

[1951]

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WHERE FARM POLICY IS MADE

I want to begin by thanking you for giving me the opportunity to attend this meeting. It's at meetings like this -- meetings of the American people who are interested in coming to a real solution of their problems -- that national policy is made.

Maybe some of you are surprised to hear me say this. Maybe you have thought that as a member of the United States Senate, I believed that national policy is made on the floor and in the committee rooms of the Congress. But I can tell you this. The President and the Congress enunciate national policy, but it is the people who determine it -- and that's the way it should be.

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I know that you've invited me to come here for just one purpose. You want me to tell facts about agriculture, as I see them. You're not interested in long-winded explanations-- or excuses -- or apologies as to why we do this and do not do that.

Many of the young men of this Nation are facing bullets and shells and loneliness and cold on the Korean front. That's their job at the moment, and God knows they're doing it beautifully.

All we on the home front have to face is facts -- and God knows we need to.

Now here's one fact that we can't dodge. It's the fact of hunger. Half the people of the world are hungry -- hungry and ill-sheltered and preyed on by disease.

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Hunger will be conquered -- in some way, make no mistake about that -- the hunger problem will be met either in the free world way or in the Communist way.

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Many of the world's hungry people have their faces turned toward us. We've done something to help them. We've sent food to Western Europe, to Asia, to India, to Yugoslavia. We've cooperated in world agricultural and economic agencies. We've started the Point Four program, and we're expanding it week by week.

But the pressures are growing in this country to cut down or cut off foreign aid. The critics say we can't afford it.

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If we turn away the hungry peoples of the underdeveloped areas of the world, where are they going to go? You know, and I know. The Soviet Union is always quick to make glowing promises. But the Soviet Union and some of its satellites are surplus food producing countries, just as we are. And the men in the Kremlin know how to use food -- just as they know how to use fear and sex and whips and guns -- to capture the souls and the bodies of men and women.

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You people are farm people. You are producers of the one commodity that can do more for world peace than any other material thing on the face of the earth -- FOOD.

The fact of the vital importance of food today underlines the fact of the vital importance of American farms, of American agriculture.

Here are the basic facts about agriculture as I see them.

First, we can't have a sound prosperous economy unless we have a sound, prosperous agriculture.

Second, we can't have a healthy, vital, and efficient people unless we have a sound prosperous agriculture to provide good diets.

Third, we can't erect a strong defense or an adequate military establishment, unless we have a sound, prosperous agriculture to provide raw materials for defense industry and military supplies. Let me give just one example: The most essential of all war materials, next to steel, is cotton.

Fourth, we can't preserve our free democratic ideals, unless we have a sound, prosperous agriculture, because the family farm, family owned and family operated, is the very backbone of American democracy.

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In view of what I've just said, it's easy for you to see why I always welcome a chance to come out and talk with the people -- because It's people like you who have got to be thinking about farm policy --

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Thinking about improvements to be made -- thinking about ways to bring farm needs and problems into sharper focus so that the rest of the American people and your elected representatives in Washington can appreciate the situation.

I believe that we need now -- as never before -- a strong and economically secure agriculture. We need it for prosperity in peace, and for strength in this period of emergency.

Our agriculture has served the nation amazingly well through the years. But now we must be on guard against forces that would lead to the dissipation of the strength and productivity of our farm economy.

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Recently I was startled by something I read in a speech made by our extremely able Secretary of Agriculture a few weeks ago. Secretary Brannan pointed out that in the period from 1940 to 1951, gross production per man-hour in manufacturing increased 15 percent -- but that in agriculture the increase was 45 percent.

I say I was startled to read that. I confess I had no idea that agriculture had made such great productive progress during the past decade.

I felt that here were some facts that ought to be shouted from the housetops. Here was a sample of real free enterprise activity.

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I began making mental comparisons between what farmers have been doing for their country and what some of the big industrialists have done.

We all know that certain industries had to have all kinds of inducements before they would begin defense production in the early days of World War II. The Government built plants for them, got priorities on materials for them, gave them a guaranteed price or cost-plus contracts, then when the war was over, in some cases, the industries bought up the plants for 10 or 20 cents on the dollar.

What happened in agriculture? Farmers were asked to produce -- and they rolled up their sleeves and did the job -- and the only incentive they had, besides patriotism, was price support at 10 percent below parity.

We all know what happened a few years ago when certain industries were requested to build up capacity. They fought tooth and nail against the proposal that the Government should have authority to assist them in expanding productive capacity.

The result is that there wasn't enough steel to meet all requirements and there was unemployment trouble in Detroit and other places.

What's happening in the present defense emergency? Already we've given around 12 billion dollars in tax amortisation to industry, and we're only getting started. This amounts to savings in taxes of over a billion dollars a year for these companies. That's roughly

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equal to the total Federal budget for agriculture. We're also giving negotiated contracts so defense industry can't help but make a profit.

But what about the farmer: We hear such nonsense as conservation is a "luxury". Or we hear harangues about the cost of the Commodity Credit Corporation. How much have total CCC losses amounted to in 19 years of operating? About one billion dollars. Compare that with the 12 billion in tax amortization already given industry in the current defense emergency.

And against that loss of about a billion dollars in CCC price support operations, we should balance the saving of tens of billions of dollars in purchasing power for the farm part of our Nation. Buying power is the very life's blood of the national economy. And we should include also, on the credit side, the saving of additional tens of billions of dollars for consumers, by the evening out of supplies and preventing sky-rocketing prices of farm commodities in short crop years.

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We hear it said sometimes that business doesn't ask for price supports, so why should farmers ask for special protection against the operation of the economic laws of supply and demand. There are several answers, and I'm sure you know them as well as, or better than I. First, the assumption that business doesn't ask -- and get -- special protection is just naive.

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We've mentioned some of these special privileges already: the tax amortizations, the cost-plus contracts, the negotiated contracts. We can add to the list tariffs, grants to railroads, special mailing privileges for the publishing industry, subsidies to the aviation and shipping industries, and many others.

For example, publishers have been getting an annual postal subsidy of over \$200 million on the cost of handling their newspapers and magazines -- and this is in addition to the subsidy of more than \$100 million on parcel post that is accounted for mostly by circulars and other advertising matter.

The shipping industry received a variety of subsidies totaling more than \$300 million for the past fiscal year. Roughly half of this was for construction of cargo ships, and the rest was a direct subsidy to the merchant marine, plus river and harbor navigation aids.

The Federal Government helps State and local governments in highway construction. This subsidy amounted to more than \$400 million in the past fiscal year.

But to my mind, the simplest answer to this subsidy question is just this: If farmers should ever get together as some segments of industry have for the purpose of concerted action on production and prices, they could make the people pay the most fantastic prices for food that you or I ever heard of.

American agriculture will never do such a thing. It's in the very nature of the farmer to want to produce. He wants to grow things --

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that's why he's a farmer. He loves the fact that he's in a kind of partnership with the Almighty -- a partnership that reaps its real reward in the creation of food and fiber for the services of mankind. The farmer wants to produce -- that was one reason why the net income of farm operators averaged only about 80 cents a day back in 1932. I don't enjoy calling up the dread spectres of 20 years ago that have safely been laid to rest over the past two decades by a new and enlightened farm policy. But let me just tickle your memories a bit about those days.

There were more than 65,000 farm foreclosures in 1932 alone -- one about every 8 minutes on the average, 24 hours a day, and seven days a week.

Maybe some of you here today sold your hogs for 3 cents, and corn for 15 cents, and wheat for two bits. Maybe some of you remember when it was more economical to burn corn for heating your houses here in the Midwest than to try to sell it and buy coal.

Maybe you remember when just one farm house in ten had electricity -- and only because it happened to be near to a city.

Maybe you remember when close to half the farms of the country were being operated by tenants.

Maybe you remember the fertile Great Plains becoming a gigantic Dust Bowl, and the mass migrations from the drought areas that were underway.

Twenty years ago -- that's all it was.

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But maybe you don't remember what I'm going to say now. Maybe you don't remember that from 1929 to 1932 corn production increased 16 percent -- while corn prices fell 60 percent.

Maybe you don't remember that wheat production decreased just a little -- about 8 percent -- but wheat prices went down 63 percent -- down, it has been estimated, to the lowest level in 300 years.

And I'm pretty sure you don't remember what happened in industry. In steel, for example, where prices went down one percent, but production was cut 85 percent. Or in cultivators -- prices down 3 percent, but production down 90 percent. Or in iron ore -- prices up one percent, but production down 93 percent.

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If the lessons of 1932, backed up by the lessons of World War II, prove anything, they prove that agriculture is entitled to an adequate and realistic and effective system of price support -- a more effective system of price support than we now have.

We are operating under the Agricultural Act of 1949. Many features of the Act of 1949 are excellent. But there is one respect in which, to my admittedly limited knowledge of agriculture, the Act is based on a fundamental misconception. It is based on the mistaken notion that low prices for farm products will automatically be followed by low production. Anybody who knows the agricultural history of this country over the past 25 years knows how ridiculous such a notion is.

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When were farm prices at their all-time low in this country? You know the answer: 1932.

And when were harvested acres at their all-time high? The very same year: 1932.

There is no other 3-year period in our history before or since when farmers harvested as many acres as in the three years, 1930, '31 and '32.

The sliding scale theory of the Agricultural Acts of 1948 and 1949 would lower price supports at the very time when supplies are largest and farmers need support most. And support would be highest when supplies are short and farmers need support least.

That's about like giving a fellow a pair of suspenders when he's got a belt and taking his suspenders away when he doesn't have a belt.

It's true that the law technically doesn't pin down the Secretary of Agriculture to accepting the sliding scale. He can ignore it -- at his own risk.

So long as a good Democrat like Charlie Brannan who believes in effective price support is Secretary of Agriculture, the farm people of this country, and the consumer also, will get fair treatment to the limit allowed by the law. But we can't take a chance in always having a man like Charlie Brannan as Secretary of Agriculture. That's why we need to knock out the sliding scale permanently so the sliding scale will never have a chance to knock out the economic security of American agriculture, and that's why the 82nd Congress this year voted to suspend

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the sliding scale for the 1953 and 1954 coop years and continue supports at 90 percent of parity.

I know that you people are deeply interested in conservation and in the Agricultural Conservation Program we have had since 1936. Let me say this: I'm for conservation, and I'm deeply impressed with the progress we've made. The soil is a whole lot like the human body. An athlete who has to put great stress on his body goes into training. He eats a special diet, full of nutritious and body-building foods. But now that we are bleeding the soil to get the biggest production we've ever had in all our history, some people want to cut down on conservation programs.

They just don't realize that the agriculture of this country is part of our defense establishment and that it's just as vital to defense as the military forces or defense industry.

It would be no more silly to cut down on the armed forces, or on our production of planes in this emergency than it would be to cut down on the ability of our land to carry the burden of production that is the underlying basis upon which all of our defense effort must ultimately rest.

But what concerns me just as much as these attacks on conservation is the fact that these critics who want to curtail ACP also want to wipe out the democratic farmer-elected committee system.

That's a kind of thinking that I'd never be able to understand if I lived to be 900 years old.

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This democracy in agriculture that has been developed through the farmer committee is the finest practical demonstration of economic democracy that this country has ever developed.

It places not only administration, but in a very realistic way, policy-making, in the hands of the people themselves. No other branch of Government places as much faith in the people as does the Department of Agriculture in its operations under the farmer committees.

Whom do we depend on to spark plug the production goals drives, the farm scrap campaigns and a whole host of other activities on the farm front? The farmer committeemen.

Whom do we lean on to administer the price support programs? The farmer committeemen.

To whom do we give responsibility for the local operations of the ACP? The farmer committeemen -- elected by their neighbors.

Through farmer-elected committeemen, farm people have a direct pipeline to the seat of Government in Washington, and suggestions, criticisms, and approval of prospective programs and policies are continually flowing back and forth.

I hope you will fight to preserve the committee system, and I think you know on which side I'll be found in that battle.

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Sometimes when people discuss farm programs, they talk and think only in terms of dollars -- dollars in profits, and dollars in cost. There's more to it than dollars. There's a human side. There are

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profits in human values that must be considered, and there are human costs involved in failing to have an adequate national farm program.

Agriculture is not merely a commercial venture. At least in part it is also a public service, and farmers can rightfully take pride and satisfaction in their contribution to the health and well-being of the rest of the Nation.

The real dirt farmer understands that pride, but I doubt if the corporation farmer or absentee farm owner -- sitting in a city office and directing an industrialized type of farm unit -- can ever fully understand it except in material terms. It takes a farmer with his feet firmly planted in his own soil who has planted crops by his own hands, watched them grow into maturity, and then harvested them himself to appreciate that inner satisfaction.

But how long can the farmer maintain his pride in producing abundantly for others if he fails to get enough in return to provide for his family the necessities for a decent standard of living?

Agriculture contributes even more than ordinary food and fiber to the Nation. It contributes moral food and fiber, too. Rural communities are still the seed bed of society. They help preserve individual opportunity in our free enterprise system. We look to prosperous rural communities, mainly composed of economically strong families farming in the traditional American pattern of family-sized farms, as one of the best bulwarks of democracy.

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Are we adequately maintaining those standards of rural life -- the rural home, the rural schools, the rural church? Are we protecting and preserving the family farm that is the heart of our rural community? Are we offering the economic opportunities so necessary to maintaining a strong rural America as the backbone of our democracy?

We cannot ignore these human values in agriculture. We cannot ignore them in planning national farm programs. And we cannot escape measuring proposals for farm legislation by our standards of human values, as well as by dollar values.

We are all aware that for many years there has been a steady increase in the number of large-scale, industrialized types of farming units, many of them absentee and corporate-owned. The 1945 farm census emphasizes this trend. Nearly one-fourth of all the farm products marketed in this country, in terms of value, were sold from fewer than two percent of all the farms. That is more than was sold in total by two-thirds of all our farms, including half of our family farms.

Yet we know it is the smaller, family-sized farm, not the big, industrialized, absentee-owned farming enterprise, that is the very backbone of our rural community. It is the family-sized farm that supports our rural businesses, our rural banks, our rural newspapers; it is the family-sized farm that supports our rural schools and churches, and maintains the ideals of the rural way of life.

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If we are to have stable and prosperous rural communities with good schools, churches, health, and other facilities, it is plain that many farm people need greater economic security and opportunity.

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Don't misunderstand me. I'm proud of all the progress we've made. I'm proud of the story of conservation of the past two decades.

I'm proud that four farms out of five are now in soil conservation districts. I'm proud that the use of lime under the ACP program has increased to six times what it was in 1936 and that the use of phosphate has increased to more than 20 times what it was in 1936.

I'm proud of the story of rural electrification. Seventeen years ago when REA was started only about one farm in ten had high line service. Today only about one farm in ten is without it. I'm proud of the fact that electric power has turned many a farm from a rural sweatshop to a family home.

I'm proud of the credit story -- how millions of farms have been helped toward greater security, more efficient operation and farm ownership. I said a while back that in 1932 close to one-half of the farms of the country were operated by tenants or croppers. Today close to three-fourths of the farms are operated by the families that own them.

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I'm proud of the story of research -- which has helped increase farm output per man-hour nearly 75 percent about the level of 20 years ago. I'm proud of the new things we're doing in agriculture -- the new type hogs and the new methods of feeding cattle and poultry.

I'm proud of the production story -- an increase in farm production of almost 50 percent above the level of 1932 -- and the better diets greater production has made possible.

I'm proud of the democracy of our agriculture, of the way farm programs are administered in all the counties and communities by farmers themselves, who are elected to do the job by farmers themselves.

And I'm proud of the wise leadership and legislative action that underlie all of the existing farm programs and which have made all these programs effective.

In the light of the critical world situation that now exists, we ought to be extremely proud that agriculture is one of our major bulwarks of strength.

Our friends abroad are not as powerful as they once were -- Great Britain and France, for example -- and the Atlantic and Pacific Oceans are no longer the unbridgable moats of a generation or two ago.

But nonetheless we have some towering citadels of strength, the like of which no other people on earth can boast.

We have the free expression of religious beliefs -- and the strength of spirit that religion confers.

We have a great public and private system of education -- and

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the strength of intellect that educational opportunity fosters.

We have the family farm where a man is master of his own domain -- and the economic strength that family farm living develops.

We must defend these bulwarks of the American way -- not by pious platitudes but by determined deeds.

I salute the Department of Agriculture and all those organizations and individuals who cooperated in the Family Farm Policy Review of last year. Though the critics threw up their customary roadblocks and obstructions, the value of the widespread discussion carried on in the review is becoming ever more apparent.

We have the finest agricultural programs in this country that the mind of man ever devised -- yet we still have problems to solve. We have the problem of the underemployed farm family. We must find ways to allow such families to make their full contribution to American security and prosperity.

We have the migratory labor problem, and I say that this problem is one of the great scandals of our national history. We must be active and determined in our efforts to reach a solution.

We have other problems that I have mentioned. But withal let us never forget that we have a pattern of agriculture and of land ownership in this country that most of the other nations of the world would give a great deal to possess.

We are going to continue to make progress and to move ahead in agriculture. But whence shall that progress arise?

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On thing we all know. It will not come from the Republican Party. Oh, yes, there are a few Republicans, scattered here and there, who vote with us on most of the farm legislation. But the agricultural record of the Republican Party as a whole is bad clear through.

It is a record of neglect that goes back 30 years, back to the time in early 1922 when President Harding told farmers, desperate from a long period of falling prices, that they had to help themselves.

Throughout the years, from that time until the Nation turned to F.D.R., the Republicans kept blocking ~~the~~ vetoing the McNary-Haugen bills and the bills for public operation of the Muscle Shoals plant for power development and conservation.

Let me give you a quick summary of the Republican record in the House of Representatives on farm legislation for the past 20 years.

House Republicans voted nearly 2 to 1 against the original AAA of 1933, and that same year they voted nearly 8 to 1 against the Tennessee Valley Authority.

They voted 3 to 1 against the Soil Conservation and Domestic Allotment Act of 1936.

They voted 5 to 1 against the Agricultural Adjustment Act of 1938.

They voted 7 to 1 against parity payments in 1939.

They voted 16 to 1 to kill crop insurance in 1943, and 3 to 1 against expanding rural electric power facilities ,

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They voted 8 to 1 to kill the farm ownership program in 1947, and that same year they voted to kill the agricultural conservation program.

They voted to cripple the grain storage program in 1948, and they succeeded until a Democratic Congress wiped out their action in 1949.

A majority of them voted against the rural telephone program in 1949, and they called it "socialistic" and a "threat to free enterprise."

And only last year, they voted 9 to 1 against expanding the rural electrification program in areas that are badly in need of electric power.

Our continued progress will come from the people -- under the enlightened leadership of a Party that believes in doing the will of the people. The Democratic Party will continue in the great tradition of the past 20 years.

Where shall our programs -- and our program improvements -- come from? Not simply from the Senate and House of Representatives. We want to help draw up good programs, because that's why you've sent us to Washington. But you don't want us to impose a farm program upon you from above. And I for one refuse to do it.

How do we want farm programs to come simply from the Department of Agriculture, or from the Secretary, even when he's such a man as Charlie Brannen.

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There's only one proper ultimate source for the programs and program improvements of the future. Farm programs must come from the people.

That's why I say I'm glad to be here. Here's where farm policy is made.

That's why I say "here's looking at you."

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