypassed and farmers frustrated by the regulatory restrictions.

For example, the AFBF has estimated that excessive regulations have increased pesticide development costs 300 percent since 1972, when FIFRA was amended. Since that time the registration has been cancelled for agricultural pesticides representing 20 percent of the total volume used. Farmers working through their Farm Bureau organization recognize that the environment and public health must be protected. However, these same farmers realize that EPA has not realistically evaluated benefits vs. risks in some of its arbitrary decisions banning the use of some chemicals. The real issue is no longer pesticide regulation. The issue is now one of whether or not there will be any pesticides left for

farmers to use in crop and livestock production. As a result, the AFBF in cooperation with other groups and strong support from members and State Farm Bureaus, has developed amendments to FIFRA which have been introduced by Congressman Throne (R-Nebraska). The amendments spell out the legislative intent of Congress which EPA has neglected and provide new language which would protect the rights of pesticide users to have and use pesticides.

On September 7 the House Agriculture Subcommittee on Department Investigations, Oversight and Research began consideration of amendments to FIFRA, including those introduced by Congressman Throne. At the time this column was written, the Subcommittee had not completed consideration of all the amendments to FIFRA, but had adopted several of the Throne amendments. Farm Bureau at all levels will continue to put forth a major effort to obtain meaningful protection of chemicals for crop and livestock production.

Antibiotics in Feed

The Food and Drug Administration (FDA) has published a proposed rule banning the use of penicillin in feeds for poultry and swine. FDA is proposing the ban because it fears the continuous long-term use of small amounts of penicillin might produce antibiotic-resistant organisms that could pose a health hazard to humans.

It is estimated that 10 percent of the chickens and turkeys and 35 percent of the swine grown for food in the

United States are fed with penicillin-containing feed. Michigan Farm Bureau President Elton Smith has written FDA protesting publication of the proposed rule without conclusive evidence that penicillin in animal feeds is indeed a threat to public health. He has requested that FDA hold public hearings on the proposed ban to allow the agricultural industry to have additional input on this important case. The AFBF and other State Farm Bureaus have taken similar action.

Although penicillin has been added to animal feeds in small amounts for more than 20 years, there have been no

recorded ill-effects to humans traced back to the use of penicillin in feed. This fact was verified in an April 5, 1977 speech by FDA Commissioner Donald Kennedy before the National Advisory Food and Drug Committee. Commissioner Kennedy said, "Although we can point to no specific instance in which human disease is more difficult to treat because drug resistance has arisen from an animal source, it is likely that such problems could have gone unnoticed."

It therefore appears that another drug with a long record of safe and effective use by agriculture is being removed on the basis of what

Washington D.C.

might happen if some unlikely possibility were to occur rather than on the basis of actual fact. Farm Bureau believes that the thousands of farm families who routinely handle medicated feeds have health records as good as those of non-farm families and therefore the FDA fear is unwarranted.

Since the FDA proposal has been published in the Federal

(Continued on Page 19)

We went to an expert at Michigan State University to get some tips on how proper landscaping can help you conserve energy.

Detroit Edison asked Professor Joseph T. Cox, Extension Specialist in Landscape Architecture at Michigan State University, for some tips on conserving energy through landscaping.

His tips can also help you save on heating, air conditioning and electricity costs. We're passing them along to you.



Professor Joseph T. Cox, Extension Specialist in Landscape Architecture, Michigan State University

Plant wisely.

Deciduous trees provide good shade in summer and help keep your home cooler. In winter, they lose their leaves and allow the winter sun to help warm and light your home. Rows of evergreens can break the force of winter winds and funnel summer breezes around the home.

Plan for low maintenance.

Planning can minimize the need for hedge clippers, power mowers and other energy-consuming equipment. So choose plants well-suited to the climate and planting site. They need less spraying, watering and pruning. Slow-growing shrubs also require less maintenance. Instead of grass, consider planting ground covers.

Work with nature.

Some mulches add nutrients to the soil, conserve soil moisture and discourage weeds. You can make your own mulch from vegetative materials, leaves, grass clippings and garden refuse. It's a good way to dispose of these materials.

For other ways to conserve energy through landscaping, write to Room 10, Urban Planning and Landscape Architecture Building, Michigan State University, East Lansing, Michigan 48824.

Consumers Will Pay

The FDA is on the march to ban low-level use of penicillin and several other important drugs in animal feeds - drugs used to keep animals healthy. Some consumer groups are cheering, but farmers and ranchers - the nation's food producers - are sure it would be an expensive mistake.

The food producers are right. Scientists have assembled a kind of economic impact statement, the economics of banning the use of all farm chemicals, the banning of fertilizers, pesticides, drugs - the works. Their conclusion was that crop and livestock production would drop by as much as one-third in two to three years.

Not only would we have one-third less food to start with, if we also banned pesticides and fumigants used to keep the bugs and mice out of food transporting trucks, rail cars, and airplanes, and out of food processing factories, warehouses and stores - and if we banned the use of chemical food preservatives, even less food would make it to the consumer.

Food prices would go up as consumers bid to get their fair share of that much smaller food supply.

Ellen Zowell, a prominent spokesman for the consumer movement, noted that when a group she chaired - a group investigating the feasibility of banning nitrates (nitrates are used in bacon, hams, and other cured meat products to kill botulism and bacteria) that such a ban would have a 10 to 15 per cent inflationary impact on the total market basket.

Said Ms. Zowell: "It becomes increasingly evident that deciding issues of public health and safety are more complex than one can imagine."

Farmers agree.



Conserve for all it's worth. The power is in your hands.

Detroit
Edison

Agriculture, Consumers and You

Telling the Story of Agriculture

It was a thirty-second course in economics for consumers who learned from Michigan Farm Bureau spokesman, Larry Ewing, that while farm prices are falling 6 percent below last year's level, in store prices for food continue to increase. Ewing, who is director of the Information and Public Relations Division of Michigan Farm Bureau, appeared on WJIM-TV, Lansing, to become part of the station's "news team" for an evening.

Falling farm prices are not news to farmers, but for consumers, many of whom are generations away from their roots in agriculture, making the "agricultural connection" between falling farm prices and the spending power of their food dollar has been repeatedly misinterpreted.

To the consumer, falling farm prices promise lower cash register totals in the supermarket. But experience has shown that while the farmer's share of the food dollar may be smaller, the savings to the shopper do not parallel the lower acquisition cost of the raw agricultural commodity.

Using three loaves of bread purchased at a local market, Ewing illustrated for the TV-viewer what part of the 60 slices represents the farmer's share in the cost break down. Separating three full slices and part of a fourth from the three loaves, Ewing told the television audience that the remaining portions represent the costs of processing, transportation, and retailing.

Land Use Passes Available

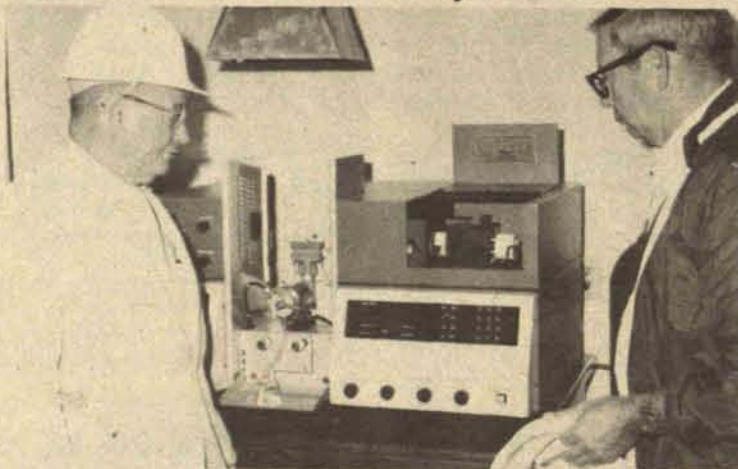
With hunting seasons approaching, members are reminded that Sportsman Land Use Passes are available through the Public Affairs Division of the Michigan Farm Bureau. An order blank on this page may be used for this purpose.

The Recreational Trespass Act (PA 323), which became effective April 1, 1977, requires sportsmen to obtain written consent from farmers before using their land for hunting, fishing and snowmobiling and other off-road vehicles.

Ewing says about the presentation, "Consumers must wonder how farm prices can drop 6 percent in a year and continue dropping for three consecutive months. They know the prices they pay at the grocery store continue to rise. It's an every week occurrence. In telling the story, I felt the frustration that consumers have and that

farmers feel. How can those concerns be answered in 30-seconds? But that's what we need - people aware of the situation, understanding the agricultural industry. That's the way we'll change public opinion and the political climate for farmers. Farmers everywhere can help by telling their story to the consumer."

FBS Laboratory Features Feed Analysis



Construction of the Farm Bureau Service Analytical Laboratory, located on the grounds of the FB Battle Creek Animal Food Plant in Climax, was recently completed, and its first visitors were the FBS Board of Directors. Shown are Elton R. Smith, FBS president, and Director Loren Black of Grand Traverse County, observing the atomic absorption spectrometer, one of several precision instruments in the new laboratory.

The objective of the new analytical laboratory is to provide the manufacturing facilities, dealerships and patrons with prompt and accurate analytical feed analyses. The analyses will enhance the manufacture of high quality products and provide valuable additional information on feeds, roughages and fertilizers. Soil testing and other analysis systems will be included at a later date.

The analytical laboratory will initially analyze feed and feed ingredients samples from the Battle Creek Animal Food Plant, and later, analytical services to FBS, Inc., feed dealerships, fertilizer plants and patrons will be offered. The lab will also be able to analyze fertilizer samples for nitrogen, phosphorous, potash, and trace minerals.

Farmers Urged to Sign Up for Public Access Program

LANSING - Farmers in southern Lower Michigan are encouraged to SIGN UP BY OCTOBER 1 for the state's new Public Access Program which offers funds in exchange for the use of their lands for hunting, says the Department of Natural Resources.

Most sportsmen hunting in southern Michigan (Zone 3) this year (below a line extending from Muskegon to Bay City) are now required to purchase a \$1 Public Access Stamp. The monies collected will be used by the DNR to lease farmland for the use of all hunters.

(Exemptions include persons hunting under senior citizen's licenses; residents of this state or their children and employees when hunting small game on their own enclosed farm land where they live; and residents on furlough from military service of the United States.) "We're getting plenty of enthusiastic letters from Michigan hunters about the program - up to 45 a day," says DNR wildlife planner Arlow Boyce. "We are concerned, though, that many landowners don't know about the program. The number of applications to make land available for hunting has been disappointingly low."

Both the Michigan Farm Bureau and Michigan United Conservation Clubs (MUCC) sponsored the Public Access Law, Boyce says. Considering an expected 450,000 licensed hunters in Michigan this year, the new program could provide thousands of privately-owned acres for hunting. Boyce compares the

program to two previously popular discontinued federal programs - the Cropland Adjustment Program (CAP) of the 1960's, and a federal pilot program which set aside some 145,000 acres of Michigan cropland for hunting in 1974.

Land-leasing applications are available at all DNR field offices and at county Agricultural Stabilization and Conservation Service (ASCS) offices.

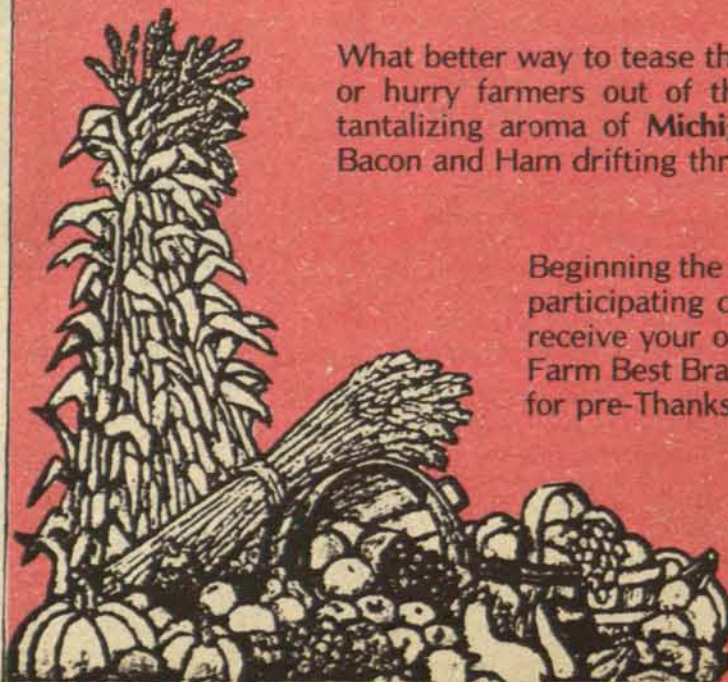
The state will pay anywhere from 50 cents to \$2.50 per acre to the landowners, depending on the type of land available - woodlots, marshlands, brush land, idle fields not cropped, grain lands left for wildlife, and so on.

Leasing contracts will cover three years, and the new law ensures continuation of the program for the next six years. Since each piece of property must be inspected by DNR wildlife specialists before leasing, says Boyce, complete lists of the leased hunting land will be available at DNR district and ASCS offices only after September 15.

The Department of Natural Resources will provide signs for the leased property indicating that, "Hunting is Permitted Under the Public Access Program. You must get permission at the farm headquarters."

Another sign at the farm house will identify it as the location where the hunter must get his permit to hunt on the property. Rules require the farmer to limit the number of hunters on the land to about one person per ten acres.

BEGIN A HARVEST TRADITION WITH Michigan's Farm Best Brand HAM, BACON, AND APPLE CIDER CONCENTRATE



What better way to tease the senses of sleepyheads or hurry farmers out of the fields than with the tantalizing aroma of Michigan's Farm Best Brand Bacon and Ham drifting through the house.

Beginning the second week of October, participating counties will be ready to receive your order for these Michigan Farm Best Brand products. Order soon for pre-Thanksgiving delivery.

Be sure to contact your County Farm Bureau for a list of available products.

Order Your Land Use Passes Now

Name _____

Address _____

Number of Passes _____
(in booklets of 100)

Clip and mail in envelope to:

Public Affairs Division
Michigan Farm Bureau
P.O. Box 30960
Lansing, MI 48909

Worker's Comp--

A Special Report

Worker's Compensation has surfaced as one of the major concerns of farmers, and others, in the State of Michigan. FARM NEWS editors, in cooperation with MASA Operations Manager, Donald Shepard, visited with farmer-businessmen, labor experts and

"This issue is far bigger than the \$12,000 it looks like I'll have to pay. You'd think I could get my 'day in court'—but it appears I will be denied that."
—Bill Olsen, New Boston sod farmer.



legislators regarding their experiences and views on this issue. Hopefully, by sharing this broad cross-section of opinions, all members will become aware of the various problems involved and work together toward the best solutions.

"Not only is the compensation to the Michigan worker inadequate," concluded Wellborn, "the exorbitant costs for worker's compensation in this state have made Michigan unattractive to job-providers."

As a member of the Senate Labor Committee, Wellborn has done extensive research on the problem in Michigan. Comparing the 1976 worker's compensation costs per employee with neighboring Ohio, Wellborn found that the compensation schedule in Ohio entitled the eligible worker to a maximum benefit of \$186 per week; a compensable injury for the Michigan worker allowed a maximum weekly payment of \$144. Continuing the comparison to costs per employee, Wellborn pointed out that the Ohio average was \$838. For a Michigan employee in the same work category, the cost was an average \$1902 per employee.

FEW ALTERNATIVES IN AGRICULTURE

In the Gallegos v Glaser Crandell Company Supreme Court decision in 1972, farm employers lost all agricultural exemptions under the Worker's Compensation Act. Since that time agricultural employers, too, have been enmeshed in the costly and administratively complicated system. Unlike business and industry, however, farm operators do not have the alternative of relocating in a more favorable labor environment.



"Farmers are taking an employment risk, too, on many persons who are not desirable employment prospects in the non-agricultural sector." —Dr. Allan Shapley, Farm Labor Specialist, MSU.

According to Allan Shapley, Farm Labor Specialist, Michigan State University, the unique employment situation in agriculture further illustrates the inflexibility and inequities that exist in Worker's Compensation.

"While the industrial worker receives inadequate compensation for injury, based upon his previous earning power, the lower-paid, intermittently - employed agricultural worker too frequently draws tax free compensation benefits which exceed his previous spendable income. This happens time and time again," says the farm labor expert.

The burdensome costs of Worker's Compensation insurance have hit small agricultural employers the hardest, contends Shapley. Eighty-eight percent of Michigan farmers have annual payrolls substantially less than \$3500. For this category of farm operation assessed minimum premium payments may be nearly equal to or exceed the employee payroll. "Because of this," says Shapley, "many farmers are violating the law: operating without worker's compensation insurance. They are unquestionably in jeopardy, but they feel that they have no acceptable alternative."

"Farmers are taking an employment risk, too, on many persons who are not desirable employment prospects in the non - agricultural sector. Not only does the farmer accept worker's compensation liability for a large number of employees for a short period of time, he is gambling against the odds of encountering a

August 12, 1972 - A sixteen-year old employee of Billy Olsen, owner of a 75-acre sod farm in New Boston, fell off a tractor and lost his leg in the rotary mower he was operating. Olsen's insurance carrier took care of all medical expenses, plus weekly benefits for the allotted 215 weeks, under Workmen's Compensation.

April 3, 1975 - The sixteen-year-old's attorney petitioned the Bureau of Workmen's Compensation, contending that the employment was illegal and asking for double compensation. The Board accepted Olsen's defense that his sod farm was classed as agriculture and was therefore exempt from the requirement for a work permit for the 16-year-old. The Board denied the double compensation.

November 3, 1976 - The plaintiff appealed to the Workmen's Compensation Appeal Board and by a 3-2 decision, the Board reversed the decision, declaring the law as it pertained to employment of minors in agriculture was "unconstitutional."

January 27, 1977 - Billy Olsen shares his experience with other farm organizations of the state, asking them to file amicus curiae - as interested parties in the outcome of the case. Michigan Farm Bureau and the Michigan Association of Nurserymen agree to do so.

February 24, 1977 - The Court of Appeals denies Olsen's appeal to be heard again.

August 10, 1977 - The Supreme Court denies Olsen's application for leave to appeal "because the appellants have failed to persuade the Court that the questions presented should be reviewed by this Court."

August 30, 1977 - Olsen receives word from the insurance company that it will not proceed with any additional appeal and that the total due the plaintiff is \$12,119.53 including interest costs of \$1,578.08. Olsen must reimburse the insurance company for the full amount.

This five-year chain of events puts a touch of bitterness in Olsen's voice as he asks: "Have you ever heard of an employer winning a case?"

But although that \$12,000 is a "mountain" to him, his concerns arising from this tragic experience go far beyond his own personal situation. He's not against Worker's Compensation - "I wouldn't operate five minutes without it" - and he was glad that his sixteen-year-old employee's medical expenses and weekly benefits were covered. Olsen is a small businessman with a close working relationship with his employees and the injured employee was no exception. His bitterness stems from the fact that "the lawyers get from a third to a half of what the claimants are awarded."

He's concerned, too, about the impact the outcome of his case could have on Michigan's economy. "I'm afraid it could set a precedent and stimulate retroactive cases that could involve millions of dollars in claims. The end result would be that the premiums for Worker's Compensation would be so prohibitive that it would be impossible to stay in business."

Olsen worries, too, about what this will do to the job market for youth. "Who is going to hire a teenager to work for them anymore? There are a lot of fine, young teenagers who want employment, but will be unable to get it. Then they're going to be out on the streets, exposed to the temptations that are all around us."

He believes the roots of the Worker's Comp problem - and many others which plague the farmer - businessman - lie in "our super-liberal society and government." He feels strongly about his right to his "day in court" and questions the legality of the Appeal Board to declare the law pertaining to agriculture unconstitutional. "The Supreme Court can declare something unconstitutional - but it hasn't even gotten there yet."

Billy Olsen hangs on to the flickering hope that someday the Supreme Court will hear his case, not so much for himself - at this point, he doesn't know how he will pay the \$12,000 - but for the future of agriculture in Michigan.



"Everyone agrees that Worker's Compensation is costly, slow, inadequate and unfair ...we must take action or quit talking."
—Keith Molin, Michigan Department of Labor.

The wage loss compensation principle is at the heart of the 1912 Worker's Compensation Act. In the increasingly industrial climate of the early 1900's, workers compensation was an inventive social program designed to insure income maintenance for the worker and his family during recuperation from a job-related injury; the benefits terminating upon return to the labor force. That principle still stands as a basic precept of the worker's compensation system, but during the 65 year history of the Act, the original mandate has been seriously distorted.

In a recent publication of the Labor Register, State Labor Director, Keith Molin, called the Worker's Compensation system "unfair to employers and workers." Molin, who advocates significant reform of the Act, identified the loosely - written language of the law as the greatest impediment to fulfilling the original mandate of the Worker's Compensation Act.

"The root of the problem," says Molin, "is that the law lacks meaningful definition; the terms are vague and invite arbitrary interpretation."

In terms of current experience in administering the system, Molin pointed out that in the past year, one-half billion dollars were paid in worker's compensation benefits through the state agency; "not always to clients who need and deserve the compensation."

Admitting that reform of the benefit program is undoubtedly an awesome task, Molin added, "Everyone agrees that worker's compensation is costly, slow, inadequate and unfair, but the parties have been unwilling to move. Yet clearly the time has come when we must take action or quit talking."



"...Exorbitant costs for Worker's Compensation in this state have made Michigan unattractive to job-providers." —Senator Jack Wellborn, (R-Kalamazoo).

Among the legislators committed to action on worker's compensation in the current legislative session is Senator Jack Wellborn (R-Kalamazoo). Wellborn is adamant in his conviction that an equitable worker's compensation reform package can and must be found. "If the worker's compensation system in Michigan is to be fair and adequate, we must close the loopholes that allow abuses of the program and assure realistic compensation benefits to Michigan workers who are injured on the job so that they may live decently until they are able to re-enter the mainstream of employment."

work related injury due to a previously existing medical condition. The small employer cannot be guaranteed, nor can he provide, medical exams for every prospective employee," says Shapley.

Shapley sees little possibility that the lost agricultural exemptions will be restored in reform legislation, but feels that the total benefit coverage for agricultural employees does have positive aspects which cannot be overlooked. Just as worker's compensation protects the worker's income in the event of injury, the employer's financial and real property assets are insured against a common law liability suit. Shapley called worker's compensation an essentially good and needed concept.

But Shapley warned that if farmers are to have input to the reform package, which is sure to be considered in the current legislative session, farm employers must provide their legislators with solid, factual documentation of the inequities they have personally seen or experienced. Although Shapley endorses all communication between the legislator and the constituent, with regard to worker's compensation reform, Shapley feels that personal case histories and reasonable, well-thought-out recommendations will be of the most value to the legislator. Harangue and ill-considered opinion only hurt the farmer's position, said Shapley.



"Social Security, Unemployment Insurance and Worker's Compensation have a common prerequisite: a job." — Dr. Daniel Kruger, Labor and Industrial Relations Department, MSU.

Resisting that temptation may be difficult for farmers who are appalled by the increasingly common attitude in society "that government-business owes me. . ." That trend is also apparent in the abuses of the worker's compensation system. Dr. Daniel Kruger, MSU, agrees that the pattern has disturbing implications, but added, "Traditionally the United States has been a work oriented society. It is interesting to note that the three major social programs introduced in this century — Social Security, Unemployment Insurance and Worker's Compensation — have a common prerequisite: a job. More than the apparent income derived from employment, the work-related benefits and eligibility for these programs has made employment a valuable commodity.



"...How do we generate jobs for people when every time we turn around somebody's doing something to us that automatically rings a little bell that says: get rid of the people?" — Ralph Kish, Manager, Silver Hills Farms, Mears.

Ralph Kish is a big man with a big philosophy. If there's one thing he isn't — it's apathetic. He comes on strong about what he feels are injustices to the agricultural industry and what farmers ought to do "fight back." And he comes on just as strong—with a sincerity as big as he is — about what he believes is "the best system in the world. Our forefathers had fantastic minds to be able to set up the kind of system that's lasted for 200 years, and I think it will last a long time if everybody sits down and evaluates it with good, common sense," says Kish.

Kish is manager of Silver Hills Farms, near Mears, which specializes in cherries and pickles. He employs about 30 migrant families, two full-time employees, and nine high school and college students on a seasonal basis. The payroll at

Silver Hills will be about \$96,000 before year's end and premiums for Worker's Compensation run about \$6,000.

"Worker's Comp is a real necessary tool; there's no way in the world we can get along without it," says Kish, but he believes that agriculture is picking up the bill for other industries, even though he admits that's an assumption on his part. "We're not in a position to pick up anyone else's bills; farmers have enough trouble trying to pay their own."

In addition to the high premium costs, Kish thinks the main inadequacies of the Work Comp program are payment to retirees and overpayment of some claims. "I believe a worker who is hurt and cannot work should be paid his full salary, but he shouldn't be paid two or three times his salary. If he lived on that salary when he was working, he should be able to live on it when he's not working."

"I don't want anything unfair — but the way it is now, it's unfair against the employer," says Kish. "There are very few things, unfortunately, that are fair to the employer and the state of Michigan seems to compound these problems, much worse than most other states — not just in the Work Comp area, but in other areas as well."

"How do we generate jobs for people when everytime we turn around, somebody's doing something to us that automatically rings a little bell that says: get rid of the people; that'll solve your problem?"

Kish believes that farmers should take a lesson from their "cousins in the shop" and organize for strength to change some of the injustices. "Every farmer is extremely proud of his independence and I am too. But independently we're getting beaten to death out behind the barn and we just can't tolerate that. And when we're beaten, the consumer is being beaten at the same time. Today 90 per cent of the consumers don't realize that, but once the connection is made, I think some of the inadequacies will be worked out of the program."

Good safety practices are stressed at Silver Hills; Kish even teaches the tractor safety course locally. He does this because he believes it's "necessary," and also, because he's such a big booster of hiring high school students, he does it for what he terms is "a selfish reason."

"It gives me a chance to know the kids, pick out the best ones and hire them," he explains. "It gives me a chance to know their horse-play patterns, which we don't tolerate here, and to know the ones who care. You can't just turn somebody loose with a \$30,000 piece of equipment who doesn't care."

The students who become a Silver Hills Farm employee must take the safety course and as a part of the course, they also learn what Work Comp costs their employer. "They get to listen to a canned speech on what the people they're working for put forth on their behalf so they can have a job," Kish says.



"Unless we get organized, I think we are just going to be victims of other organized forces...I think it's worth fighting." — Barbara Spike, Owosso dairy farmer.

At Spike Farms in Shiawassee County, one of the most progressive dairy operations in the country, the annual payroll will run nearly \$100,000. Their Worker's Comp premiums run \$5900 a year, which Barbara Spike feels is "out of proportion."

"We're a very labor-intensive industry and we just cannot afford this. People want more money, especially in Michigan where we're in competition with the big industries and things just keep spiraling," says Barbara. "Well, that would be nice if we continued to make more money. But it doesn't happen that way for farmers; there is no way for us to write off these costs that keep growing."

One method the Spikes have considered to control these costs is by not expanding any further, cutting the labor force to almost nothing

and using their children more as they grow up, and buying more equipment to do what people are now doing.

Another possibility is legislative reform, which Barbara describes as "our only avenue of hope."

"But I'm very discouraged with what I see in the ability of our legislators to really focus on the problems of their different types of constituents," she said. "They go with the masses, where the votes are — and that is not with the farmer. Obviously, we don't have the numbers to impress them. They like to say, 'I understand — I grew up on a farm, but I'm sorry, there are 50 people over here who want it the other way and they're going to vote for me if I do what they tell me — and you're only one. Sorry.'"

"Unless we get organized, I think we are just going to be victims of other organized forces," Barbara fears. "But we can't give up. We have to tell our story; we have to let the legislators and the labor people know that we are different. But we have to have proposals, too; we can't just say 'it's not fair.'"

Barbara realizes this is a big challenge, but she maintains: "It's worth fighting; otherwise we're not going to have an agricultural industry. And eventually, people aren't going to have any food."

"The thing we've got to do," says Barbara, "is just to keep digging, like we did with the MIOSHA issue."



"...We got a letter telling us we were going to be prohibited from doing business in Michigan...and we had been trying and trying." — Leroy Losey, Springport livestock and cash crop farmer.

Leroy Losey has been farming since he was in school. Then — "many regulations later" — he had a frustrating experience, trying to comply with the law, but thwarted in his attempts to do so.

Losey raises hogs, beef cattle and cash crops on his 1,000-acre farm near Springport in Jackson County. He has a small payroll, employing two part-time employees — one man who owns his own farm and helps out during the busy season, and another employed at General Motors who helps "when he has the time."

The Loseys had carried their Worker's Compensation insurance since it became mandatory in 1967 with an insurance company through which they had also had their truck insurance. Shortly after switching their truck insurance to another company, where they carried most of their other farm insurance and could get it cheaper, they received notice that their Worker's Compensation insurance would be dropped.

"It was a form letter and it sounded as though we were a bad risk. But we had only one minor claim several years ago — a chipped tooth," recalls Losey.

"I'd say there was probably 99 per cent profit on our premiums over the years. The interest on a year's premium probably would have taken care of that one incident."

They called their agent and were told it was a matter of not carrying enough business with them. All in all, three insurance companies gave that reason for not taking the Loseys as customers for Workers Compensation coverage.

They were informed that they would have to go through the state accident fund and that the premiums would be a "bit higher" than they had been paying. That bit higher translates to \$415, more than 10 per cent of Losey's payroll.

"There wasn't much else we could do," said Losey. "It was the busy season with both employees working and we didn't want to take the risk of not being covered."

Then came the red tape — filling out questionnaires, sending letters in response to requests for more information. "They pretty much wanted to know our life history and it made me kind of mad," said Losey, who felt that some of the information requested "was not really their business."

Even after all the questions were answered, the Loseys weren't covered. "They wouldn't cover us from the date we gave them the check," Losey said. "They had more things to check out first. We were getting a little nervous by this time. The agent said we'd be safe, but it wasn't that way. I hate to say it, but I think we were about a week without coverage."

That, in itself, was frightening to the Loseys; their primary concern was coverage for their employees. Then came the letter from the Department of Labor telling them they would be prohibited from doing business in Michigan if they didn't get their Worker's Compensation insurance, exactly what they had been desperately trying to do!

Losey sums it up as a "bad experience."

"We felt we were being penalized for being in business, for giving our employees a job. We wanted to get insurance and they were making it so hard to come by..."



"...It's forcing us to either go mechanical or discontinue the crop...so jobs are gone, too...It's not just a farm problem..." — Herman DeRuiter, Hart asparagus and cherry grower.

This year, thousands of dollars worth of asparagus were left in the fields on the Herman DeRuiter farm near Hart because of labor problems. For the same reason, next year he will discontinue his strawberry crop. At this point, he sees either mechanization or elimination of crops which require hand labor as solutions.

"We can't compete with the social services, and the food stamps. They only have to work three days a week to provide some of the extras that aren't given to them, and if it's too hot those three days, they don't work. They don't care much whether your crop gets harvested or not," DeRuiter related.

DeRuiter sees the Worker's Comp program as being "totally unfair" to small operations.

"They have to pay a large, high-price premium which might even be larger than their total labor bill. This is completely out of balance. They're forcing us to go to mechanical means or discontinuing crops. There's no profit left in it. So jobs are gone, too," he said.

He cites the use of Work Comp as a "retirement program" as one of the biggest abuses and causes for high premiums. "I used to work in industry and some people could tell you two years ahead of time when they were going to retire on Worker's Compensation. They had it all prearranged."

DeRuiter believes that as a small minority of the population, and with a "labor-oriented Legislature," farmers should enlist the aid of other organizations such as the Chamber of Commerce and Manufacturer's Association. "We need to get together with these people instead of each going off in our own direction," he said. "We've really got the same problems and we should try to solve them together."

"In a small community, we're all tied together; one person's problems are really another's problem," he explained. "When we farmers have a bad year, so do our business people in town."

DeRuiter thinks this type of alliance would be good, not only on the Worker's Compensation problem, but on other issues as well, such as Minimum Wage.

He worries about our "permissive" society and the challenge of changing things around. "Today it's 'everything for the worker' and more all the time, regardless of costs. And when this happens, the employer almost always has to be penalized," said DeRuiter.



"...There are a lot of 'middlemen' in the program. I think farmers ought to have more input to help set rates which are more equitable for agriculture." — Paul Bixby, Berrien Springs fruit farmer.

Paul Bixby's fruit farm near Berrien Springs is a family operation which employs one year-round worker and up to 200 seasonal workers. He supports the concept of the Worker's Compensation program, but is concerned about some of its inequities, especially the rate structure.

He pays the maximum orchard rate even though about half of his operation is "ground" work. "I feel I'm being discriminated against because there's a lot of work that goes on in an orchard from the ground. There's many dwarf trees that we never use a ladder in the trees. It's the same as a vineyard, and yet we pay the higher rate," explains Bixby.

"I view the program as more or less a labor tax for the state. I know it must be a huge paperwork problem, but I question where all the money is going — whether employees are getting it all back through claims or exactly what does happen to it. There are a lot of middlemen involved in this whole program."

Bixby believes farm workers should have the same benefits as other employees but that consideration should be given to the agricultural hourly wage that's paid in Michigan.

"They use the manufacturer's average hourly wage as an average for paying benefits," Bixby said. "Currently that's about \$5.00 an hour. So what happens is that if you have a farm employee who is injured... say he is making \$3.00 per hour... the fellow ends up making more from benefits than he did when he was working."

"I don't know who does the studies and sets the rates, but it's obvious that there's not much farmer representation on that board. There should be more input from farmers to help set the rates so they are more equitable for the farming operation. There's all kinds of different farming operations and they just kind of lump us all into one big one. And if there's any question, they put you into the higher premium bracket," he said.

Bixby is concerned about how the high cost of Worker's Comp affects Michigan agriculture's competitive position in the marketplace. "I've heard comments that it would be a whole lot cheaper to be operating in some other state," he said. "We're pretty well union-oriented in the State of Michigan and that's probably why our rates are so high." This, he feels, puts Michigan farmers at a real disadvantage.



"...One fellow worked about half an hour and skinned his fingers in a V-belt and it kept him unemployed for about eight weeks...a peculiar case..." — Keith Sackett, Edmore potato farmer.

If you're a potato chip and french fry fan, chances are you've eaten potatoes from the 1500-acre father-son farming operation of the Keith Sackett family in Montcalm County. They also raise corn, wheat, and for the first time this year, 20 acres of soybeans.

In addition to the four Sacketts, there are three full-time employees and up to 10 or 12 part-time employees depending on the season. Sackett is a believer in "carrying everything" for self-protection. And he believes that when people get sick or hurt during work-related conditions, they should be provided with a program to cover medical costs and wages if they are unable to work.

"We had one fellow who came to help plant potatoes," he related, "and before we even got started, he got his fingers in the V-belt and

skinned them up. It kept him unemployed for eight weeks. By the time he was able to work, we didn't need him anymore. We estimated what his weekly hours would have been and the rate per hour we had agreed to pay him. They paid him medical benefits and wages and it came out of our premiums. But he deserved it, I guess. He was there to work."

"I guess if I have any disagreement with the Work Comp program, it is the ability of retired people to claim benefits from it. I'm sure I don't know where they got that idea from," he says.

The Sacketts' Worker's Compensation premiums have soared up to the "couple thousand dollar area" as compared to the \$300 to \$400 it cost a few years ago, before it was ruled that it must be carried for all employees regardless of whether they were full-time or not.

Sackett sums up his opinion: "We're willing to pay our share — but that's all we are willing to pay."



"The key to keeping Work Comp rates low is safety on the job." — Don Bradshaw, vice-president of Farm Bureau Insurance Group's property/casualty operations.

Insurance companies in Michigan have experienced a \$144 million underwriting loss on workers compensation insurance in the last five years. In 1976 alone, the loss was \$56 million.

The Workers Compensation Rating and Inspection Association of Michigan, which sets the rates that Michigan insurance companies charge for work comp insurance, recently requested an emergency rate increase to help alleviate the problem. The State Insurance Bureau granted only a small part of the requested increase. A larger increase is expected in December.

Many of the same problems that are afflicting the auto insurance industry are driving up workers compensation insurance rates. Medical and hospital costs are skyrocketing because of inflation, and loss-of-wages payments to injured persons are climbing for the same reason.

The effect is being felt at Farm Bureau Insurance Group, which specializes in providing work comp coverage to agricultural workers.

FBIG's Safety Group program, a workers compensation plan available exclusively to Farm Bureau members employing agricultural workers, experienced several large losses in the year between July 1, 1976 and June 30, 1977. In that one-year period, 17 severe injuries resulted in losses of nearly \$750,000.

That included a claim of \$267,000 for an agricultural worker who sustained severe back injuries in a fall, and another claim of \$155,000 for an agricultural worker who was burned in a grass fire.

In addition to the 17 serious losses, the Safety Group program experienced several minor losses (under \$10,000 each) during 1976-77.

In the recently completed 1976-77 period, FBIG's agricultural work comp medical and wage losses followed the trends of the rest of the work comp insurance industry — losses went up because of inflation.

For the 1975-76 experience period, however, the Safety Group's record of safety resulted in dividends of \$162,000. Checks totalling that amount were mailed last year to more than 2,000 Farm Bureau members participating in the plan.

During the six year existence of the Safety Group program, four dividends have been declared, totalling more than \$343,000 returned to Farm Bureau members for their record of safety and low workers compensation losses.

"Our Safety Group program is unique in the agriculture industry," said Don Bradshaw, vice-president of FBIG's property-casualty operations. "The better the safety record, the bigger the dividend the Safety Group members receive. The key to keeping work comp rates low is safety on the job."

Worker's Comp. . .

In 1975, Governor Milliken in a special message to the Michigan Legislature said:

"The dual purpose of Worker's Compensation in a modern industrial society must be the adequate protection of the worker without undue or unfair hardship on the employer."

"The goal is not being met. Neither the worker nor the employer is being properly served, and reform is needed."

Since 1975, there has been much said about the out-and-out abuses and inadequacies of the Worker's Compensation system. However, there has been no reform.

This fall the administration is expected to seek reintroduction of the Governor's Worker's Compensation Reform Package. Most of what you will read in the papers will undoubtedly relate to non-agricultural workers. However, farmers should not be so naive as to assume that changes in the Worker's Compensation system will not affect them.

Not New

Worker's Compensation (formerly known as Workman's Compensation) has been in effect in Michigan for over six decades. It was established as an employee benefit program by a legislative act of the State of Michigan in 1912.

However, it wasn't until 1967 that agricultural employees in the state were included for limited coverage. Then, in December, 1972 as a result of an opinion of the Michigan Supreme Court, agricultural employees were granted full benefits of Worker's Compensation.



Who is Affected?

There is no distinction between agricultural and non-agricultural employers. All employers are now subject to the Act and required to provide full statutory benefits if they:

a) Regularly employ three or more employees at one time, or

b) Regularly employ less than three employees, if at least one of them has been regularly employed by the same employer for 35 or more hours per week for 13 weeks (not necessarily consecutive), or longer during the preceding 52 weeks (not calendar year).

Very simply, farmers are now subject to provisions of the Worker's Compensation Act and required by law to provide full benefits if an employee is injured or loses his life in a job-related accident.

If an employer is subject to the Act, he is required by law to purchase Worker's Compensation Insurance, which pays the cost of all

DISCUSSION TOPIC

by KEN WILES

Manager Member Relations

. . . A Complicated Issue

benefits for which he becomes liable or "self-insure" his potential liability. This latter approach requires advance authorization from the Worker's Compensation Bureau.

If an employer is subject to the Act and does not comply in one of these two ways, he can be fined and imprisoned. And, of course, he is personally liable for the cost of any Worker's Compensation benefits awarded to his employees.

Because the law treats farmers like other private employees, there are some important definitions of an employee:

a) Piece work employees qualify for all statutory benefits.

b) Family members who work on the farm are eligible for Worker's Compensation benefits. And it is important to note that once an employee becomes eligible (a son, for example), all other employees become eligible too, no matter how long they have been employed.

Farm partners and the spouse of the employer can be excluded from eligibility by an endorsement to the Worker's Compensation Insurance Policy to save premiums if the employer has a Worker's Compensation Policy.

Interpretations

A casual reading of the law, as it pertains to agriculture, could lead the farm employer into a false sense of security.

It is stated, for example, that employers must provide benefits if they "regularly employ three or more employees at one time." But what does regular mean?

Unfortunately, no one knows for sure. "Regular employment" is determined by state Worker's Compensation Agencies in individual cases. We do, however, know that "regular" means a lot less than full-time, year-round, employment.

Past interpretations provide some indication of intent. It has been declared in past Worker's Compensation hearings that an employer who hires three or more persons for special occasions (such as the fall harvest or Christmas season) and follows the same practice year after year is subject to the Act.

Generally speaking, it would appear if the work is regular, employment would be considered "regular."

More Pitfalls

The law further states that employers are required to provide Worker's Compensation benefits if they "employ one (employee) for 35 or more hours per week for 13 weeks or longer during the preceding 52 weeks." Again, past interpretations indicate the following:

a) This definition is not limited to one employee working for 13 weeks. The rule is construed to mean a 13 week job. A farmer could become eligible by employing one man for 6 weeks and another for 7 weeks.

b) The 13 weeks of employment need not be consecutive. The 13 weeks are measured within the 52 weeks preceding the accident - not the calendar year.

Benefits Required

Simply stated, the law requires that an employer who is subject to the Act guarantee his employees the following benefits in case of a job-related accident:

- a) Unlimited hospital and medical care.
- b) Weekly compensation for lost wages.

- c) All necessary rehabilitation.
- d) Death benefits for dependents.
- e) Compensation for specific injuries, such as loss of a limb.

A totally disabled worker is entitled to receive weekly wage compensation for 15 years or more. Death benefits costing \$50,000 are not unusual. These benefits, determined by state and federal governmental agencies, are reviewed periodically and changed to reflect fluctuations in the cost of living.

Contract Work

The farmer doesn't have to worry about Worker's Compensation in regards to private contractors or crew leaders, right? Wrong!

If a farmer is not subject to the Act and retains a contractor who is subject but has not complied, the farm employer is held responsible for providing Worker's Compensation benefits for the crew. To protect himself, the farmer should require a certificate of insurance from the contractor or insure the crew himself before the job is done.

Avoiding Worker's Comp

If a discharged employee is replaced by a new worker without a work stoppage regulatory authorities could presume this is an attempt to evade Worker's Compensation Law.

As such, the employer could be held personally responsible for providing Worker's Compensation benefits and subject to a fine and imprisonment.

Even though a farmer may not have discharged the employee to evade the law, it should be remembered that Worker's Compensation statutes are designed to protect the worker, not the employer.

What About Insurance?

Prior to the December 21, 1972 ruling, certain farm employers, even though they were subject to the Act, were not required to provide full Worker's Compensation benefits. Only unlimited medical benefits were required.

Today, all farmers subject to the Act must provide "full" benefits. The subject "unlimited medical" program is no longer appropriate.

Employer's Liability

In the past, many farmers have relied on Farm and Employer's Liability Insurance to provide necessary protection in case of employee injury or death.

Today, only a Worker's Compensation Policy can be used to pay Worker's Compensation benefits. Under Worker's Compensation Law, an employer's liability policy or any other type of an indemnification becomes invalid if an employer is subject to the Worker's Compensation Act.

A Worker's Compensation Policy is the only alternative!

Advice

We advise all farmers that the potential financial liability in Worker's Compensation is staggering. Premium costs for insurance are not inexpensive, but the cost of no insurance can be even greater.

Take the time to review your own operation. If you employ any farm labor, please take a look at your liability.

SUPPLY REPORT

By Greg Sheffield

In general, farmers of the nation are faced with grain surplus problems and uncertainty as to how to plan concerning the Food and Agricultural Act of 1977 when it becomes law. Many details on target prices, loan rates and the big question of voluntary set asides, versus planting anyway, have yet to be decided.

While feeder cattle continue to look like they will be in short supply, there will be plenty of good quality, low-cost feed available from Farm Bureau.

Also, new production of nitrogen materials have been put on stream and should be readily available from Farm Bureau dealers when and where needed.

Steels made in U.S.A. are under increased foreign competition. This should moderate price increases. Cost cutting in the form of reduced working forces and modernization of manufacturing equipment and less costly distribution are a must for survival of U.S. and Canadian steel companies. These challenges have been met before. The American farmer is far safer with strong, competitive, domestic production.

HARDWARE -- Farm Bureau dealers will have new programs for farmers including a hydraulic log splitter in both portable and tractor powered models. Also, the White LP Gas Space Heater line will be promoted for use in farm shops, garages, confinement buildings and wherever heat can make working conditions more comfortable and profitable.

GRAINS BINS, CORN CRIBS -- Bins and grain handling equipment are in heavy demand and need several weeks lead time for delivery.

Heating oil prices are gradually rising as supplies tighten. Much of this is due to the tightening natural gas supplies and demand for distillates. You can sign up now at your Farmers Petroleum Cooperative dealer as a new heating oil account.

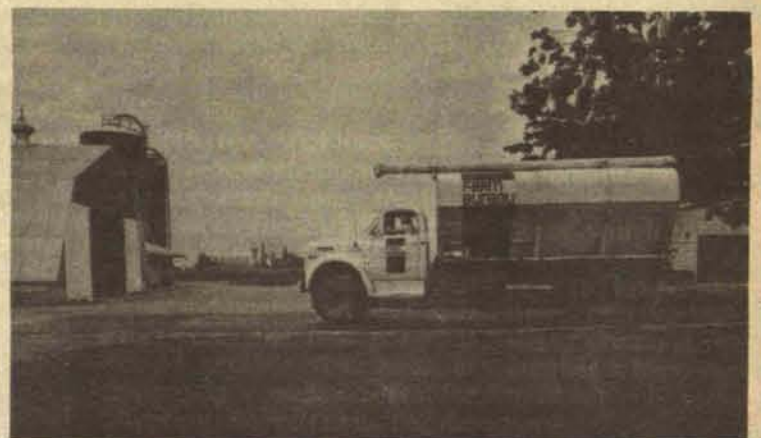
BUDGET PAYMENT PLANS are available from

Farmers Petroleum dealers for heating oil purchases and can ease financial planning for farm and suburban patrons.

SNOW TIRES, BATTERIES -- CO-OP snow tires and Maintenance Free CO-OP Batteries should be ordered now. Line up service for your fall and winter needs. Good buys can be

arranged at your local Farmers Petroleum dealer.

BANK CARDS -- Patrons can use their Visa or Master Charge cards at all Farm Bureau Services and Farmers Petroleum Cooperative branches. These bank cards will soon be available to member dealers as the program is being worked out now.



Progressive, Profitable Feeding Programs Begin With The Farm Bureau People

The Farm Bureau people are cooperative people — dedicated to helping you make your feed dollar go further. Farm Bureau dealers are backed by years of cooperative research, the most modern feed manufacturing facilities, and an expert staff including a qualified animal nutritionist. These things help your dealer tailor a feeding program to meet your needs.

Modern, progressive Farm Bureau techniques bring Michigan farmers profitable new feeds. Recently introduced Nu Pro™ dairy feed is a new feed concept developed by Farm Bureau Services in Cooperation with Cooperative Research Farms. Farm

Bureau Services dealers also offer liquid feeds... Liquid Protein Supplement (LPS) and Liquid Silage Additive (LSA) to increase the profitability of your beef or dairy herd. And now the Farm Bureau people offer a new Farm Bureau mineral program with products designed to meet the special needs of modern livestock. Progressive, profitable

feeding programs are yours for the asking. Ask the Farm Bureau people.



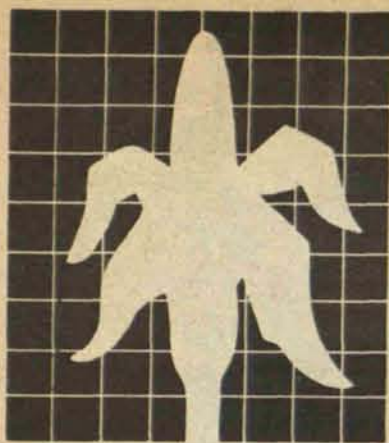
DONNA

(Continued from Page 2)

When I was "on the road" getting interviews for the Work Comp feature, it seemed the tailbone was throbbing more than usual. Perhaps it was aggravated more by the stories I heard than by the long trips. What was I doing in this stupid car, in this stupid rain, laboriously turning conversations into a story? Why wasn't I sitting in the sun, sipping a long, cool drink and writing a Pulitzer-prize winning novel - courtesy of Work Comp?

My husband had suffered the same experience, under different circumstances, as the teenage boy (see Billy Olsen story) who, inadvertently and without malice, could change the course of Michigan agriculture. What prevented us from tapping that Great Register in the Sky? Why are we still working for a living?

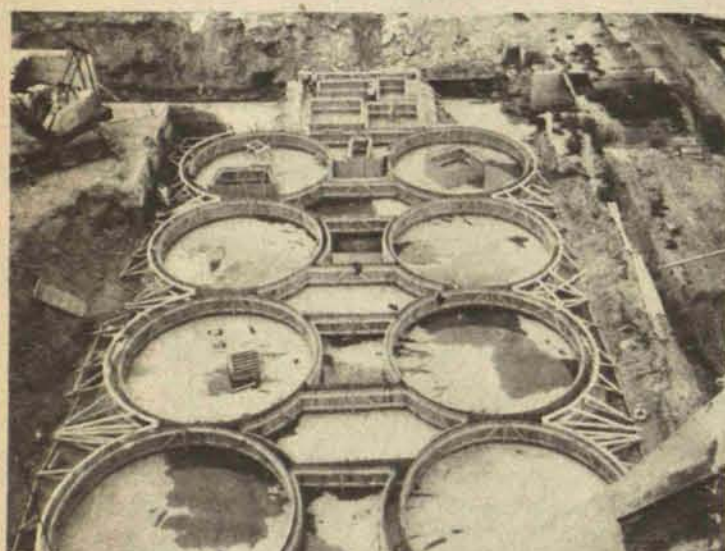
I don't know. Maybe it's because we haven't figured out how to shave or powder the nose without looking in the mirror...



Marketing Outlook



Growth for MEE Saginaw Facility



This overhead photo shows start of work on ten new storage silos under construction at the MEE Saginaw terminal.

Workmen are again swarming around the Michigan Elevator Exchange's Saginaw terminal as construction gets into full swing on a new headhouse and ten storage silos.

The rebuilding activity is a prelude to improvement of terminal facilities serving Michigan farmers and their local cooperatives.

While new construction is not expected to be completed until July of next year, the

terminal remains in operation to accept grain and beans through the current harvest season.

When completed, the giant Saginaw plant will have greater receiving and shipping capacity as well as improved facilities for drying corn and processing of beans. Overall capacity of the terminal will be restored by the new construction to its original two million - bu. level which existed before a fire and explosion knocked out part of the terminal.

In addition to a rebuilt headhouse, complete with new and faster grain handling equipment, Stout Construction Co. crews are in the process of erecting ten silos with a capacity of 550,000 - bu. to replace those damaged earlier.

At present the terminal has one self-unloading truck dump but the renovation project will result in addition of another self-unloading pit plus two new automatic truck unloading facilities. One new installation will handle 50-ft. trucks and the second 70-ft. vehicles.

These improved facilities will enable the Saginaw terminal to receive 37,000 - bu. per hour compared with only 18,000 - bu. per hour before the explosion.

The car-loading capacity also will be increased by the renovation project to provide facilities for shipping up to 30,000 - bu. per hour by rail or ship. Out-bound grain will be handled over electronic weighing scales, enabling the loading of seven hopper cars every hour.

The new grain drying facilities will be increased to 7,000 - bu. per hour from the previous capacity of 5,000 - bu. per hour.

Teamwork Important to Livestock Industry

The Michigan livestock industry is very important to the state's economy. We have a great industry but to keep it that way we must work together to continue its importance. It is vital to our industry that those who are involved in such areas as production, management, marketing, etc. of livestock and livestock products work together as a team to improve our position as an industry.

To continue a sound industry we must have good communication between researchers at our Land Grant University, regulatory people in the Michigan Department of Agriculture, marketing firms throughout the area as well as all research, marketing, and promotional information presently available to the industry. With these people all working together on common goals our Michigan livestock industry can gain greater respect from those who depend upon us.

Jack Anderson,
Livestock Specialist
Market Development
Division

The American National Cattlemen's Association and National Livestock Feeders Association have officially merged into a single organization, giving the cattle industry a unified lobbying voice.

The new National Cattlemen's Association (NCA) has a membership of 30,000 ranchers and farmers but with affiliate state organizations, it will actually speak for about 280,000 producers.

The new group is based in Denver with satellite offices in Washington and Omaha.

Jack Anderson,
Livestock Specialist
Market Development
Division

'77 Apple Harvest Underway

Some harvesting of apples is being reported under way in all major producing areas of the country and growers and marketers indicate a very manageable crop is in the offering.

There is, however, a growing conviction in some areas that the August 1st U.S.D.A. estimate of 6.9 billion pounds is too high. The estimate is 43.5 million pounds higher than a preliminary estimate made in July. If the estimate holds true it would be 8 percent above last year, but 8 percent less than the record 7.1 billion pounds utilized in 1975.

The International Apple Institute reported earlier that processor demand for sauce and juice apples should be good for frozen slices are depressed from a large carry-over. As a result, the IAI has estimated a total of 65.7 million bushel of apples to be processed this year, compared to 60.1 million bushel last year.

Ken Nye, Horticultural
Marketing Specialist
Market Development
Division

Plentiful Midwestern Feed Supplies, Western Drought Create Marketing Paradox

Corn prices, fed cattle prices, available feeder cattle supplies, availability of grass and roughage supplies and drought conditions in many parts of the country will be factors that will affect the feeder cattle price during the coming fall buying season. The field is wide open as far as current thinking and opinions are concerned as related to what can be expected to take place in the replacement cattle trade around the country the next several months. Some reflect varied degrees of optimism, others think the cattle business has a ways to go before getting out of the woods.

Feeder cattle prices are stronger and are inclined to

gather more momentum as cattle feeders harvest another large corn crop. Rather than sell corn on a cash basis at current depressed price levels, many will market this corn through livestock. This line of thinking will increase if grain prices stay the same or weaken.

WHAT ABOUT CATTLE ON FEED REPORTS?

Western cattlemen believe cattle on feed report figures are misleading because everything west of the Continental Divide is in a drought area and most of the cattle are in the feedlots that would normally be out on pasture at this time of year. Many light weight cattle had to be placed in feedlots because of the dry

conditions in the west. There will be a strong demand for feeder calves this fall.

In the western states cow herds will be culled 20-30 percent because of higher hay costs.

In the Panhandle area of Texas it is reported that feedlots are operating at about 75 percent capacity and could increase numbers next month.

The following factors are influencing the outlook in coming months.

Positive

1. Lower feed grain costs;
2. Winter wheat pasture in the west;
3. Supplies of feeder cattle - total calf supplies are down;
4. Higher fed cattle prices expected this late fall;

5. General economic conditions lower unemployment could increase demand for beef.

Negative

1. Drought, some of the western and southwestern states have dry pasture that forced cattle to market;

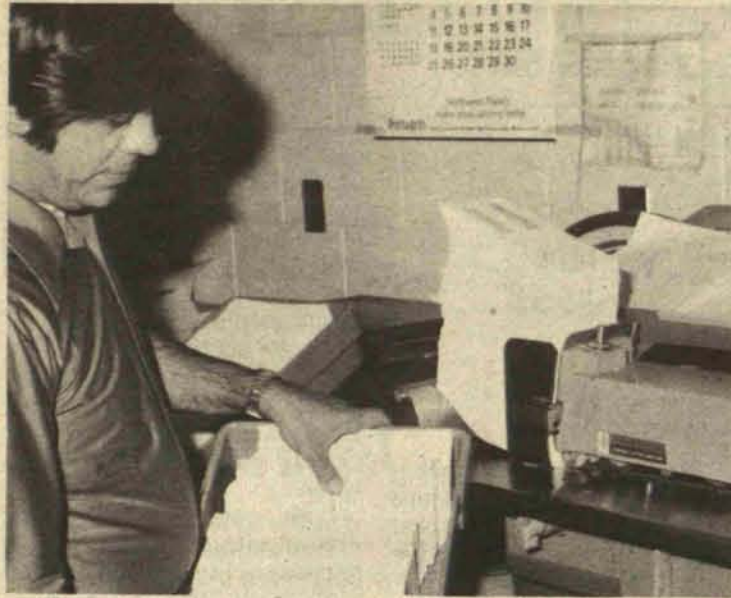
2. High forage costs;

3. Competitive meat supplies - pork and poultry production are expected to be large this fall;

4. Beef supplies - even though beef production will be less than the record 1976 level, buyers should have little trouble filling needs.

Jack Anderson, Livestock
Marketing Specialist
Market Development
Division

FBS-FPC Mail Investors, Stockholder Checks



BILL BOGLE, Production Manager of the Farm Bureau Center mail room, prepares over 12,000 letters containing checks.

Over 12,000 investors and stockholders recently were recipients of \$1,123,340, which represents Farm Bureau Services, Inc. and Farmers Petroleum Cooperative, Inc. annual payment of interest on debentures and dividends on dividend bearing stock.

Of this total amount, \$215,237 was paid to Farmers Petroleum Cooperative, Inc. stock and debenture holders and over \$912,100 was mailed to Farm Bureau Services stock and debenture holders.

"We are pleased to make these annual payments," stated Donald R. Armstrong, Executive Vice President of

both Farm Bureau Services, Inc. and Farmers Petroleum Cooperative, Inc., "and we are grateful to all stock and debenture holders for their confidence and support."

Farm Bureau Services, Inc. and Farmers Petroleum Cooperative, Inc. are both Michigan Farm Bureau affiliates. Farm Bureau Services, Inc. is a major supplier of farm supplies and a world wide marketer of Michigan grown grain and beans. Farmers Petroleum Cooperative, Inc. is the largest farmer - owned cooperative and distributor of farm petroleum supplies in Michigan.

Queen's Column

by Bunny Semans

Another summer gone and no tomatoes! Year after year, this farm wife has faithfully planted tomatoes in a respectable-sized garden plot to no avail. I have never harvested those "red globes of succulent goodness" pictured in the seed catalog. This summer's crop was no exception.

Throughout the early summer, the plants remained healthy and promised to deliver "the goods," but they were doomed. Their botanical promise was cruelly dashed by the lumbering hooves of Bill's cows. There will be no jars of green tomato pickles or tomato sauce lining my pantry shelves this winter to recall the bounty of summer.

Fortunately, my summer 1977 memories are rich and filled with the fun and friendships I have enjoyed as the Michigan Farm Bureau Queen. As the busy schedule of fairs and parade appearances begin to taper off, I have had time to "preserve" some of the photos and memorabilia in a scrapbook. The opportunity has been truly rewarding.

years the Michigan Farm Bureau will no longer select a Queen, a young farm woman will be selected for recognition as the Outstanding Young Farm Woman.

As the Fall Annual Meeting schedule begins and the counties look forward to the State Annual Meeting in November, I want to urge young farm women and county leadership to become involved in the nomination and eventual selection of the Outstanding Young Farm Woman.

I am looking forward to meeting the many fine candidates for this award at the State Annual Meeting.

If you know a young woman who is active in the farm community and who is a Farm Bureau member, recommend her to your county leadership for this very meaningful award. The deadline date for nominations is November 1. If you have any questions contact Donald Currey, Manager, Young Farmer Program.

Oh, and by the way, it is not necessary that she have a green thumb. Believe me, I know!

Farmers Reach Consumers Via Fairs



Nearly 200 volunteer members from 17 counties assisted in manning the Michigan Farm Bureau booth at the 1977 State Fair. The theme for the display was "Michigan Home Grown Food . . . So Good . . . and Good for you!" Brochures, as well as the backdrop, emphasized Michigan's "meal in a

mitten" and the economical value of agriculture to the state. Displayed were some of the foods grown in Michigan. With each food item was a card giving the national average price of the item and the farmer's share of that price.



Saginaw County Fair - goers were treated to several "free samples" during fair week September 10-17. Herb Turner, (left) Turner Farms, is shown during a live interview with WSGW. Turner provided apples, pumpkins and



squash at the Farm Bureau Building which were given away during the week; (right), It was Park Promotion Day at the Farm Bureau Booth in the Agriculture Building.

Farm Expo '77 Set for Oct. 4-5

Michigan Farm Expo '77, the largest farm show of its kind, will be held October 4-5 on the John Homakie farm, seven miles north of Caro in Tuscola County.

Sponsored by the Michigan State University Cooperative Extension Service, nearly 200 farm equipment and farm supply manufacturers from throughout the United States will demonstrate their products and/or display them in a 40-acre exhibit area. MSU educational clinics will feature sessions on agronomy, agricultural economics, engineering, consumer marketing, animal husbandry and 4-H youth.

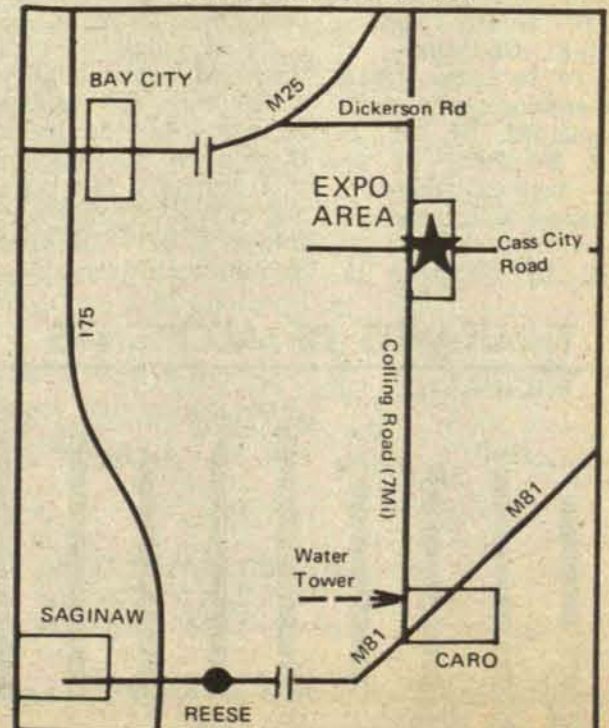
"We will provide agricultural producers information they can use in their next year's cropping program and afford them a comparative look at tillage and harvesting equipment in action," says Bill Bortel, Michigan State University Cooperative Extension Director in Tuscola County.

Open from 9 am to 5 pm both days, the show will include over 200 commercial exhibitors; daily demonstrations of corn, sugar beet and dry bean harvesting; 250 acres in tillage and plowing demonstrations; corn, sugar

beet and dry bean herbicide show; corn variety show of 48 varieties from 22 companies; special crop trials which includes a 200 bushel corn challenge plot, dinitro biostimulant aerial application, corn rootworm plots, minimum tillage plots and anti-crusting demonstrations; continuous live action program and special

women's and youth events. Held in Tuscola County because it is in the heartland of the fourth richest farming area in the world, Bortel says, "Those coming to Michigan will find that our farmers are extremely progressive and are among the first to try out innovative ideas which they are glad to share with others."

ROUTES TO EXPO GROUNDS



NO-FAULT:

The Picture is Still Developing

In this article, which concludes our three-part series on No-Fault automobile insurance, we'd like to turn our attention to the position shared by Farm Bureau Insurance Group with respect to the future of No-Fault. Recapping quickly, our first article examined the three "mandatory" Michigan No-Fault insurance coverages -- Personal Protection Insurance, Property Protection Insurance and Residual Liability -- and looked at some of the special provisions of No-Fault.

In our second article, we examined the manner in which No-Fault is meeting the three standards -- promises, if you will -- of No-Fault. Those "promises" are featured in the box below.

1. To compensate injured persons promptly and adequately, without regard to fault, for medical expenses, wage loss and rehabilitation expenses.

2. To reduce or eliminate "nuisance" suits for minor or non-serious claims.

3. To reduce or eliminate inefficiencies of the tort ("At-Fault") system, such as the adversary relationship between insurer and injured party, court congestion, litigation expense and overhead expense.

Without question, the new law is fulfilling the objective stated in point 1 (above). No-Fault benefits have been particularly important for those who have many thousands of dollars of medical costs which generally would not have been covered under the old at-fault system. Among the injured and the dependents of the fatalities, these benefits have been almost universally well received.

THE FOURTH PROMISE

There was a fourth promise, however, which has not been fulfilled. Many proponents of No-Fault implied it would reduce premiums. Obviously, it hasn't. To be sure, rising medical and car repair costs -- compounded by an increasing frequency of accidents -- have contributed to the increased auto insurance premiums passed on to motorists by Michigan in-

surers. But the savings supposed to be realized through the reduction or elimination of features associated with the "At-Fault" system are simply not off-setting the unlimited medical and rehabilitation expenses provided through No-Fault. The cost transfer isn't coming out even, and insurers -- and in the final analysis, insured motorists -- are being forced to reach in their pockets for the dollars that make up the difference.

What's happened to tarnish this fourth promise -- that of reduced premiums? One section of the No-Fault Act (Section 3109) provides that Personal Injury Protection payments to injured persons would be reduced by the amount of Worker's Compensation and Social Security disability benefits which they received -- to hold down auto insurance costs. Unfortunately, this aspect of the law has been overturned by the lower courts and is currently being appealed to the state Supreme Court. An injured person, for example, might receive payments through Worker's Compensation and his automobile insurance company which might exceed his former take-home pay.

Another trade-off that really hasn't materialized is in the area of "nuisance" suits. No-Fault proponents justified medical and lost income benefits by promising that a substantial reduction in lawsuits would effect a substantial savings. In our most recent article, we noted the ambiguity of the phrase "serious impairment of a body function." This wording -- a threshold designed to eliminate a majority of suits under the former at-fault system -- raises a question of fact for the jury to determine which can only be decided in litigation. Figures from 37 Michigan auto insurers -- writing 55 percent of the business in Michigan -- show a steady escalation of these threshold-crossing law suits, rather than the anticipated reduction. In 1973, (90 days) there were 14 law suits; in 1974, 502; 1975, 1908 law suits and in 1976, 3553 law suits. If minor or temporary disabilities are construed to

NO-FAULT THRESHOLD CROSSING SUITS

1973*	14
1974	502
1975	1808
1976	3553

* LAST 3-MONTHS ONLY

DATA COMPILED BY 25 REPRESENTATIVE MICHIGAN AUTOMOBILE INSURANCE WRITERS.

justify pain and suffering damages, then we'll be paying for one of the more costly and wasteful features of the tort system No-Fault was supposed to replace.

LOSING THE RACE

Other aspects of the No-Fault Act are equally -- if not more -- troubling. The unlimited medical and rehabilitation coverage places insurance companies in a frustrating game of catch-up. At the end of 1976, for example, there were 19 cases where FBIG had already paid \$750,000 collectively and estimated future medical costs would total nearly \$3 million. Totals like that are ultimately absorbed by each and every insured. Secondly, in the case of serious injuries, a company's obligation extends many decades beyond the date of the accident. Especially in the case of younger victims, that may mean payments where every dollar collected today pays only a small fraction of tomorrow's inflated medical costs. Small wonder that many auto insurers requesting rate increases are justifying them on the basis of "catching up" -- and still not being able to predict precisely how much more they may need to meet future commitments.

Reinsurance, a facility which allows insurance companies to share catastrophic losses, has also been increasingly difficult to obtain since the specialized companies which provide it are largely dealing with an unknown, uncalculable exposure. In four years the price FBIG pays for reinsurance has increased by more than 300 percent -- and there's every expectation it will continue to climb.

Since 1973, the year in which the No-Fault Act became effective, the great majority of Michigan auto insurers have sustained steadily growing property and personal injury losses. In 1973 the Michigan industry paid \$244 million for incurred losses; in 1974, \$258 million; in 1975, \$290 million; and in 1976, \$359 million. In four short years, earned premiums collected have increased by \$74 million while losses have increased by \$115 million. And millions of

Michigan motorists are being asked to pay more to ensure the continued financial security of their respective insurance companies.

CONFUSION... AND CONTROVERSY

It's a confusing picture for the average Michigan motorist. In many cases, it appears he's being asked to pay more for benefits he really doesn't understand -- and maybe wouldn't have asked for if he really knew what the cost was going to be. Added to the problems we've already discussed, there are other controversial aspects.

In our last No-Fault article, we noted that motorcycle riders are not required to carry No-Fault insurance in Michigan. But they have the right to recover from their auto insurer for any injuries received in a collision between a cycle and a car. If the motorcyclist doesn't own a car, he can recover from the insurer of the car that strikes him. In effect, the cyclist is getting a free ride at the expense of car owners.

Motorists are quiet on some of the more complex problems, in many cases not really understanding the issues. But on one issue -- property damage -- they understand it and they're quick to say they don't like it. The principle of forfeiting a \$100 deductible because of a drunk driver who has rear-ended you offends the sense of justice of the average citizen. There is a growing clamor to return property damage to its former tort liability status.

OPINION IS DIVIDED

As is apparent, there is a diverse variety of opinions on No-Fault. While insurers and some agents and consumers

have identified the preceding items as needing change, other contradictory opinions can be found. Many members of the legal fraternity are most negative about the overall effect on No-Fault, while the State Insurance Bureau strikes a much more positive tone.

Whole sections of the No-Fault legislation have been challenged and their constitutionality tested at the circuit and appeals court levels.

Both courts have heard arguments on the basic purpose of the law, which is to require all Motorists to have security for unlimited No-Fault injury care expenses and substantial income loss recovery, and to severely restrict liability lawsuits. While initially upholding it, their decisions could still be overturned by the State Supreme Court.

Both courts also have agreed that the law's elimination of liability law recovery for damage to motor vehicles and its provisions for a million-dollar limit of automatic payment for damage to fixed property is not constitutional.

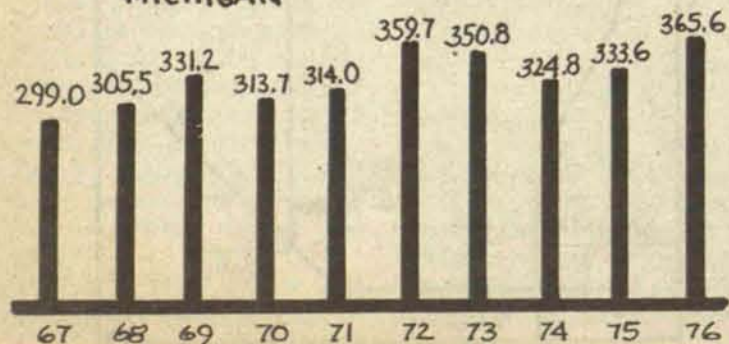
But they have disagreed on whether it's constitutional to exclude two-wheeled motorcycles from the No-Fault benefits.

Now the picture has reached the final state of development. In March, the members of the State Supreme Court heard arguments on a number of questions concerning No-Fault. Their decision, expected yet this fall, may or may not further alter No-Fault in Michigan. At the moment, few people are second-guessing the Court and the complex issue which it is dealing with. Once the State Supreme Court decision has been handed down, there will undoubtedly be pressure to make changes through legislative action. Meanwhile, the insurance system has been operating according to the law as the legislature wrote it.

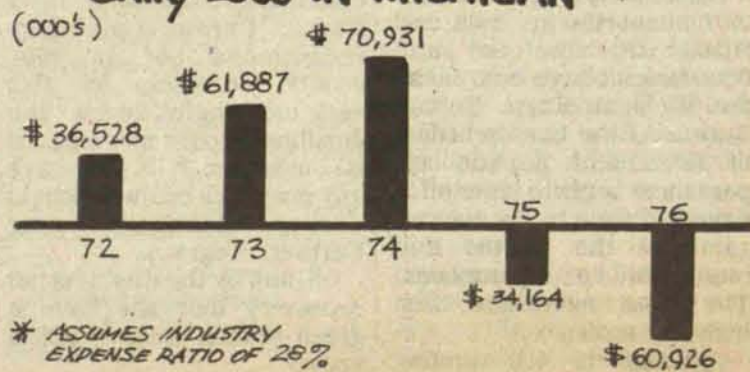
What's the national No-Fault picture? Identical

THOUSANDS OF ACCIDENTS

MICHIGAN



TOTAL AUTO UNDERWRITING GAIN/LOSS IN MICHIGAN*



Members Can Help Take Problems Out

house and senate bills were recently introduced in Congress which would require all states to meet certain minimum No-Fault standards. Since Michigan's No-Fault statute is already regarded as the most liberal in the country, chances are good Michigan motorists will not be affected since our state guidelines should exceed federal minimums. President Carter recently went on the record endorsing the federal No-Fault concept and many insurance companies are now endorsing it since it brings some uniformity to the bewildering array of various state insurance statutes.

Here at Farm Bureau Insurance, the decision of the State Supreme Court is anxiously awaited. Meanwhile, various groups -- including the insurance industry -- are beginning to work in concert for legislative change. The first step for FBIG was taken last December when delegates to the Michigan Farm Bureau Annual Meeting adopted the following resolution:

NO-FAULT AUTOMOBILE INSURANCE

We support the general principles inherent in Michigan's No-Fault Insurance law, which became effective October 1, 1973, in that persons injured in automobile accidents now receive economic compensation more quickly and equitably. There remains, however, aspects of the law which: 1) Restrict rights and responsibilities of the individual and 2) Unnecessarily increase claims costs of No-Fault and, ultimately the insurance premiums paid by motorists.

For these reasons, we recommend legislative action to amend certain provisions of the law:

1. Presently, the law provides the Unlimited Medical and Rehabilitation benefits be paid to accident victims. We support establishment of a maximum benefit amount per victim, such as \$100,000, for the purpose of better controlling high claim costs.

2. We believe the "At-Fault" driver in an accident should be made responsible for all damage caused to the property of others.

3. We believe that car accident victims should be compensated for medical expense through their auto insurance policy; not their Health & Accident policy (such as Blue Cross - Blue Shield). Health & Accident insurance premium could then be reduced.

4. Application of the No-Fault law to motorcycles should be redefined. At present, motorcyclists are not required to purchase mandatory No-Fault in-

surance, but are eligible to receive No-Fault benefits if they collide with an automobile. If motorcyclists are to benefit from the law, they should pay their fair share of the cost.

5. We urge the State Legislature to redefine parts of the law which, because of

ambiguity, are in danger of being interpreted by the Courts far more liberally than the law's original intent.

For now, we're waiting on the Supreme Court to render its decision. Once that has been made public, FBIG will work to effect legislative change.

Education and information are basic tools in effecting change. The companies plan continued contact with Farm Bureau Membership to explain what changes are needed, why they are needed, and how they can be effected. By working together, we can take the problems out of No-Fault.



COOPERATIVES — They're What's Happening

Co-ops are really in style these days. Very possibly a group may be starting up a cooperative right this minute to obtain goods and services to help them live better, more economically.

To some 50 million consumer-members of the nation's 40 thousand cooperatives, this new-old way of doing business is the way to go. Cooperatives have been successful business enterprises for more than a century.

Cooperatives meet many people's needs efficiently and

thriftily. They market and purchase farm products and supplies, lend money, help people save money, provide health care, legal aid, electric and telephone service. There are food and furniture cooperatives, housing, student and nursery school co-ops, cooperative insurance companies, credit unions, funeral societies, TV and auto repair shops.

There's probably a co-op or two or three in *your* life, whether you're a member or not. They're good for you!



Where Your Farm Comes First
Farm Bureau
FARM BUREAU SERVICES INC
FARMERS PETROLEUM

**COOPERATIVE MONTH:
OCTOBER 1977**



Homefront

Notes from Community Groups

In the last few months, many Community Groups participated in county fairs and local celebrations. The monetary awards received, if any, were far surpassed by the pride felt as floats moved down the parade routes, or as people stood and discussed their exhibits.

One of the largest - little county fairs has been held for years in Altanta, Montmorency County. The fair is a county - wide community activity with many hours spent on planning and

preparing exhibits. The Whitetails Community Group walked away with a blue ribbon for their exhibit which asked the question "Will farmers grow our fuels?"

In simple easy to read and understand language, the exhibit pointed out that; the heat from burning one acre of corn stalks would dry the grain from twenty acres; three gallons of alcohol for fuel can be made from one bushel of shelled corn; and methane gas from manure pits can be used as heat.



The Atlanta Community Group received second place for their exhibit explaining that "Farming is everyone's bread and butter." Many

hours of detail work by a very talented artist was evident if one took the time to study the backdrop of their exhibit.



The weather cooperated in the latter part of August as Pickford in Chippewa county held it centennial celebration. A conservative estimate said over 2,500 persons watched the 91 units pass down the parade route. Judges had a difficult task selecting winning entries as many groups, clubs and organizations tried for awards.

Winning first place in its category was a very attractive float designed by the Midway Community Group. Their theme was "Ye Olde

Picnic." Members of the Group sat in a picnic area eating homemade ice cream while one young fellow had the task of turning the crank on the freezer. One of the float features which caught the eye of many viewers was a duck hunter waiting to bag a duck. The duck had no intention of being anyone's dinner and swam happily around its pool.

To the Groups listed above and all the others who took part in similar activities this past summer, heartiest congratulations for a job well done.

Farmers Honored Weekly by FBIG, Radio Network

The Farmer of the Week Award, sponsored by the Michigan Farm Radio Network and Farm Bureau Insurance Group, recognizes Michigan farmers for their contributions to the agriculture industry and to their communities. Recipients are selected for the quality of their farming operation and for their community involvement. The Farmer of the Week Award winners for August are:



Week of Aug. 15 - Clarence Cairns, who milks 85 cows and raises 10,000 chickens on a 650-acre farm near Hastings in Barry County. He is a member of the Barry County Farm Bureau and served as president of the county Young Farmers organization. Currently a 4-H leader and chairman of the local Farm Bureau Community Group, Cairns serves on the county boards of the ASCS, the Dairy Herd Improvement Assn., and the Michigan Animal Breeders Cooperative. He and his wife, Ruby, have three children.



Week of Aug. 29 - Roland Diefenthaler, 43, who farms 475 acres of soybeans, corn, onions and carrots in Stockbridge in Ingham County. A member of the County Farm Bureau, Diefenthaler is a leader in the local 4-H Club and is past president of the area Quarter Horse Association. He and his wife, Nancy, have two children.



Week of Aug. 1 - Joseph Pohl, 31, who farms 1,000 acres near Portland in Ionia County. Pohl, vice president of the Ionia County Farm Bureau, took over the family farm when his father became disabled in 1968. The farming operation, now known as Harry Pohl & Sons, includes a 120-head dairy herd. Pohl and his wife, Tina, have two children.



Week of Aug. 8 - Harold and Keith Little, Farm Bureau members from Tuscola County, who farm 1,000 acres near Caro. They raise more than 800 hogs and 185 beef cattle. Both are elders of the Novesta Church of Christ. Harold, 44, is a member of the Pork Producers Assn., and Keith, 46, has served many years as a 4-H leader. Harold and his wife, Joan, have three children, and Keith and his wife, Wanetta, have five children.



Week of Aug. 22 - Duane Hammond, 47, a Genesee County Farm Bureau member for 22 years, who farms 1500 acres and raises beef cattle near Clio. A member of the County Farm Bureau board of directors, Hammond's community involvement includes serving as a member of the Mt. Morris School Board and on the local ASCS committee. He and his wife, Marion, have two children.

FB Charter Life Dividends Now Exceed Premiums

Back in 1951, a handshake and a promise created Farm Bureau Life Insurance Company. That pact, between an agent and an insured, was a Charter Life policy. Farm Bureau members were the policyholders, and in return, they were promised special dividends.

Today, 26 years later, the sixteenth Charter Life special dividend has been declared. Effective September 1, this dividend will now equal 75 percent of the original basic annual premium on the policy. This means that the regular dividend, combined with the special 75 percent dividend, will now exceed the basic annual premium on the policy by at least 9.5 percent

and as much as 20 percent in some cases.

The 75 percent dividend marks the biggest jump in returns in the history of the Charter Life policy. Special dividends were first declared in 1954 at 5 percent and climbed steadily through the next decade to 25 percent in 1967. During the past year alone, these special dividends have increased by 15 percentage points from 60 percent last year at this time to the present 75 percent.

So the promise is being fulfilled. It's a reflection of the high calibre sales and service job that policyowners and prospects have come to expect from FBIG.

Essay Contest Announced

The ninth annual America & Me essay contest, the award-winning writing program sponsored by Farm Bureau Insurance Group, will be held in schools throughout Michigan October 17 to November 18.

Contest information kits have been mailed to more than 1,100 junior high schools and middle schools throughout the state. Last year, more than 6,200 students from 332 schools submitted entries.

Open to any eighth grade student in Michigan, the contest is promoted across the state by Farm Bureau Insurance agents who serve as contest coordinators for their local schools.

Governor Milliken has again agreed to head the distinguished panel of finalist judges for the contest. Other members of the 1977-78 finalist judging panel are State Supreme Court Justice Mary Coleman, Grand Rapids television personality Buck Matthews, Michigan State University President Clifton Wharton, Jr., and Congressman Robert Carr.

Student winners on the local level receive honor certificates and each participating school receives a plaque. Prizes for the top ten winners in the state include savings bonds ranging in value from \$500 to \$50.

FBIG started the America & Me essay contest in 1968 to encourage Michigan's young people to seriously consider their roles in America's future. The contest has grown into a prominent statewide program recognized by educators and news media throughout Michigan.

Each year, hundreds of excerpts from the student essays are compiled into booklet form and distributed to schools, government officials and the general public.

SHOULD I MAKE GIFTS TO MY CHILDREN NOW?

Should I set up a trust fund?

estate planning is 100 questions

How should I word my designation of insurance beneficiary?

IS INSURANCE PART OF MY ESTATE, OR SEPARATE FROM IT?

DOES MY ESTATE HAVE TO GO THROUGH PROBATE COURT?

HOW MUCH OF AN ESTATE DOES IT TAKE TO GET CHARGED INHERITANCE TAXES?

WHAT IS THE BEST WAY TO PROVIDE FOR QUICK WORKING CASH WHILE MY ESTATE IS TIED UP?

Can I plan my estate to reduce the tax bite?

What are the pros and cons of making my spouse the owner of my life insurance?

...and the right answers.

A select unit of Farm Bureau Insurance agents has been helping people with Estate Planning ideas for twenty years. With the significant changes in the estate-tax picture brought about by the 1976 Tax Reform Act, now is a good time to review your estate program . . . or to begin estate planning.

Your Farm Bureau Insurance specialist can help by discussing estate planning ideas with you, your family and your legal and financial counselors. Your new or updated estate plan is as near as your phone. Call your Farm Bureau Insurance agent for help with your estate planning questions.

Or forward this coupon for a free booklet . . . "You and Your Estate" . . . which explains the importance of Estate Planning and what it can do for you. Forward to: Communications, Farm Bureau Insurance Group, 7373 W. Saginaw Hwy., Lansing, Michigan 48909.

- Please forward "You and Your Estate" to me.
 - I'd like any additional Estate Planning help you can offer.
- Do you currently have any insurance with Farm Bureau Insurance Group? Yes No
- If yes, please write in the name of your Farm Bureau Insurance agent.

Name: _____

Address: _____

Town: _____ County: _____

Telephone: _____

Return this coupon to:
Communications, Farm Bureau Insurance Group, 7373 W. Saginaw Hwy., Lansing, Michigan 48909.

