# A Fair Deal Program for the American Farmer

## Remarks of

# Hon. Hubert H. Humphrey

**of Minnesota**

**in the**

## Senate of the United States

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## REMARKS

OF

## HON. HUBERT H. HUMPHREY

OF MINNESOTA

Mr. HUMPHREY. Mr. President, the 90-percent parity will do much to protect the economy of the United States. It puts a reasonable floor under agricultural prices. Mr. President, I lived in South Dakota in the depression days when the law of supply and demand was really operating. The law was the sheriff, and he came down on the poor farmer. There was demand, all right, but the people did not have money to satisfy their demand. That argument with relation to the law of supply and demand does not go over very strong with the junior Senator from Minnesota. The law of supply and demand has not successfully regulated agricultural production. Low farm prices have not in the past discouraged surpluses; in fact, low prices encourage surpluses. Flexible parity sounds good in theory, but the record reveals no positive results in controlling surpluses.

I charge that the flexible parity formula may well be more expensive to the Treasury than the 90-percent parity. I say this because flexible parity relies on control over surpluses by the so-called forces of supply and demand. The 90-percent parity support has the machinery of acreage allotments and quotas to control surpluses. This not only protects the farmer in his price, but may well protect the Treasury through placing a check on undue surpluses.

I make this observation: The solvency of our country does not rest in the Treasury of the United States. It rests in the farmers and the workers, rather than in the United States Treasury.

Mr. President, the amendment I voted for this afternoon is an amendment which, in effect, says we are not relying upon the orthodox economic law of supply and demand. Reliance upon such orthodox economic theory has brought distress to the American farmer in the past. What we have done this afternoon is to say to the farmer, "We want you to have an adequate income, but if the Government is going to put a floor under your income it is not going to rely upon the uncertainties of automatic operation of the law of supply and demand. We are going to rely on price supports."

I wish to take a few minutes of the Senate's time to invite the attention of my colleagues to some pertinent material which bears very directly upon the amendment which is before us, and also upon the bill.

This is no time to be cutting price supports. Ninety percent for basic commodities should be considered the very minimum in the public interest. I think we should look back into history. We can point with abhorrence to the price drop which took place in 1920 and 1921. I invite the attention of the Senate to the price drop which took place in 1920 and 1921. It was actually the beginning of the depression of the 1930's. It was the beginning of the long depression which resulted in collapse in the 1930's.

In the period of 12 months from 1920 to 1921 farm prices were drastically reduced in this great, prosperous America.

I want to point out to my colleagues that from 1920 to 1933 farm mortgage indebtedness increased by $11,000,000,000 at an average of $1,000,000,000 a year. Someone had to pay that indebtedness. Let us see on what kind of parity ratio it was paid. In 1920, the last good year the farmers had up until the war years, the parity ratio was 104. That is when the farmer was still receiving $2 a bushel for his wheat and was still making a little money. Every midwesterner in the Senate knows that in 1921 we were literally ruined. I remember what happened in my own family. I think every man on a farm was literally wiped out of existence by what happened to prices in 1921. I want the advocates of flexible parity to listen to me. Parity was 75 percent in 1921. I ask any farmer in the United States if 1921 did not practically take him to the cleaners. In 1922 it was 80 percent. I ask anyone to consider the mortgage indebtedness record of the farmer. He was going more into debt. In 1923 there was an 86-percent parity ratio. The same was true in 1924. I do not know where the farmers were who were supposed to be making a lot of money.

How about a little bit later on? How about the only year that was a good year for the farmer, which was 1928? He had 90 percent of parity. The records show that 1928 was the only year when the farmer was able to pay off more on his mortgages than he contracted in mortgages.

Let us go a little bit further. How about 1930? I ask my Republican friends: Was it good in 1930? The parity ratio was then 80 percent—not 75, but 80 percent—5 percent better than the low minimum of the bill which we are considering.

How about 1931, when every farmer in this country was on his back? The parity ratio was 64 percent, 11 points below what is contained in this bill we are now considering, and which proposes to give us prosperity.

Mr. President, I am amazed to find out that anyone could be against 90 percent of parity. We have had it only twice, and those were the only times the farmer made a dime. Anyone who has any intimate understanding of farm life knows that a farmer cannot live on 80 percent of parity. If that situation is allowed to exist, we are simply saying that farmers are not as good as other people——

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG. Does the Senator realize that the economic indicators show that wages in industry have been increased in the Nation, that we are increasing the compensation of Federal Government employees 3 or 3½ percent, and that apparently the Government realizes that wages are up for everyone else in the country, but now we are proposing to cut them down for the farmers.

Mr. HUMPHREY. That is correct. When did the farmer get on the black-ink side of the ledger? I think it was in 1941, the first year of the war. He then had a parity ratio of 94 percent. He made money in 1942. Then the parity ratio was 106. Do Senators think he made any money in 1935, when his parity ratio was 84?

Let us for a moment ask ourselves honestly, when the parity ratio was 84, in 1935, were the farmers doing well? The





only time the farmer has ever done well was when he got a ratio of 90, not less. This, I think, a study of the economic facts will definitely indicate.

The farmer's best year was in 1946. In 1946 he had a parity ratio of 121, in 1947 he had a ratio of 120, in 1948 of 115, and his parity ratio, as we all know, has gone down considerably this year.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. Has the Senator the figures of per capita incomes so as to put the comparison in the RECORD?

Mr. HUMPHREY. I have, and I shall get to that. Let me point out what has been happening in recent times.

During 1948 farm crops came down 20 percent, and the average of all farm commodities dropped by an unlucky 13 percent. During 1949 the drop has continued. Farm commodities have slid down the old, familiar chute since the start of 1948 by 20 percent. Today the American farmers get $4 for the very same amount of goods that brought $5 just a little over a year and a half ago.

Perhaps some think these price declines have happened just to a few commodities which only a few farmers produce. Let no one fool himself.

Let us look at the major basic commodities. Look at wheat, for example. Since the start of 1948, wheat has come down well over one-third—36 percent to be exact. Cotton has come down from the postwar peak by 22 percent and a fifth or a sixth of the drop has come in the last year. Rice is down 36 percent from the early part of 1948, and more than half of that cut has come in the last year. Tobacco, due to various fortunate circumstances, seems to be in better shape, percentage-wise at least. But look at the other great basic commodity, corn. Since the beginning of 1948 corn prices have dropped more than half—52 percent.

Mr. President, here is what price supports do. If the Secretary of Agriculture did not announce price supports, as he has on occasion, when he could announce a 90-percent price support, the prices would go way down. There has been instance after instance where the Secretary of Agriculture has had to announce a price support prematurely in an effort to bolster up the market. I recall the case of dried milk. The junior Senator from Minnesota and the Senator from Wisconsin went to the Department of Agriculture and asked the Secretary to announce a price support for dried and powdered milk in order to stop the drop. The price support was announced at 90 percent and checked the price drop.

Do you know how much less the farmer is paying for the goods he must buy? We know the farmer has to plow back into his business of producing a very big share of his cash receipts. He has to buy machinery and fertilizer, milk cans and feed, and many other items, as well as food, clothing, and household goods.

Do my colleagues know how much less he is paying for what he has to buy? While corn has come down 52 percent and wheat 36 percent, and all farm commodities an average of about 20 percent, the prices of goods bought by the farmer have come down very little. Until recently the reduction was about 3 percent, and at present the average stands at about 5 percent. But that is not the whole story. Farmers buy grain and hay and animals from one another, as well as from dealers, and the reductions in these farm-produced items make up a big share of the small average drop in prices paid by farmers. In other words, if prices farmers pay for farm goods had not come down appreciably the average of prices paid by farmers for all the goods they buy would be down so little it could hardly be noticed.

As we have learned to expect, farm prices are coming down first, much the fastest, and so far much the farthest of all prices.

Thus, the purchasing power of a bushel of corn or a bushel of wheat has dropped very fast. The wheat farmer is getting less than 90 percent of parity. He is getting about 87 percent. The rice grower is getting less than 90 percent of parity. He is getting about 86 percent.

The flue-cured tobacco grower is still getting a little above parity, and the cotton grower is not so bad off so far with 99 percent. But look at the corn producer. The Secretary informed me that as of September 15, 1949, the corn price was 75 percent of parity, because of lack of adjustment in the parity price.

There are often times when there are fluctuations in the price, and there are often times when the Commodity Credit Corporation has to make farm loans. Any man who knows anything about agriculture knows that prices do not remain static. When they fluctuate, the market is bolstered. It has fluctuated on rye, corn, wheat, hogs, and milk, a host of commodities, within the last year.

It is my information that there may be some who are afraid the farmer is getting too rich. If so, let us see how rich the farm people of America are. Last year the average income of all farm people was $905. That included food grown on the farm and eaten in the farm home. It included income earned off the farm, as well as income from farming. It added up to $905, compared with $1,572 for the average person not living on a farm.

I ask the Members of the Senate, when we take $905, which includes the farm produce the farmer and his family consume on his own farm, and compare it with $1,572, the average income of a person off the farm, how can we justify a farm-support program of less than 90 percent of parity on the basics?

Farm people are nearly one-fifth of all the people in the United States, and they get a total of less than one-tenth of the national income. The question I wish to ask is: Shall we cut that some more?

Let us not fool ourselves. If we maintain a mandatory support level of 90 percent of parity for a few commodities called basic, we will not be doing too much to prevent the disparity of either farm prices or farm income. It would be a pitifully small thing to do. We would not be doing anything directly at all for the commodities that make up the greater bulk of farm income—those important products which are not called basic. Of course, it is my considered judgment that we ought to have many more commodities under mandatory price supports, many more. I might point out that those that are under mandatory price support of 90 percent of parity, the basics, do not represent the great bulk of American agriculture.

I will say for the RECORD right now that for every dollar that the Commodity Credit Corporation has spent up to today, or will spend in the next 10 years, the mortgage losses of the American farmers from 1920 to 1936 will total twice as much. Those losses will double the amount the Commodity Credit Corporation ever spends. The millions of dollars the farmers lost in the banks, that they





never could reclaim, and which were lost because of low farm prices, would amount to enough to pay off all the Commodity Credit Corporation can spend from now on for the next 2 years.

Low prices to the farmers is what will break the country, not the few dollars we are going to put out in support of the farm economy.

Mr. President, we saw what happened when the price of cotton was down. We had a depression then. When the price of corn was low we had a depressed market for cattle, for hogs, for sheep, for every commodity that the farmer had.

I submit that the record is crystal clear that the only time the American farmer has ever made one dime, the only time he has ever been able to buy his wife a new dress, the only time he has ever been able to have a 2-day vacation, is when he had a level of 90 percent parity ratio.

I submit again to those who are critics of our 90 percent proposal and who are advocates of 75 percent of parity, that when in 1921 parity was 75 percent, when in 1934, it was 70 percent, when in 1935 it was 84 percent, what was happening to the country? The only time that anyone on the floor of the Senate can remember the farmer making any money was when the price got up to around 90 percent, and when the price to the farmer is around 90 percent, Mr. Farmer can be a good customer. When the price was below that what was it the farmer needed? He needed the Farm Security Corporation. He needed long range loans, with low rates of interest. He needed all kinds of bank credit. He needed to refinance himself. And generally he ended up in the ash heap. Was that good for anybody?

Mr. President, every depression that has come about has had its beginning on the farm. We are not worried around here over voting a billion dollars for stock-piling minerals. We are going to vote all kinds of money to stock-pile strategic minerals. Why? To defend America. We are willing to vote $1,300,000,000 to arm western Europe. Why? To defend America. We are willing to vote $5,300,000,000 for ECA. Why? To defend America. We are willing to vote $15,000,000,000 for the National Military Establishment. Why? To defend America. But, Mr. President, when someone mentions that we have to spend $600,000,000 upon one-fifth of the population of the country to defend the Agricultural Belt in America so that the farmers will not go "broke," so that they will have a decent farm income, so that the man who is operating a filling station, and the grocery man will have a customer who can pay his bills, it is said we are going to break the Treasury.

I say that is so much "hogwash." We are not going to break the Treasury. The only time the Treasury is in good condition is when the farmer can buy what he needs and pay for it. The only time the country is prosperous is when the farmer receives a reasonable price for his crops. That is the basic lesson everyone has learned.

The junior Senator from Minnesota had an amendment which was presented in his behalf by the Senator from Montana [Mr. MURRAY], dealing with what my colleague, the senior Senator from Minnesota, has presented—an amendment relating to eggs, chickens, turkeys, and hogs. I urge support of that amendment. I shall support it, and I will tell the Senate why. I shall support it by reason of the very argument that my colleague has so ably presented, because though we have mandatory price supports for many basic commodities, it appears to me we ought not to leave any discretion in reference to some of these most vital commodities which affect great sections of American agriculture.

Mr. President, I should like to have inserted in the RECORD at this point some pertinent factual material with reference to the production of hogs, turkeys, eggs, and chickens in the year 1948. With due State pride on behalf of the State of Minnesota—I know my colleague concurs in this—we would like to make proper note as to where Minnesota ranks in the production of these important agricultural commodities. I ask unanimous consent that the information to which I have referred be printed in the RECORD at this point as a part of my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

*1948 marketing production*

| | |
|---|---|
| Hogs: | *Pounds* |
| United States total | 15,524,000,000 |
| Iowa | 3,750,000,000 |
| Illinois | 1,940,000,000 |
| Indiana | 1,415,000,000 |
| Minnesota | 1,142,000,000 |
| Missouri | 1,093,000,000 |
| Turkeys: | |
| United States total | 579,000,000 |
| California | 97,000,000 |
| Minnesota | 52,000,000 |
| Texas | 48,000,000 |
| Iowa | 37,000,000 |
| Oregon | 32,000,000 |
| Missouri | 24,000,000 |
| Eggs: | *Dozen* |
| United States total | 55,168,000,000 |
| Iowa | 4,339,000,000 |
| Minnesota | 3,885,000,000 |
| Pennsylvania | 3,096,000,000 |
| Texas | 2,774,000,000 |
| Missouri | 2,731,000,000 |
| Illinois | 2,712,000,000 |
| Chickens: | *Pounds* |
| United States total | 2,354,000,000 |
| Iowa | 170,000,000 |
| Pennsylvania | 137,000,000 |
| Illinois | 121,000,000 |
| Missouri | 118,000,000 |
| Chickens—Continued | *Pounds* |
| Minnesota | 116,000,000 |
| Indiana | 111,000,000 |

1946 and 1947, Minnesota was second.

Mr. President, I wish to say to the Senator from North Dakota that grain products such as barley, rye, oats, and flax, are a part of the general picture of a farm which exemplifies what we call diversified production. From what little I know about it—and I do not pose as an expert—for many years the Department of Agriculture has been educating the farmers, at least in the Midwest, to what we call diversified farming. The American Farm Bureau Federation, the Grange, the National Farmers Union, and every other great agricultural organization has been telling the farmers that they ought not to be one-crop farmers. They have been urged to diversify, to raise chickens, turkeys, if possible, a few cows, a few hogs, and a certain amount of feed grain, in addition to the cash crop. That has been the picture which has been developed in the agricultural belt of the Midwest. This type of agricultural development has saved the Government of the United States a great deal of money. As my colleague has stated, that kind of agricultural development has protected the soil. At the same time it has given a diversified agricultural economy a chance to survive, in order that there may be a cash crop for the farmer as well as the crops which he needs for feed. I think our amendment will do more to stabilize American agriculture than will be done by any other amendment which has been proposed to this bill on the floor of the Senate. This amendment will tend to lead toward the family-size farm. It is the kind of amendment which will give a reasonable amount of stability and security.





Mr. President, let me say that I should like to have a greater amount of parity provided for these commodities. I still do not think 75 percent of parity is sufficient. I wish the amendment provided for 90 percent of parity, because 90 percent of parity is not too high. I see no reason why we should not spell out the other commodities to be supported, and thereby save the Secretary of Agriculture the problem of deciding whether it was the intent of Congress that they be supported. I do not wish to leave in the Secretary of Agriculture the amount of authority that is provided by the bill, without spelling out what the nonbasics to be supported will be, because according to my memory the nonbasics will be supported only if there is sufficient appropriation provided for supporting them. However, if we definitely include them in the bill, with a provision of mandatory authority for mandatory price supports for them, then it will be the obligation of the Congress to provide appropriations to support them. Certainly I do not think the turkey farmer, the duck producer, the farmer who raises oats or barley or rye or flax, or the pork producer or the producer of eggs should be left with uncertainty as to whether the commodity he produces will be given supports. These commodities should be supported and no doubt should be permitted.

Mr. President, in the few minutes allotted to me I wish to review some of the debate which has taken place not only with reference to the Brannan plan, but also with reference to the Anderson program and the various amendments which have been offered. I shall deal with one amendment in particular.

My position on the parity formula has been made quite clear in these debates. I have stood for 90 percent of parity. A critical examination of the record of the parity formula over the past years shows conclusively that whenever there was less than 90-percent parity provided for farm commodities, or whenever the price level of farm commodities fell below 90 percent of parity, the American farmer found himself in financial distress. I still say to Members of the Senate that this is an observation which has not been answered. I distinctly remember the distinguished senior Senator from Georgia saying that he did not want to deal with statistics. To be sure, one cannot eat them; but the simple fact is that whenever farm prices have gone below 90 percent of parity in reference to what the farmer must pay for the goods he needs for his family and his farm, the farmer has been in economic trouble.

It may seem to some that what we are talking about is the mere statement that one small group in America find themselves in financial distress. However, it has been brought out, without contradiction on this floor, that the farm economy is the foundation-stone of a sound American economy.

I shall repeat at this time the statement which I made a week ago. Every depression this country has known in the past 75 years has been born in the Farm Belt, because of depressed farm prices. That was true of the depression or recession of 1920 and 1921. It was also true in 1907. It was also true in 1931, 1932, and 1933.

I invite the attention of my colleagues to the fact that in 1932, at a time of low farm prices, the average farm commodity had a parity ratio of 55. In other words, the prices of farm commodities averaged 55 percent of parity. That is only 5 percent below the low minimum of the act of 1948. I ask any reasonable person to form his own judgment as to what a 60-percent parity ratio would mean to America. It would mean ruination, lack of jobs, unemployment, business bankruptcies, and farm-mortgage foreclosures.

The other day, in reviewing my material, I started with 1920 and 1921. From 1917 to 1920 we had a parity ratio of more than 100, and the farmer made money. Businessmen made money. In 1921 we had a parity ratio of 75; and I should like to have anyone produce evidence that the farmer prospered in 1921–22. The beginning of the depression of the 1930's was in 1921–22, when we had mortgage foreclosures, when the farmers hauled their commodities to market at ever-descending prices, when the farmers of America went deeper into debt, and small businesses were being liquidated by the hundreds of thousands.

The recession of 1921 and 1922 was more intense, more vigorous in its application to small business and farmers, than any other recession in the history of the country. It was catastrophic.

From 1921 to 1940 there were two periods in which we had a parity ratio of 90 or more. We had it in 1925 and again in 1928. The records reveal that those were the only 2 years when the farmers made a profit. Some people may want to fool around with the American farm economy, but, personally, I do not. I am unwilling to ignore the plain facts of agricultural economics. I am unwilling to close my eyes to the cruel lessons of history. The farmers of America cannot endure low prices—they cannot endure farm prices of 60 percent of parity, of 75 percent of parity, or of any percent below a minimum of 90.

I have heard a great deal about the question of cost. I want Members of the Senate to figure out the cost of a depressed agriculture. It is estimated that the cost of the depression was approximately $300,000,000,000 in lack of income to the American people, loss of production, and loss of employment. That cannot be laughed off. This country was almost wrecked, primarily because we had 9-cent corn, 25-cent wheat, and $2.50 to $3 hogs. Yet in 1932 we had a parity ratio of 55 percent.

The distinguished Senator from Oklahoma [Mr. KERR] pointed out that there is a direct relationship between farm income and industrial wages. That has not been disputed. As farm income goes up so do industrial wages. Today the senior Senator from Oklahoma [Mr. THOMAS] pointed out conclusively in the debate that there is a direct relationship between farm income and national income. For every dollar of farm income there is $7 of national income. No one can dispute that. We have had the best national income we have ever had in peacetime, under a 90-percent parity program. That program yielded results to the farmers, the businessman, the corporation, and the Government.

We talk about money. How are we going to pay for these things? I want to know how we are going to pay for a 75-percent parity program if the farmer does not have enough money to pay his taxes. I predict that if there is a decrease in farm prices on the basis of this flexible parity program, we shall find such a sizable depreciation in the revenues of the Government that the loss which will result because of the flexible parity program will be 10 times the loss which would result form a 90-percent parity program. A high parity program means revenue—revenue for the farmer, for the worker, for business, and for the Government. A low parity of 75 or 85 means trouble—trouble to the American





economy and trouble to the Federal Treasury. Ninety percent of parity has not cost this Nation one dime, it has yielded millions and millions and millions of dollars in good business. Seventy-five percent of parity, 80 percent of parity, or 85 percent of parity will bankrupt the American farmer. A plan providing for 75 percent of parity will simply be telling the American farmer that he can get by on 75 percent of what we can get by on. Even those of us who favor providing for 90 percent of parity are not so generous; we are merely telling the American farmer, "You can get by on 90 percent of what we can get by on."

Mr. President, another argument which has been presented is the cost of storing surpluses. It is said that we cannot afford to store agricultural commodities. We are told to look at the surplus commodities already in storage. Very well, Mr. President; but let me ask where we would have been in 1941 and 1942 if the granaries of this country had not been stored full of crops on which there were Government loans. That was at a time when our allies needed food. Those materials were critical materials. Of course we are willing to appropriate billions of dollars for the stock piling of strategic minerals, but I cannot find very many Members of Congress who are willing to appropriate a few hundred millions of dollars for the stock piling of strategically needed foods. Frankly, Mr. President, now that Mr. Nehru, Prime Minister of India, is visiting in the city of Washington, if we have any surplus wheat, I know where it can be well used. Let us send it to India or give it to India. Perhaps by doing that we shall avoid having to spend billions of dollars on atomic bombs, perhaps to be used sometime to protect our freedom. Food can be used both as an instrument of peace and an instrument of war.

Mr. President, we are beginning to hear talk about how expensive the farmer is. But the only time he is expensive is when he is broke, and the only time he is broke is when he receives less than 90 percent of parity for the crops he produces. I defy anyone to prove to the contrary. That is a broad defiance and a broad challenge. Instead of talk, I ask anyone to present actual facts and figures to show me to the contrary, to show where the farmers have been able to get by with less.

Now a word about the Brannan plan. I should like to support it, but I agree with the Senator from Oklahoma that we have not had all the information we need about it. I am in favor of its broad economic philosophy. I may not go along with it entirely, in respect to crossing every "t" and dotting every "i," but I do support its basic philosophy.

Under the Brannan plan there are to be loans, acreage allotments, and controls, as we now have them under the Steagall amendment and under the basic act of 1938. Where does the Brannan plan move in a new direction? It does so in regard to perishables and nonstorables. Where does the hue and cry come from today in opposition to the price supports? It arises in respect to eggs and potatoes. Why is that? Because we do not have a formula by which we can properly store those commodities and at the same time make them available to consumers at prices which the consumers can afford to pay. The Brannan plan gives us that formula.

The distinguished Senator from Vermont [Mr. AIKEN] is absolutely correct, for he said on the floor of the Senate again and again that production payments are provided for by the Aiken

Act. They are limited by the amount of money made available, but they are provided for. So production payments are nothing revolutionary, nothing fantastically new. Production payments simply are payments made directly to the farmer, which means that instead of paying twice, the American taxpayer will pay only once. Today we pay high taxes, plus high prices in the consumer market. Under the Brannan plan, taxes will not be increased, but there will be lower prices in the consumer market.

Mr. President, I know why some persons do not like the Brannan plan. They do not like it because it is the first plan which points clearly to the identity of interest of the American workers and the American farmers. Let us not kid ourselves, Mr. President. We can have good prices for the farmers and reasonable prices for the consumers. We can have that situation under production payments, and at no more cost than the cost at the present time—and at less cost, really. At the same time we encourage the development of family-sized farms and diversified farming with soil conservation practices.

I submit that the Brannan plan will provide a program by which the farmer can have a good income and at the same time the consumers can be supplied with a great variety of foods, at prices which they can afford to pay.

I repeat that in the case of the so-called basics—cotton, wheat, corn, tobacco, and rice—there is litle or no difference between the Brannan plan and the present plan. But when it comes to dairy products, milk, chickens, turkeys, ducks, and when it comes to the perishable commodities which today are a problem because they cannot be stored, the Brannan plan is the answer, on the simple basis of establishing a parity price for those commodities. Under the Brannan plan the farmer will sell his commodities in the normal market, and the law of supply and demand will establish the market price. The difference between the price the consumer pays, namely, the market price, and the price the farmer should receive for his products, namely, the parity price, will be paid by a direct production payment. Is there anything wrong with that, Mr. President? Certainly there is something wrong with it if Senators do not believe the farmer should make a decent living or if there is a desire to keep the farmers and the workers divided. I think there is a good deal of that kind of politics on the part of certain Senators on the other side of the aisle. The Republican Party has won a good many elections on the basis of persuading the worker that the farmer is his enemy, and persuading the farmer that the worker is his enemy. In that connection the philisophy of the Brannan plan which demonstrates that workers and farmers have an identity of interest is good medicine and sound economics. It joins together the farmer and worker or, better to say, the farmer and consumer, in a program that provides support for the producer and fair prices for the consumer.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an analysis of the Brannan plan which has been made by a good farmer, Representative FRED MARSHALL, representing the Sixth District of Minnesota. His family have been in Minnesota for over 100 years and they have been recognized as one of the leading farm families in the Midwest. He formerly was a member of the State Agricultural Adjustment Administration committee and was State director of the Farm Security Administration, and he defeated Mr.





Knutson. Mr. MARSHALL knows the farmer and his business. He will take a back seat to no one when it comes to agricultural legislation. Believe me, Mr. President, in his statement, which I now submit rather than to take the time of the Senate to read it, Representative MARSHALL has given a fine analysis of the Brannan plan.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

MARSHALL DISCUSSES BRANNAN LONG-RANGE FARM PROGRAM

Farmers and farm leaders are watching each new development this week involving recommendations made by Secretary of Agriculture Charles Brannan for the country's long-range farm program. The basic outline of the plan has been presented to the Committee on Agriculture, which will continue extensive hearings on its major principles when Congress convenes again on April 25. As a framework for practical farm legislation, the Brannan plan deserves serious consideration from every person interested in the future economy of this Nation. The interdependence of the farmer, the worker, and the businessman is reflected in these recommendations to a degree seldom paralleled in any past farm legislation.

Basically, the new program is designed to reduce the retail price of food and at the same time maintain a parity of income for the farmer. In other words, plenty of food at prices people can pay, plus a fair return to the farmer. The farmer would receive production payments, loans, and purchase agreements to make up the difference between the support price for commodities and the average selling price of these commodities in the market place.

Most significant is Brannan's emphasis on the family sized farm. It is part of his effort to halt the increasing industrialization of farming. He realizes that the backbone of rural America is the farm family and that the backbone of our economy is the family farm. Under the proposed plan, the parity of income formula would apply only to the family sized farm, which is defined in the program as any farm producing under 1,800 units for marketing. A unit is simply a common scale of measurement for all commodities under support. The basic unit would be 10 bushels of corn. Other comparative units are based on this, so that a unit of hog would be 76 pounds and a unit of whole milk would be 346 pounds. A farm eligible for participation in the program would then be one with production of not more than 1,800 of such comparative units.

Brannan reverses the present procedure and starts his computations from an income level fixed for the farmer on the basis of average annual purchasing power of cash receipts from farm marketings for the years 1939 through 1949. The base period would move forward each year to reflect the changes in farm costs and average income during the most recent 10-year period. The schedule of price supports is arrived at by comparing the average farm prices for the 10 preceding years to the average level of cash receipts from farm markets as this is related to the current income support standard.

In a government of formulas this is actually a fairly simple one, and, since income must be our ultimate concern, it would seem to be a realistic one. It sets a minimum level under which it would be dangerous to let farm income drop. From experience we know that in times of depression farm income drops the farthest first and comes back to normal last. By attempting to stabilize this income we tend to stabilize other segments of our economy because farmers are industry's best customers and industrial workers are the farmer's best customers.

Under the Brannan plan farmers will need to practice sound soil conservation and comply with whatever programs are necessary to curtail wasteful production and disorderly marketing. This is rightly based on the principle that the farmer is a trustee of our soil and is expected to safeguard its productivity for future generations. It is difficult to see that any widespread control or limitation would be necessary at a time when consumption can be increased by allowing market prices to seek their own level on the basis of supply and demand. While maintaining reserve supplies against crop failures and national emergency, and with increased consumption at home and growing world markets, it should minimize the danger of wasteful production c disorderly marketing. Also, the proposed plan would not give the Secretary of Agriculture a single power which he does not already possess under present laws.

It is difficult to estimate the cost of such a program since we are always faced with the unknown quantities of weather, production, and markets. Mr. Brannan insists, however, that basing our estimate on existing circumstances during the past marketing year, it will cost the same amount we are spending on our present support program and in some instances, it will cost less. At the same time, the cost would be reflected in cheaper prices in the market place. Under present legislation the Secretary announced that he will buy pork and milk in the near future to support these prices on the market. Why can't that money be used to provide cheaper pork and milk for our people? This is the question we must be prepared to answer in considering the cost of this plan. We must compare the over-all effect of both programs as well as the costs of both programs. This will give us a true evaluation of the new plan.

FRED MARSHALL.

Mr. President, I also ask unanimous consent to have printed at this point in the RECORD the Minnesota poll of Sunday, July 10, 1949, as printed in the Minneapolis Sunday Tribune. It is entitled "Farmers Tend To Favor Brannan Plan, But Many Are Undecided." The poll refers to Minnesota farmers. In that area the Farm Bureau is strong.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

**FARMERS TEND TO FAVOR BRANNAN PLAN, BUT MANY ARE UNDECIDED**

A sampling of farm opinion throughout the State by the Minnesota poll indicates that among farmers who know something of the Brannan farm program, there is more sentiment in favor of the plan than against it. But almost half of them haven't yet formed any opinion about the program.

In the State as a whole, including city and town residents as well as farm people, opinions are almost evenly divided on the Brannan proposals. But the indecision even among Minnesotans who know about the Brannan plan (only 37 percent of the State's adults recall having heard or read about it) signifies that there has been no crystallization of State-wide opinion about the program.

When farm people are asked which they would choose if given the chance—(a) the Brannan idea of a guaranty of fair income for farmers, provided they comply with crop controls, or (b) no income guaranty, but freedom from Government controls—they lean toward the guaranty of income.

In announcing the Truman administration's farm program several months ago, Secretary of Agriculture Charles Brannan said it was designed to reduce prices to consumers on such things as meat, milk, poultry products, fruits and vegetables, by letting market supply-and-demand factors determine prices. At the same time, farmers would receive Government payments to cover the difference between lower market prices and the amounts which the program said they should receive.

To be eligible for payments, farmers would have to agree to comply with Government crop control programs and to cooperate in soil conservation work.

Hotly debated since its announcement, the Brannan plan has become one of the major issues before the Eighty-first Congress.

Minnesota poll interviewers asked a representative cross section of men and women 21 years of age and older, in all parts of the State:





"Have you heard or read about the Brannan plan, the administration's proposed new Federal farm program?"

The answers:

| | All | City | Town | Farm |
|---|---|---|---|---|
| | *Percent* | *Percent* | *Percent* | *Percent* |
| Yes | 37 | 32 | 34 | 47 |
| No | 58 | 65 | 61 | 44 |
| Don't recall | 5 | 3 | 5 | 9 |

Those answering "yes" then were asked:

"From what you have heard or read up to now, would you say you are inclined to be in favor of the Brannan plan or against it?"

The replies:

| | All | City | Town | Farm |
|---|---|---|---|---|
| | *Percent* | *Percent* | *Percent* | *Percent* |
| In favor | 10 | 10 | 8 | 14½ |
| Against | 11 | 11 | 10 | 10 |
| No opinion | 16 | 11 | 16 | 22½ |
| Total knowing of program | 37 | 32 | 34 | 47 |
| Haven't heard of plan; don't recall | 63 | 68 | 66 | 53 |
| Total | 100 | 100 | 100 | 100 |

These are the principal explanations offered by people who are inclined to support the Brannan plan:

"It would give all farmers a fair price;" "I'm afraid if farm prices tumbled too much, we would have another depression;" "it would give farmers an equal purchasing power with the rest of industry;" "it will help the small farmers;" "it guarantees the farmers an income."

Those who tend to oppose the Brannan program say:

"It's too much socialism;" "I don't like subsidies;" "I like to run my own farm;" "it's too costly for the Government to support;" "the difference will be made up in taxes;" "there's too much Federal control in this country—soon they'll socialize everything;" "it takes away our liberty."

Democratic-Farmer-Laborites lean toward support of the plan; independent voters are divided in sympathies; and Republicans are inclined to be opposed to it, the survey indicates.

The final question was asked only of farm people interviewed throughout the State. Each was handed a card bearing two statements, and interviewers asked:

"The Brannan plan calls for a guaranteed fair income to farmers, provided they comply with Government crop programs. If you yourself had the choice, which of these would you take?"

The two choices were stated in this manner:

1. The guaranteed income, on condition you comply with marketing quotas, acreage allotments and other Government programs.

2. No guarantee of income, but freedom to plant any crops and any acreages you wanted, regardless of Government programs.

The farmers' replies:

| | *Percent* |
|---|---|
| Would take guaranty of income | 46 |
| Would take freedom to plant | 39 |
| Undecided | 15 |

More than half of the farm people belonging to farm organizations choose the No. 1 statement. Farmers who do not belong to any organization are divided about evenly in their preferences.

I wish to see this one more year devoted to the further study of the objectives and philosophy and the economic program of the Brannan plan. I do not think anyone is prepared to say the Brannan plan today is a final answer, but I submit that the Brannan plan offers a program, it offers us a practical alternative, it offers us a sound basis upon which to measure a long-range agricultural plan which gives a guaranty in price support for the basic commodities, and at the same time provides an effective price support for the perishable nonstorable commodities, provides an income for the farmer that will make him a productive individual in our society, and assures a price for the consumer that will encourage the consumption of goods. Some people may say it cannot be true, that we simply cannot have so many good things all in one package.

Mr. President, I submit that the best way to find out about it is to try it. It is possible to have it all in one package.