[1952]

GTA speech

Mr Olson — Bill Hatcher Emil Sorick

THE FUNDAMENTAL FACTS on Agric

IT WAS GOOD OF YOU TO INVITE ME TO YOUR MEETING.

I SEE A GREAT MANY FAMILIAR FACES HERE, AND I KNOW THAT I ALWAYS FIND FAMILIAR IDEALS AND OBJECTIVES AMONG PEOPLE LIKE YOU.

AND, OF COURSE, IT'S FINE TO GET BACK HOME TO MINNESOTA.

BUT WHAT I PARTICULARLY APPRECIATE IS THAT THIS IS THE KIND OF A MEETING IN WHICH WE CAN TALK HARD COMMON SENSE ABOUT THE PROBLEMS AND RESPONSIBILITIES THAT FACE AMERICAN AGRICULTURE — THAT FACE YOU IN YOUR WORK IN THE G. T. A. — AND THAT FACE ME IN MY WORK AS A MEMBER OF THE SENATE COMMITTEE ON AGRICULTURE.

IT'S AT MEETINGS LIKE THIS — MEETINGS OF AMERICANS WHO WANT TO REACH A REAL SOLUTION TO THEIR PROBLEMS* — THAT NATIONAL POLICY IS MOLDED.

THAT'S THE WAY IT SHOULD BE. THE CONGRESS AND THE PRESIDENT OF THE UNITED STATES HAVE THE RESPONSIBILITY FOR PUTTING NATIONAL POLICY INTO LAW AND FOR SEEING THAT THE LAW IS CARRIED OUT. BUT IT SHOULD BE -- AND IT IS -- THE PEOPLE OF THIS NATION WHO DETERMINE WHAT THE POLICY IS GOING TO BE.

I KNOW THAT YOU'VE INVITED ME TO COME HERE FOR JUST ONE PURPOSE. YOU WANT ME TO TELL THE FACTS ABOUT AGRI CULTURE, 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.

SO LET'S BEGIN BY TAKING AN HONEST INVENTORY.

WHAT'S BEEN HAPPENING IN AGRICULTURE IN THE PAST 30 YEARS OR SO? WHERE DO WE STAND NOW? WHAT CAN WE SEE ON THE ROAD AHEAD -- WHAT PROBLEMS -- WHAT PITFALLS? WHAT CAN WE DO TO SOLVE THE PROBLEMS AND AVOID THE PITFALLS?

THE FACT THAT NEXT MONTH THERE WILL BE A CHANGE IN THE POLITICAL ADMINISTRATION OF THE NATION'S AFFAIRS MAKES IT ALL THE MORE NECESSARY THAT WE TAKE THIS KIND OF INVENTORY.

WE NEED TO EXAMINE AGRICULTURAL POLICY. WE NEED TO MAKE SURE THAT IT IS ON THE RIGHT TRACK AND THAT IT STAYS ON THE RIGHT TRACK.

NOW, I'M GOING TO SAY AT THIS POINT -- WITHOUT ANY PUSSYFOOTING, BECAUSE I DON'T KNOW HOW TO PUSSYFOOT -- I'M GOING TO SAY THAT, IN MY OPINION, NO COUNTRY EVER HAD A BETTER FARM PROGRAM THAN WE HAVE HERE IN THE UNITED STATES.

IT

IT IS SAID THAT HENRY DAVID THOREAU ONCE TASTED A STRAWBERRY AND THEN HE REMARKED: "DOUBTLESS GOD COULD HAVE MADE A BETTER BERRY; BUT DOUBTLESS GOD NEVER DID."

THAT'S THE WAY I FEEL ABOUT THE FARM PROGRAM WE HAVE: DOUBTLESS THERE COULD HAVE BEEN A BETTER PROGRAM: BUT DOUBTLESS THERE NEVER WAS. AND YET, IT IS EQUALLY CERTAIN THAT SOME IMPROVEMENTS CAN, AND MUST, BE MADE.

IN ~~SOMETHING LESS THAN THE NEXT~~ about 30 MINUTES, I'M GOING TO TRY TO COVER 30 YEARS OF AGRICULTURAL HISTORY.

AT THE END OF THOSE 30 minutes, I HOPE MOST OF YOU WILL AGREE WITH ME ON THREE POINTS. (1) IT IS ABSOLUTELY, ESSENTIAL FOR THE WELFARE AND SECURITY OF THIS NATION THAT WE MAINTAIN OUR AGRICULTURE IN A SOUND AND PROSPEROUS CONDITION. (2) AGRICULTURE HAS A GOOD FARM PROGRAM TODAY -- BUT TODAY'S PROGRAM MUST BE IMPROVED TO MEET TOMORROW'S PROBLEMS.

(3) WE MUST PRESERVE CERTAIN BASIC INGREDIENTS WHICH HAVE BEEN FUNDAMENTAL TO A SOUND AGRICULTURE — AND FUNDAMENTAL TO OUR DEMOCRATIC IDEALS — NAMELY, THE COOPERATIVE PRINCIPLE, the principle of farmer administration of agricultural progra ms, AND FINALLY, THE PRINCIPLE OF THE FAMILY FARM.

NOW LET'S BEGIN THAT INVENTORY, BY GOING BACK A LITTLE MORE THAN 30 YEARS — BACK TO THE DAYS JUST AFTER THE CLOSE OF WORLD WAR ONE.

NOT ONLY AGRICULTURE, BUT THE WHOLE COUNTRY, CAME OUT OF THAT WAR RIDING THE CREST OF AN ECONOMIC FLOODTIDE. OPTIMISTICALLY, SOME FOLKS ASSUMED IT WOULD LAST FOREVER, ACTUALLY, IT LASTED ABOUT A YEAR AND A HALF.

THE BOOM, SO FAR AS FARMERS WERE CONCERNED, BROKE IN JUNE 1920. AT THAT TIME THE PRICE OF WHEAT ON FARMS WAS $2.56 A BUSHEL. EIGHTEEN MONTHS LATER, IN DECEMBER 1921, WHEAT WAS DOWN BELOW A DOLLAR A BUSHEL.

NOT ONLY THE PRICE OF WHEAT, BUT THE PRICE OF EVERYTHING THE FARMER HAD TO SELL WAS COLLAPSING ALL AROUND HIM. BETWEEN 1920 and 1921 FARM MORTGAGES WENT UP NEARLY TWO BILLION DOLLARS. FARMERS WERE BORROWING TO THE HILT TO KEEP GOING. BUT IN THAT SAME PERIOD FARM ASSETS CAME DOWN ABOUT 7 BILLION DOLLARS. IN OTHER WORDS, FARMERS WERE BORROWING ON ASSETS THAT WERE MELTING AWAY WEEK BY WEEK -- THAT WAS LIKE BUILDING A HOUSE ON A FOUNDATION OF SNOWBALLS.

IS IT AMY WONDER THAT IN FIVE YEARS, HALF A MILLION FARMERS WENT BROKE -- AN AVERAGE OF A HUNDRED THOUSAND A YEAR?

THAT WAS A REAL BUST -- A TRAGIC BUST FROM WHICH AGRICULTURE DID NOT FULLY RECOVER FOR MANY YEARS.

BUT IT WAS ALSO A LESSON. IT WAS A LESSON THAT UNFORTUNATELY WENT UNHEEDED THROUGHOUT THE TWENTIES -- A LESSON THAT THE NATIONAL LEARNED BELATEDLY IN THE THIRTIES -- AND A LESSON THAT YOU AND I MUST HELP TO MAKE SURE WILL NOT BE FORGOTTEN IN THE FIFTIES.

THROUGHOUT THE 1920'S WE HAD A SUCCESSION OF SURPLUSES THAT WE DIDN'T KNOW HOW TO HANDLE. FIRST, IT WAS WHEAT, THEN IT WAS HOGS, THEN IT WAS MILK, THEN IT WAS POTATOES, THEN IT WAS COTTON, THEN IT WAS POTATOES AND WHEAT AGAIN. SURPLUSES, AND WHAT TO DO ABOUT THEM, BECAME A BIG QUESTION MARK IN THE MINDS OF AMERICAN FARMERS.

ALONG WITH SURPLUSES, WE RAN INTO TROUBLE OVER PRICES. THE BIG COTTON CROP OF 1926, FOR EXAMPLE, BROUGHT FARMERS ONLY THREE-FOURTHS AS MUCH RETURN AS THE MUCH SMALLER CROP OF 1924. THE BIG WHEAT CROP OF 1928 WAS LESS PROFITABLE THAN THE SMALLER CROP OF 1927.

WHAT TO DO ABOUT PRICES IN TIME OF SURPLUS WAS A SECOND BIG QUESTION MARK.

BECAUSE, AS I HAVE JUST MENTIONED, THE AMERICAN PEOPLE HAD SEEN HOW FAST PRICES COULD COLLAPSE, AND HOW FAR THEY COULD FALL, IN THE SMASHUP OF 1920 - 1921. AND THEY HAD SEEN WHAT COULD HAPPEN TO FARMERS AS THE RESULT.

THEY WERE ALSO BEGINNING TO LEARN WHAT COULD HAPPEN TO FARM LAND. WHEN THEY LOOKED AT OUR FARM LAND THEY SAW MILLIONS OF ACRES THAT HAD LOST MUCH OF THEIR TOPSOIL AND ORGANIC MATTER. A LOT OF RICH SOIL HAD BEEN ALLOWED TO GO DOWN TO THE SEA IN MUD AND TO BLOW OUT ACROSS THE MOUNTAINS AND THE ATLANTIC IN YELLOW SWIRLS OF DUST. THAT WAS A THIRD QUESTION MARK — HOW TO PROTECT THE LAND AGAINST EROSION AND DEPLETION.

NEXT THE PEOPLE SAW, AS THEY LOOKED OUT ACROSS THE NATION, HUNDREDS OF THOUSANDS OF FARM FAMILIES STRANDED LIKE SKOWS ON A SANDBAR, CULTIVATING LAND THAT WAS TOO POOR OR TOO SMALL TO PROVIDE THEM WITH A DECENT LIVING.

THEY SAW CLOSE TO HALF OUR FARMERS LIVING AS TENANTS OR CROPPERS ON LAND THEY DIDN'T OWN AND THEREFORE, ALL TOO OFTEN, DIDN'T CHERISH.

THEY SAW GREAT CROWDS OF "OAKIES" PUSHED OR STARVED OR DRIED OFF THEIR LAND, ANDMOVING WEST -- ALWAYS WEST -- HOPING FOR ANOTHER START.

THEY SAW 90 CERCENT OF AMERICAN FARM FAMILIES WITHOUT ELECTRIC LIGHTS.

AND DURING THE EARLY THIRTIES, THEY SAW HORDES OF PEOPLE MOVING FROM FARMS TO THE CITIES LOOKING FOR NON-EXISTENT JOBS, WHILE AN EVEN LARGER NUMBER MOVED FROM THE CITIES TO THE FARMS LOOKING FOR NON-EXISTENT SECURITY.

THE PEOPLE OF THIS NATION SAW THESE THINGS. THEY SET TO WORK ON PROGRAMS THAT WOULD MAKE AMERICAN AGRICULTURE MORE SECURE, MORE PRODUCTIVE, AND MORE PROSPEROUS.

WE ALL KNOW HOW FARMERS -- COOPERATING IN NATIONAL PROGRAMS -- BEGAN TO FIGHT EROSION AND DEPLETION, AND TO BUILD UP THE FERTILITY OF THEIR LAND.

WE KNOW HOW FARMERS BORROWED THE PLAN OF JOSEPH IN THE OLD TESTAMENT AND BEGAN TO STORE RESERVES OF GRAIN, COTTON, AND OTHER CROPS IN GOOD YEARS FOR USE IN LEAN YEARS.

WE KNOW HOW TENANTS AND SHARECROPPERS WERE HELPED TO BUY THEIR OWN FARMS, AND HOW THE MARGINAL TILLER OF THE SOIL WAS HELPED TO GET MORE LAND, LIVESTOCK, AND EQUIPMENT SO HE COULD LIVE A BETTER AND FULLER LIFE.

YOU FOLKS KNOW ALL ABOUT THESE THINGS -- BECAUSE YOU HAD A PART IN BRINGING THEM ABOUT.

I'M PROUD OF THE PROGRESS WE'VE MADE IN AGRICULUTURE.

WE HAVE TACKLED EVERYONE OF THESE PROBLEMS: SURPLUSES -- PRICE PROTECTION -- CONSERVATION -- ELECTRIFICATION -- CREDIT -- FARM OWNERSHIP.

WE HAVE NOT SOLVED ALL OF THESE PROBLEMS, BECAUSE YOU DON'T FIND IT A SIMPLE MATTER TO SOLVE IN A COUPLE OF DECADES PROBLEMS OF LONG STANDING SUCH AS THESE.

BUT WE HAVE MADE GOOD STRIDES, AND I REPEAT WHAT I SAID EARLIER: DOUBTLESS THERE COULD HAVE BEEN A BETTER FARM PROGRAM, BUT DOUBTLESS THERE NEVER WAS.

I'M PROUD OF THE CONSERVATION STORY.

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, WHERE WE HAVE TURNED THE FIGURES AROUND. 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 REPEAT THAT TWO DECADES AGO CLOSE TO ONE-HALF THE FARMS OF THE COUNTRY WERE OPERATED BY TENANTS OR CROPPERS. TODAY THREE -FOURTHS OF THE FARMS ARE OPERATED BY THE FAMILIES THAT OWN THEM.

I'M PROUD OF THE STORY OF RESEARCH -- WHICH HAS HELPED INCREASE FARM OUTPUT PER MAN-HOUR 80 PERCENT ABOVE THE LEVEL OF 20 YEARS AGO, AND MORE THAN DOUBLED THE LEVEL OF 30 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 ONE-HALF IN 20 YEARS -- 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.

AND IT IS A MAJOR BULWARK, LET'S NOT FORGET THAT.

WE COULD HAVE STEEL AND OIL AND ALUMINUM AND COAL AND RUBBER TILL THEY WERE RUNNING OUT OF OUR EARS -- WE COULD HAVE FIVE TIMES AS MANY PLANES AND TANKS AND SHIPS AND BAZOOKAS AND SHELLS WITH ATOMIC WARHEADS AND EVEN HYDROGEN BOMBS AS ANY OTHER NATION IN THE WORLD -- BUT IF WE DIDN'T HAVE FOOD AND FIBER AND TIMBER WE COULDN'T FIGHT A WEEK.

BUT BECAUSE WE DO HAVE THE MOST PRODUCTIVE AGRICULTURE IN THE WORLD, WE CAN TURN OUT THE FOOD AND FIBER WE NEED WITH ONLY ONE PERSON OUT OF NINE IN OUR CIVILIAN LABOR FORCE ACTUALLY ENGAGED IN AGRICULTURE.

WHERE WOULD WE BE TODAY IF THE UNITED STATES, LIKE MANY OTHER NATIONS IN THE WORLD -- AND PROBABLY INCLUDING THE SOVIET UNION -- HAD TO HAVE HALF OF ITS CIVILIAN LABOR FORCE WORKING ON FARMS TO PRODUCE ENOUGH FOR THE PEOPLE TO GO ON LIVING?

WHERE WOULD WE LOOK FOR THE INDUSTRIAL POWER TO BUILD OUR DEFENSE AGAINST AGGRESSORS?

WHERE WOULD WE LOOK FOR THE MANPOWER TO BUILD PLANES AND SHIPS AND BOMBS, MUCH LESS TO FIGHT WITH THEM?

WITHOUT THE PROGRESS WE HAVE MADE, WHERE WOULD WE LOOK FOR THE AGRICULTURAL RAW MATERIALS TO BUILD THE KIND OF AN ECONOMY WE NOW HAVE -- BECAUSE NEARLY TWO-THIRDS OF THE RAW MATERIALS THAT ENTER INTO OUR MANUFACTURING AND PROCESSING INDUSTRIES ARE PRODUCED ON AMERICAN FARMS AND FOREST LAND?

THAT'S WHAT A SOUND AND PRODUCTIVE AGRICULTURE MEANS TO THE WELFARE AND SECURITY OF THE AMERICAN PEOPLE.

BACK IN 1910, WHEN OUR NATIONAL POPULATION NUMBERED 92 MILLION, IT TOOK MORE THAN 12 MILLION WORKERS IN AGRICULTURE TO PRODUCE THE FOOD AND FIBER WE NEEDED. TODAY WITH A POPULATION OF 157 MILLION, WE HAVE MORE FARM PRODUCTION PER CAPITA THAN IN 1910, BUT WE HAVE LESS THAN 10 MILLION WORKERS IN AGRICULTURE.

IF WE HAD PROPORTIONATELY AS MANY PEOPLE WORKING IN AGRICULTURE TODAY AS IN 1910, WE WOULD NEED NEARLY 21 MILLION WORKERS, OR 11 MILLION MORE THAN WE NOW HAVE.

MOST OF THIS AGRICULTURAL PROGRESS HAS BEEN MADE IN THE PAST DECADE AND A HALF. OUTPUT PER MAN-HOUR IN AGRICULTURE HAS INCREASED AT A MUCH FASTER PERCENTAGE RATE IN RECENT YEARS THAN OUTPUT PER MAN-HOUR IN INDUSTRY.

FARMERS DESERVE A WORLD OF CREDIT FOR THAT ACHIEVEMENT. BUT IN THE PAST FEW YEARS IT MUST SEEM TO SOME FARMERS THAT THEY ARE NOT GETTING MUCH MORE THAN A PAT ON THE BACK FOR THEIR NEW PRODUCTION RECORDS.

FOR MANY YEARS WE'VE HEARD THE MANAGERS OF INDUSTRY TELL LABOR THAT THE WAY TO GET MORE INCOME WAS BY STEPPING UP OUTPUT.

WELL, AGRICULTURE HAS RECENTLY SHOWN INDUSTRY A TRICK OR TWO IN THIS FIELD, AND FARMERS ARE WONDERING WHY IT HASN'T SHOWN UP MORE IN THEIR INCOME FIGURES.

TAKE THESE FIGURES. THIS YEAR FARM OUTPUT IS CURRENTLY ESTIMATED AT 12 PERCENT HIGHER THAN IN 1947. BUT THE NET INCOME OF FARM OPERATORS THIS YEAR IS ESTIMATED AT 16 PERCENT LESS THAN IN 1947. THE PURCHASING POWER OF THAT NET INCOME IS ACTUALLY 26 PERCENT BELOW 1947.

THAT JUST DOESN'T MAKE SENSE. IF BIG BUSINESS WAS BEING PUT THROUGH A HIGH COST SQUEEZE THE WAY AGRICULTURE IS, THEY'D BE YELLING SO LOUD WE'D HEAR ECHOES COMING BACK FROM THE NOON.

WE NEED TO IMPROVE THAT SITUATION. THAT'S ONE OF THE MATTERS WE MUST DO SOME HARD, SERIOUS THINKING ABOUT. BECAUSE THE PROSPECTS ARE THAT FARM NET INCOME IS GOING TO DECLINE SOME MORE IN 1953, LARGELY BECAUSE FARM COSTS OF OPERATION ARE STILL RISING, WHILE EXPORT DEMAND IS FALLING OFF.

I hope you won't misunderstand me. I'm not pessimistic about the future -- provided we do the things necessary to fill certain gaps in our farm program picture. Nobody, it seems to me, could look at the agriculture of this country, with all its record of splendid achievement, without feeling a surge of confidence.

But we just can't afford to shut our eyes to problems like this one of declining farm income.

Farmers, working with government, have developed a fine farm storage-loan system for stabilizing supplies and prices of the so-called storable commodities. No longer are the producers of wheat and corn, for example, at the mercy of speculators every time that supply and demand get somewhat out of balance.

But we still have the very difficult problem of how to protect the producers of perishables.

The Midwestern farmer simply cannot be expected to shrug his shoulders and take it when the price of hogs sinks far below the point of fair return.

The milk producer here in Minnesota has a right to expect a real honest-to-heaven effort on the part of his government to work out an effective method of support on milk.

But you know, just as well as I do, that the proposals of the Secretary of Agriculture which he made over three and a half years ago were not fairly studied -- they were simply rebuked.

The problem is still with us -- 44 months after a solution was proposed. Nobody else has come up with a different answer -- or in fact <u>any</u> answer.

If the lessons of recent decades prove anything, they prove that it is in the Nation's interest for agriculture to have an adequate, realistic, effective system of price support -- not just on storables which bring in one-fourth or less of total farm income, but also on perishables which bring in the majority of farm income.

We are now operating under legislation which pledges support of the basic storables at not less than 90 percent of parity through 1954. That is sound price support legislation, and it has been endorsed by the President-elect. But we are also living under the shadow of the so-called sliding scale, because the operation of the sliding scale has merely been suspended for the next two years.

I want to emphasize so that it will be perfectly clear that the 90 percent price support program under present law is but temporary. The basic Agricultural Act of 1949 as amended by the 82nd Congress provides that by the end of 1954 unless other action is taken the sliding scale ~~of 90 percent to 60 percent of parity and in some instances even lower~~ goes into effect. During all the speech making of the campaign some of us may have forgotten this fact. The sliding scale price support program is not just a theory, it is incorporated in the law. Unless during these next two years we change that law.

It ought to be crystal clear that the main price support of 90 percent of parity is the very least that American agriculture should expect. If those who are addicted to the theory of sliding scale insist upon maintaining the integrity of their theory may I suggest that the range of sliding scale be changed from 60 to 90 percent of parity to 90 to 100 percent. It is in this manner that we can encourage vitally needed agricultural production in deficit areas. It is in this manner that a sound economic structure for American agriculture can have a reasonable degree of security.

The old 60 to 90 percent sliding scale, in my opinion, is based on a fundamental error in historical and economic fact. The error is the notion that low prices for farm products will automatically be followed by low production, thus bringing production into balance with demand.

Now agricultural history has something to say on this point.

We ask the question: When were farm prices at their all-time low in this country? Agricultural history answers: In 1932.

And when were harvested acres at their all-time high? Agricultural history answers again: The same year — 1932.

That's the fundamental error in the sliding scale notion that price supports should be lowest at the time when supplies are highest and farmers need support the most. And that supports should be highest when supplies are low and farmers need support least. It seems to me it's about the same as giving a fellow a pair of suspendors because he's got a belt, and taking his suspenders away if he doesn't happen to have a belt.

This matter of a realistic price support policy is important because it is tied up with the future financial ability of farmers to maintain conservation practices on their land.

It's tied up with their financial ability to adopt new farming methods made available through research.

It's tied up with the financial ability of farmers to make fuller use of electric power.

It's tied up with their financial ability to provide a decent livelihood for their families, so that farming will be an attractive occupation.

It's tied up with their financial ability to own their own farms.

It's tied up, in short, with their financial ability to get ahead.

Farmers today simply have got to get cash returns sufficient to meet their operating costs in order to stay in business, just like any other business. Twenty years ago, farmers picked up their seed corn out of their own fields. Now, they go to town and buy hybrid seed, and they pay cash for it. Twenty years ago, farmers could raise their own fuel in the oatfield. Today, it is pumped out of a tank truck, and they have to pay cash for it. Twenty years ago, farmers could patch up the old drill and binder, they could evensaw up some home-grown logs and re-build their old drag, when planting or harvest time came around. Today, farmers have got to have expensive and complicated machinery-- not merely to operate on a competitive basis, but in order to get the work done at all because there simply isn't enough labor available to do it the hard way.

In 1940, farmers spent less than $5 billions ($4,867,000,000) for production expenses, not counting labor. Last year (1951) they spent nearly $18 billions ($17,809,000,000).

The cash outlay for labor on farms exactly tripled in the same period -- from one billion 31 million dollars in 1940 to three billion 95 million dollars in 1951.

Farmers have got to get prices sufficient to cover these tremendously increased cash expenses in order to stay in business. The total reserves held by farmers at the beginning of 1952 were barely enough to cover one year's production expenses. A single year of crop failure would have cleaned out American agriculture. A couple years of depression prices would bust American farmers and drive them out of business.

This question of price support, therefore, is one of the fundamental facts of the future with which agriculture will have to deal.

Conservation is another such fundamental fact. How shall we best continue the conservation work of recent years in order to prevent waste of our natural resources? How shall we continue the job of building new strength

in the land?

Frankly, I am concerned when I hear it said, as I sometimes do, that conservation is a luxury that has no place in the present emergency. To me, such a statement is a confession of ignorance — ignorance of the role that agriculture plays in the defense and security of our country. It would be no more silly to cut down on the production of planes in this critical period than it would be to lessen the ability of our land to carry the burden of agricultural production. The land, after all, is like the human body. An athlete who has to put great strain on his body goes into training. He has a special diet, full of body-building foods. but now that we are bleeding the soil to get record production, some people want to cut down on soil-building programs.

Another thing that concerns me just as much as these attacks on conservation is the fact that some critics 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.

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

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 thepeople as does the Department of Agriculture in its operations under the farmer committees.

The future of farmer cooperatives is another fact with which we must be concerned. You and I know that cooperatives serve the cause of free enterprise. They are democracies in miniature. They supplement individual initiative and action, but they also depend on the initiative and participation of their members to make their operations successful.

The Farmers Union Grain Terminal Association is a living example of a successful, practical, growing cooperative. It has been a blessing to thousands of farmers throughout the Midwest. It has stood like a mighty army in defense of agricultural security. America needs more GTAs, more and better farm cooperatives, and the government of the United States should act as a friend to the farmers cooperative.

For my part, I respect the pledges of the incoming administration to continue the governmental policy of encouraging co-ops.

All these fundamental facts of the future are related to the really big problem that our agriculture must solve — the problem of future production.

We now have 157 million persons in our population. By 1975 we may number 190 million, or more. Meantime the number of people on farms continue to decrease, and new acreage, for economic cultivation, is growing much more slowly than is population.

Again, let me hasten to forestall any possible misunderstanding. I do not foresee a hunger problem in this country.

What I do foresee is the need to keep on increasing output per man-hour — per acre — and per animal. How shall we do that, if not by continuing to push back the frontiers of agricultural knowledge through research? How shall we do it, if not by continuing to bring the results of agricultural research to the farmer's doorstep through programs of education?

How shall we increase production if by not bringing high cost land into agricultural use through irrigation, reclamation, and expanded soil conservation programs. It is here again that the price support program becomes a matter of national policy with an expanding population, with fewer people on our farms, with ever greater requirements in the international field American agriculture needs a national economic policy that promotes production, that

encourages the development of new crops, new market practices, and new processing. In times of crisis we grant American industry many privileges and benefits. There is tax amortization certificates, cost-plus contracts, large grants and loans for expanding plants, government assistance in terms of machine tools and equipment, tremendous sums for research and development. All this is necessary in order to protect our national security, in order to meet the needs of our people in the modern world. But if this kind of special emphasis is required for American industry, and by the way it is supported by industry, whois there than can justifiably criticize or oppose a program for American agriculture designed to maintain agricultural production and agricultural economic stability? It is imperative that we think in terms of facts -- the facts of population, the facts of acreage, the facts of the international crisis, the facts of the price structure. When we think in terms of these facts and plan in terms of these known facts we will readily see that the beginnings which have been made during these past twenty years in agricultural policy are not enough. It is time to re-assess the entire program in light of existing conditions and possibilities of future requirements. We cannot affort any lag, any falling behind for agriculture. The economic facts of today clearly point out that agriculture is slipping in terms of net income. It is being squeezed in terms of prices for what it sells and what it buys. So let's wake up and start planning now for the tomorrows, lest we be too late.

I said when I began this talk that I was going to try to tell you facts as I see them -- sweet or bitter, with or without sugar-coating.

Here's one fundamental fact that isn't goingto taste very good. It's the immediate picture for agricultural exports.

In the year that ended last June, agricultural exports mashed all records. They were valued at 4 billion dollars. But for the year ahead, their vaule is expected to be substantially less.

Wheat exports probably will be lower. This is because prospects for wheat supplies in foreign countries have generally improved. There has been a record Candaian wheat crop. Production prospects have improved for Western Europe and the Near East. All this points to reduced wheat exports from this country.

Now this is something for Minnesota wheat farmers to think about. On the average, about one-third of our annual wheat production is exported. Or in other words, one out of every three bushels of Minnesota wheat has been supplying foreign markets.

If the foreign markets for wheat fall off too sharply, it will mean harder times for wheat farmers next year.

All of you who are acquainted with the International Wheat Agreement know that it is a program which helps our country to protect its foreign markets for wheat. The International Wheat Agreement is a 4-year contract entered into by countries which export and import wheat. In the contract they agree to certain terms which serve to stabilize world wheat prices over the 4-year period and which also serve to stabilize the amounts of wheat to be involved in world trade.

As a member of the International Wheat Agreement, in other words, we have some measure of control over the international trading in wheat and can arrange for exports in advance. We can prevent our being caught short of foreign markets at a time when we have large supplies to export.

This agreement is up for renewal again early next year. It will probably take some time to work out a new contract. One point of difference

will be over prices. Other difficulties may be encountered with respect to the quotas of wheat involved.

But one of the things that will worry other countries most will be the overall policy of the U. S. with respect to foreign trade. They don't like world trade to be a one-way street. They like to get our wheat, but they naturally like to exchange goods of their own with us.

What other countries want to know is: Do we stand for "reciprocal trade" or just "one-way" trade?

That's a subject that'll add difficulties to the working out of a new, 4-year International Wheat Agreement. And it's a subject that falls right in the laps of Minnesota farmers, just as it does for farmers all across the Nation.

Yes, if world trade is going to flourish -- if we are to expand our export markets -- we had better be thinking in terms of two-way trade -- reciprocal trade.

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 us e fear and sex and whips and guns -- to capture the souls and the bodies of men and women.

Now, one closing thought.

I've been talking about farm history, farm problems, and farm programs. We are going to keep on making farm history of the right kind, and solving farm problems in the right way if we continue to think about farm programs with the right attitude.

Sometimes, when people discuss farm programs, they talk and think only in terms of dollars -- dollars in profits and dollars in costs. There's more to it than the dollar side. There's a human side. There are profits in human values that must be considered, and there are heavy human costs in failing to have adequate farm programs.

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 that pride in producing abundantly for others if he fails to get enough in return to provide for his family those necessities for that 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, ~~and~~ 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.

We must make sure that we are adequately maintaining those standards of rural life -- the rural home, the rural schools, the rural church. We must preserve the family farm that is the heart of our rural community. We must offer the economic opportunities so necessary to maintaining a strong rural America as the backbone of our democracy.

We dare not ignore these human values in agriculture. We dare not ignore them in planning national farm programs. And we must not cease to measure proposals for farm legislation by our standards of human values, as well as by dollar values.

###

Minnesota
Historical Society

www.mnhs.org