
Interview: Patrick O'Reilly

Minnesota congressional candidate is determined to revive agriculture

Patrick O'Reilly, 41 years old, is running for the Democratic nomination for U.S. Congress in the 6th District of Minnesota, in the Sept. 14 primary. A family farmer from Canby, Minnesota, he was a founding member of the American Agriculture Movement in the late 1970s.

His campaign, which has been endorsed by the National Democratic Policy Committee, is committed to the program developed by NDPC Advisory Committee Chairman Lyndon H. LaRouche, for a new gold-based monetary system and long-term, low-interest credit to finance industry, agriculture, and essential infrastructure. Mr. O'Reilly was interviewed by EIR's Mary McCourt on Sept. 6.

EIR: Please describe your district.

O'Reilly: My district lies in southwestern Minnesota, on the prairie. The average farm is about 300 acres; the main crops are corn, soybeans, beef cattle, and hogs. The cities in the area run about 20,000 population. Most of the communities rely heavily on agriculture for their income. The area leans more toward the Republican Party than the Democrats.

Farmers are facing a serious financial problem now because the farm income has dropped so significantly. A year ago, corn was \$3.30 a bushel; now, it is going for \$1.38. Soybeans were running \$8 a bushel, but now are \$4.57; oats were \$1.90; they are now 90¢ a bushel. Two years ago, we were getting 75¢-85¢ a pound for our lambs and sheep. Sheep have dropped down now to 37¢. Only the hog and cattle industry seem to be holding their own. Dairy, of course, has stayed the same because it is tied in to parity. Dairy prices used to be set at about 80 percent of parity, and now have been dropped to 70 percent. But the rest of the farm products have dropped to about 47 percent of parity.

In the 1930s, parity was held to 74 percent. Now, for most agriculture, parity has dropped to 40 to 50 percent.

Foreclosure auctions are happening all the time here. Two weeks ago, a woman from Westbrook, Minnesota called me. The Farmers Home Administration (FmHA) was going to foreclose on her farm in three days, and she needed help. She has contacted other members of the American Agriculture Movement, who also got in touch with me. I spoke before the National Farm Organization convention for the second district in this area of Minnesota, and I appealed to the farmers at that meeting to come and support the family.

During the depression in the 1930s, farmers used to organize these penny auctions in the same way. We would designate bidders among friends and family members, and would bid up by pennies to one dollar—and then stop. That way, no farms or equipment would be sold from the families that owned them. Over 200 farmers in all came to this auction, and all were supporting the penny sale. When the sheriff and the FmHA auctioneer met, they knew that something was up, so they stopped the sale.

EIR: What is the state government doing about this?

O'Reilly: After the penny auction, I was able to meet with Gov. Al Quie. I explained to him what happened at the auction, and asked him to call the FmHA director for the state. The Governor promised that he would. I ran into Sen. David Durenberger [R], to whom I explained the whole situation. I asked him also to go to the FmHA, and ask that they not foreclose on these people, until they could reorganize their debt; now they have a chance to continue operating for another year. But that is only temporary, because the whole financial system is about to collapse.

Early this spring, 16 farm leaders met with Secretary of Agriculture John Block. Block told us the figures on farm debt from 1970 to 1981. In ten years it grew from \$13 billion to \$200 billion. Farmers borrowed against their equity in their land to subsidize their income at 15 percent interest. In 1981 it cost farmers \$30 billion to pay the interest.

These are the figures for the recent period that I think are most important: in 1948, farm income was \$17.3 billion; in 1973, it was \$26.4 billion; in 1979, \$31.6 billion, and we had enough money in the state to run our schools and keep our businesses going, and to provide some services. But in 1981, farm income dropped to \$17.1 billion: less than 1978, even with inflation. Block projected that this net income will drop to \$14.5 billion this year.

With a net income that is only one-third of the debt payments, farmers just cannot make it.

In Minnesota, even farmers who have been financially secure now concede that they cannot make even the cost of production. For the first time in their lives, they are having to borrow money against their equity, just to operate. These are farmers who had everything paid for: they are conceding that there is a possibility that they will not make it. All the

farmers in this area are seeing some kind of problems; about one third are facing foreclosure.

Farmers have continued to produce food when their income is *less than* the cost of production. They stayed in business by borrowing against their equity. What has happened is that this debt, plus the 15 percent interest, has been pulled out of the farm sector for 10 years, and now, beginning in late 1981, no credit is being made available to farmers. But the debt and principal payments still must be made, and they are coming out of farmers' ability to produce food.

Many of the farmers around here have shut down their whole beef cattle operation. In just a three- to five-mile radius of my farm, there are at least 25 farms that have been shut down, and the land has been rented out. Other farmers had rented the land, but this year they are not going to be able even to pay the rent.

In Minnesota, the agricultural transportation system is being torn up; the railroads are being torn up right and left; no money is being spent on the roads, and the highways are now deteriorating fast because all the grain has to be shipped that way. Fuel is so high the truckers cannot afford to haul the grain. This destruction of transportation seems deliberate: as soon as service on a rail line stops, like scavengers, the companies immediately tear up the train beds, and scalpers come in and tear up the railroad ties, and they can never be utilized again. Hundreds of small lines in the state have gone out of business. There are only a few main lines left; 10 years ago there were over 100 lines branching off from the Twin Cities [St. Paul and Minneapolis].

This state used to be so advanced. Now, it is going back to the 19th century. It's terrible to think that this nation, which can feed itself and half the world, should be broke. Farmers are willing to produce, labor and industry are willing to develop. Our monetary system is all that is out of whack.

EIR: What has happened to the Minnesota schools?

O'Reilly: I was a teacher in the public school system seven years ago. At that time the National Education Association (NEA) came out with resolutions they wanted Minnesota to adopt. The first one was a resolution to support an amendment for legalizing abortion in the state; resolutions followed to support gay rights. The vote in my district was 40 in favor, and four against. Whatever the MEA, the state branch of the NEA, proposed, was automatically passed, and then the MEA promoted these policies. One was a stand in favor of gun control, which is against the Constitution. The last one I heard was a resolution to re-write the U. S. Constitution because the Constitution was no longer "relevant."

During one mathematics class, I taught my students about the Federal Reserve System, and quoted the Constitution, Article I, Section 8, where it states that only Congress shall have the right to print money. I explained how the British monetary system had taken over the Federal Reserve. Then I quoted the Biblical injunctions against the immorality of usury. The next day, the School Board was in the Superin-

tendent's office, wanting my resignation for mentioning the Bible in school. . . .

EIR: Why is the Democratic Party in Minnesota so liberal?

O'Reilly: It was built by Hubert Humphrey, on a Farmer-Labor Association base. This is what Walter Mondale took over from. My campaign has worked to distinguish itself from this faction in the Democratic Party. That's why our slogan is that "You don't have to be gay and kill babies to be a Democrat." . . . The Republican Party here is different from the Democrats. They are opposed to drug legalization, but they still support the policies of the Federal Reserve, which is actually immoral.

I ran for U.S. Congress two years ago. I had not been involved in politics at the time, other than working to set up the American Agriculture Movement. No one in this area was challenging either Carter or Mondale within the Democratic Party, and their farm policy was disastrous. I forced a primary, and got one-third of the vote in the 6th District, after spending only \$529. But this time, the party machine is trying to stop my campaign altogether.

In 1981, a state senator from the area resigned, and there was a special nominating convention. I went to the convention and announced my candidacy. Usually it takes 50 to 60 delegate votes to get the nomination for state senate; I had 100 delegates. But the convention was deadlocked. On the seventh ballot, they came up with an extra 34 votes to defeat me. That meant that there were 240 votes, with only 170 people, total, in the auditorium. When I challenged them, they said this happened for one reason: you forced a primary last year; don't force a primary again.

We found when we went with a bill to set a minimum price for agricultural products in Minnesota, that the Republican Party is controlled by the Farm Bureau Insurance Company. The Democrats are controlled by Farmers Union Insurance Company. The Republicans had to call the Farm Bureau company to find out how to vote on the pricing bill, and the Democrats had to call Farmers Union. These two insurance companies were founded as one company, which split in 1947. Since that time they have held the state's farmers 180 degrees apart, so that no policy can get through the state legislature.

A telegram came to the state convention, where I was announcing for the state Senate, from Cy Carpenter of Farmers Union, that "that S.O.B. O'Reilly" must be defeated. They rigged the convention again and stopped my nomination. Two weeks later, I filed for U.S. Congress, to force a primary. This is the first time I know of that this kind of operation was forced out into the open in the Minnesota Democratic Party.

This time the state will probably elect a Democratic governor. There are two candidates: [former Attorney General] Warren Spannaus, a Mondale Democrat, and [former Governor] Rudy Perpich. Many Republicans will cross over to vote to stop Spannaus, and a lot of that vote will go to me.