contributing factors as why business in ghetto areas were targets during the recent riots.

1966 Returns Show Tight Money as Big Item on Farm Balance Sheet

Interest charges on farm debt are one of the major items of the cost side of the farm balance sheet—and one of the greatest contributors to increased farm operating costs.

Interest payments by farmers in 1966 are estimated by USDA at about $2.5 billions, an increase of 14% over the level of a year earlier.

The increasing burden is due both to the larger amount of credit being carried by farmers and the increase in the cost of money to the highest level in 40 years.

When farm interest payments are compared with other farm operating expenses, it can be seen that they are now heavier than property taxes, fertilizer purchases, and outlays for gasoline, fuel and oil. The interest costs of $2.2 billions paid by farmers in 1965 exceed the $1.8 billions for real estate and property taxes, the $1.6 billions expended for fertilizer and lime and the outlays of $1.4 billions for gasoline, fuel and oil.

A survey of farms in the West Central Minnesota Farm Management Study for 1964 indicated that the average farm was laying out $1,632 per farm in interest payments, compared with an average of $736 per farm in payments for fertilizer and lime, $851 in property taxes and $823 in outlays for gasoline, fuel and oil.

An examination of data from 1966 Schedule F federal income tax returns made available to Minnesota Farmers Union by individual farmers shows that the interest payments are a major expense item, overshadowing some of the other farm outlays. Each line in the accompanying tabulation represents the figures for an individual Minnesota farm for 1966.

SELECTED FARM EXPENSES ON ACTUAL MINNESOTA FARMS (BASED ON 1966 FEDERAL INCOME TAX RETURNS)

Acres farmed	Gas and fuel	Feed purchased	Fertilizer and chemicals	P.P. taxes	Real estate taxes	Interest payments
320	$623	----------	$731	$126	$552	$107
480	1,373	$3,002	1,358	247	809	2,600
880	1,806	----------	1,924	100	----------	528
700	1,502	3,124	921	284	984	713
480	611	1,432	533	145	474	479
360	1,000	1,200	800	160	646	1,600
400	623	210	1,391	157	1,300	1,378
110	425	----------	600	125	565	----------
60	100	----------	200	75	300	----------
120	325	----------	400	100	500	----------
207	1,006	1,782	931	143	----------	210
160	874	135	283	111	----------	105
190	1,360	12,125	1,317	110	733	4,002
160	1,002	11,735	----------	211	911	120
80	370	310	767	207	537	210
380	1,000	295	221	114	343	231
225	751	1,451	924	167	506	74
160	1,110	----------	1,246	64	893	135
200	111	----------	98	17	672	1,378
320	1,299	2,984	3,933	153	1,839	2,722
260	927	1,670	235	126	1,304	2,138
80	262	358	360	11	----------	221
160	360	473	85	91	448	----------
322	907	1,798	3,508	194	1,795	2,304
239	982	2,485	----------	850	134	----------
148	540	3,500	1,150	225	600	1,100
160	650	900	350	120	758	305
119	501	206	77	38	531	----------
113	529	3,156	1,029	208	444	506
440	225	----------	260	19	211	----------
240	520	----------	1,197	112	919	----------
120	506	429	----------	----------	546	213
247	676	1,772	200	128	795	20
200	420	1,700	670	200	225	417
188	729	578	458	70	693	810
320	1,000	1,100	1,800	301	2,425	2,050
350	2,500	----------	1,647	160	2,127	1,609
182	690	2,936	708	105	595	132
160	1,015	621	365	84	----------	----------
81	310	720	25	83	350	----------
139	474	1,322	32	114	532	----------
200	845	6,799	556	225	----------	735
400	825	1,350	950	204	1,250	3,400