

A CHANGING ROLE FOR A CHANGING AGRICULTURE

(Excerpts from an address by Senator Hubert H. Humphrey, (D., Minn.) before the Eighth Annual Margarine All-Industry Conference at Boca Raton, Florida, on Monday, March 17, 1958)

It is good to be here among the customers of the products of our Minnesota farms and processing plants.

All of you, I am sure, are interested in all phases of the fats and oils industry, whether it be producing the raw material, processing it through various stages, or marketing its finished products.

I certainly share your interest, for Minnesota has emerged as one of the premier food fats producing states.

Available figures for all commodities lag a bit, but in 1956, for example, Minnesota produced 573 million pounds of soybean oil in the form of harvested beans, 333 million pounds of butterfat in the form of milk, 209 million pounds of linseed oil in the form of harvested flaxseed, and 200 million

*Minnesota
Products*

pounds of lard in the form of hogs sent to market. It produced an unknown, but probably very substantial total of fat in the form of fed steers, vealers, and other cattle sent to slaughter, as well as poultry, lambs, and sheep. All in all we in Minnesota are ^{Keenly}~~quite~~ interested in the welfare of markets for fats and oils of all descriptions, and especially in the important food fats markets.

DAIRY
L Minnesota is a great dairying state, and proud of it.

Beans
But anyone familiar with our state's agricultural economy is deeply aware of the growing importance of soybeans, too. Minnesota is now batting third in the national line-up of soybean producing states. Soybean production in Minnesota has progressed rapidly from a value of less than \$100 thousand in 1940 into the hundred million dollar class in 1956, as a source of cash income for our farmers. It is now the second most important cash crop in Minnesota.

And when this relatively new basic raw material has been able to enter the competitive battle and become the dominant oil ingredient of margarine by a wide margin, you can understand our interest in you as the customers of our producers. Out of ^{1 Billion, 184 Million} the 1184 million pounds of fats and oils used in the manufacture of margarine, 884 million pounds, or 75 percent, were soybean oil. Soybean producers and processors are grateful for this outlet.

Perhaps not as well known among our farmers, however, is that you are also utilizing substantial quantities of dairy products in margarine manufacture. I understand that skim milk

is used in production of all margarine, ^{Non-Fat-Dried Milk} and that even butter is ^{is a big dairy product in Minnesota.} used in one or two brands -- if that word may be mentioned here.

Quite frankly -- and it should be no secret by now -- I am a staunch supporter of the dairy industry as a vital segment of our economy. You are both here to stay, and must learn to live

together. All the dairy industry asks is fair play from their
competitors -- and I know you want the same. Competition is
healthy, as long as it is fair. False and misleading adver-
tisements and questionable techniques in promotional activities
should be abandoned, and each product merchandized on its own
merits. It is encouraging to note that most segments of the
margarine industry have recognized the soundness of this approach,
and most dairy industry leaders have come around to the point
where they agree constructive selling efforts of their own are
preferable to seeking restrictive legislation against their com-
petitors.

Willingness to compete on a fair and honorable basis
must be the constructive approach of both -- with both working
toward developing greater total markets.

Instead of scrapping over who gets the biggest piece
of pie, it would be good to have more attention devoted to baking

①
Fair
competitors

a bigger pie so all can have a bigger piece. That has always been part of my basic philosophy -- and one of the reasons why I am so concerned about improving living standards and raising purchasing power at home and abroad, in our own country and in the vast underdeveloped areas of the world offering huge potential markets of the future.

Seek
new
Markets &
New
uses.

Perhaps these introductory remarks have set the stage for the main message I want to leave with you today. While it is a message about agriculture, it is a message about our country too. It is a message about our country's increasing responsibilities in the struggle for survival of freedom -- and the role I am convinced agriculture occupies in that struggle.

My
message
about Agric
&
our
country's
increasing
Responsibility

~~America's agriculture fulfills an increasingly vital role in the public's interest which requires public concern over maintaining continued adequate economic opportunity for farm producers.~~

↳ In addition to assuring America's consumers a
continued abundance of food at reasonable prices, our ability
to produce in abundance is becoming recognized as an increasingly
essential asset in the free world's struggle against Communist
imperialism.

↳ Our much berated abundance, far from being a liability,
is a tremendous asset in the world's struggle for peace and
freedom -- an asset still waiting to be fully utilized with
greater boldness and compassion.

↳ Food is the common denominator of international life.
Man must eat to survive. Armies are helpless without food.

↳ A breakthrough in the world's conquest of hunger
could be more significant in the cold war than the conquest
of outer space. In areas of

Africa and Asia, as well as in many other parts of the world, food means far more to vast millions of people today than any space satellite in the sky.

Food, not guns, may well decide mankind's future destiny.

Thanks to our farm people, the United States is in a far better position than ^{Soviet} Russia to lead the world toward the conquest of hunger and want. At a time when we are trying to catch up with the Soviet Union in other areas of competition, agriculture is one segment of our economy already geared to meet any emergency challenge, already offering us fully productive resources to meet any Soviet threat of economic warfare throughout the world.

No crash program is needed in food and fiber production. The United States, as yet, is preeminent in this field.

But this does not mean we can afford the luxury of smugness and self-satisfaction. Our reserves of food and fiber, and our ability to produce such commodities in abundance, are resources to be prized; to be used boldly and imaginatively, and not to be dribbled away.

Regrettably, however, the American people have been led to think our abundance and ability to produce in abundance is some shameful millstone around our necks--instead of perhaps one of the greatest advantages we hold on the world scene.

↳ The Soviet Union seems to understand the vital role food and fiber can occupy in the struggle for the mind of man--and has embarked upon the task of trying to outproduce us. Khrushchev has served notice, publicly, that he intends to make Russia the world's leading supplier of food.

↳ We need to reappraise our own food resources, not in the light of our immediate domestic needs, but in light of world needs.

↳ Food production in the world is barely keeping pace with the growth in population. Hunger is still the daily companion to millions of people. Where there are hunger areas, there are tension areas--and where there are tension areas, there is danger of sparks igniting into war.

↳ World population is growing at the fastest rate in history. One estimate puts world population at approximately 6 billion persons by the end of this century--double the population now.

Pop
rel ation

U.S. Pop. growth since 1950 -
152 Million to 173 M =
- 21 Million -

Our policies must look ahead at least as far as the lifetimes of today's children. As a nation we cannot do less than plan for survival.

We must strive for nothing less than world peace. In either case, our food resources are essential.

It is in light of greater responsibilities of free world leadership, and the vital role our farm production can serve in fulfilling that leadership, that much of the public must reappraise its attitude toward agriculture and toward farm policy.

National security requires effective use of food and fiber.

Our foreign economic policy must include within its long range commitments of food and fiber supplies to our allies and the uncommitted and underdeveloped nations.

~~In a world where millions lack enough to eat, we should be humbly thankful that we are blessed with abundance--and we should be wise enough to use that abundance for the sake of humanity, instead of complaining about it.~~

L We in this country do not know what it means to have to choose between a necessary rate of investment, and enough to eat; we must do what

we can to help ease that choice for others. *but make no mistake about it, such a choice is a real one.*

PL 480

I am proud to have had a continuing part in the formulation of the programs under Public Law 480 by which we ~~can~~ not only use our abundant stock of food and fiber to relieve acute emergency shortages elsewhere in the world, but also ~~to~~ help economic development programs where they are urgently needed. I hope you are familiar with the Agricultural Trade

PL 480

Development and Assistance Act, otherwise known as Public Law 480. It is far more than just a farm program; it is one of the most effective tools of international economic policy we have created. It is the alchemy by which food and fiber from United States farms becomes purchasing power for countries sorely in need of economic development. It is a passport for the entry of United States trade and techniques into world markets. It is serving on the frontier of the free world's defense by converting food from our farms into such things as military housing and defense material.

It is done this way: United States food surpluses are supplied to friendly nations. They sell the food to their own people. The proceeds

in local currencies are deposited to the United States account.

Some of the currencies are used by agencies of our Government to pay obligations incurred abroad, or to expand certain programs beyond amounts current appropriations permit.

Military
Diplomatic
Expenses
Student
Scholarship

Health
centers
Voc
schools
amer
improving

(up to 25% to be available for
loans to Amer. Business)

The largest share of currencies is to be loaned back to the countries which bought the food, for purposes of economic development. Many of these countries are hard pressed for food and fiber. They are trying to raise living standards. They are expanding industrially. Many are sharing with us the burden of additional military costs for the common defense.

(Turkey -
Greece -

Both food and capital goods are needed, often at the same time. In many instances, both cannot be supplied without assistance--from the free world, or from the Communist world.

Economic progress cannot be achieved without capital goods. Without additional food, the demands created by even small increases in standard of living cannot be satisfied. Inflation is an ever-present threat.

(India +
New 5 yr
Plan)

Our surpluses can be used to help bridge the food gap, and to keep inflation within bounds. Relending the currencies received from the sale

of surplus food generates new buying power which can be used for other purposes.

↳ Thus, the abundance from American farms is helping to create new purchasing power to promote economic progress, and to raise the levels of living in all parts of the world.

↳ Such efforts serve the nation's foreign policy interests, not just the American farmer's interests. Everybody has a stake in freedom, and the free world's survival.

~~It is imperative that the nation have adequate food and fiber reserves. The level of such reserves must take into account not only the growth of our own population, but the tremendous commitment of our nation in the field of foreign policy and national security.~~

↳ For my part, regardless of international tensions, I have always felt it was a wise public investment to have adequate reserves to safeguard against any threat of scarcity from crop failures or other natural hazards of farming. Adequate reserves are really a great consumer safeguard.

Adequate Reserves

Consumer

the economic importance of food reserves & surplus

Yet I doubt if many consumers appreciate that fact--they've had it dinned into their ears too long that they are saddled with the bill of storing up a huge farm surplus for the sake of the farmer. It's to the consumers' best interests to have adequate reserves at all times. They'd awaken to that fact quickly enough, if we were suddenly confronted with a year of scarcity that sent prices soaring. *(Just can't afford supply & demand theory)*

Unfortunately, we neglect to differentiate between levels of adequate reserves needed to protect our consumers, and protect our national security, and the much-abused so-called "Surplus". We have come to regard all farm commodities for which there isn't an immediate cash market as "surplus". Anything the government acquires to stockpile in reserves as consumer protection, or acquires ~~in other ways~~ to use in the national interest, at home or abroad, is regarded as "surplus disposal" carried on solely for the benefit of farmers. *(Dept lists us loss or price support operation)*

↳ We don't apply that same criteria to industry. If we did, all of its vast production for government stockpiles and military equipment reserves would be called "surplus". Actually, we have many, many more billions tied up in stockpiles of minerals and inventories of military material than we

have in agricultural commodities. We may never use it--but we feel it is in the national interest to have it available. We pay our taxes to acquire such stockpiles and maintain them--without complaining that we are subsidizing industry's surplus production.

It's time we regarded our abundant food and fiber resources in the same light. The truth is that we are far more likely to need and use our excess food abundance in winning the "cold war" than we are to use much of our military inventory in a "hot war"--and use of the food may make less likely the need to use weapons.

From all these factors I have discussed, it should be obvious that there's a public interest stake in continued farm abundance.

Neither the American consumer, the American businessman, nor the free world itself would be best served if American agriculture is compelled to revert to deliberate scarcity to achieve equitable prices and income.

Quite frankly, the nation's interest often requires production beyond levels for which farmers can obtain satisfactory prices in the market place.

Farmers have every right to feel that they should not be penalized for serving and fulfilling the needs and requirements of national security, nor bear the costs upon their ~~own~~ shoulders alone in terms of depressed prices and income.

When the nation's interest requires industry to expand its production, ~~no one assumes that industry should do so at its own expense.~~ Industry expects, and gets, government contracts protecting its earnings and assuring a fair profit on its investment.

Should farmers, lacking such protection, go on producing in abundance which protects the nation's interests yet depresses their own income--or should they start looking for ways to curb their output to the level that assures them more equitable returns, regardless of the ~~price~~ cost in higher prices to consumers and risk of national ~~security?~~ Security?

That's the choice American agriculture faces.

That's why government policy becomes involved. It isn't just for the farmer; it's to protect the public interest. People who clamor against government intervention in any form in agricultural policies seem to forget

that there is a tremendous national interest involved in our food supply that cannot be left just to chance and happenstance. It isn't the government intervention that is wrong, it is how the government intervenes, and for what purpose. As long as the public interest comes first, there is always room for the government to keep an eye on any industry, any business, any commodity. What is wrong is when government tries to dominate and forgets the real purpose it is intended to serve. It's role should be as the "public interest policeman", seeking to keep a fair balance in our economy.

Unfortunately the farmers' rewards are lagging far behind the rest of our economy in relation to investment in capital, labor and know-how. There may be room for different points of view as to what should be done about our agricultural problems, but there can be little difference of opinion over the fact that our agricultural economy is out of balance with the rest of our economy.

Farm income has been steadily declining, during a period of rising production costs. In 195~~6~~⁷, the average income of farm people, from non-

farm as well as farm sources, was little more than two-fifths as much as the average income of the non-farm population.

↳ The risk to invested capital in farming is greater, not less, than
the economy-wide average. Modern family farming requires able and efficient management. It necessitates attention to detail and a broad knowledge of business practices.

Unfortunately, the farmer pays a higher interest rate on borrowed capital and earns a lower return on the funds he invests in his own business than any other businessman in the economy. Farm income is too low today, and it isn't only the farmers who should be concerned about it. Inadequate farm income has not only retarded the economic and social development of rural areas; it has acted to prevent the nation as a whole from the maximum attainment of its economic goals.

↳ We cannot expect to go on having farm income decline a billion dollars a year - and farm indebtedness go up by about the same amount -- without serious consequences for the entire economy.

What are we going to do about it? Well let me assure you of one thing; any honest man knows there is no quick quack cure. None of us has all the answers. I certainly do not -- and no one has sought any harder than I have to find at least better answers than we now have.

Yet some facts are clear, for anyone willing to take an objective look. And, quite frankly, we need more people today willing to take an objective look, unblinded by old prejudices. Fighting old battles or shouting old slogans will not do the farmer much good; what he wants and needs is a better income.

Regardless of who might have been right or wrong in the past, the disparity between farm income and non-farm income is becoming greater each year -- ~~despite our declared goals of public policy toward bringing them closer together.~~ Current trends and current farm policies are not moving in the direction of closing the gap.

Although farm income is currently too low, farm gross income would be at least a third less, and farm net income would be more than a third lower, if it were not for the existing federal program. And, farm income could be

considerably higher, under existing farm legislation, if there was a will and a determination to use these laws enthusiastically and persistently -- and wisely.

While we need to revise and improve our price support program, modernize and expand our farm credit facilities, expand our research both for production efficiency and new uses for farm products -- much more for the benefit of farmers could and should be done with the laws we already have.

Instead most of the federal programs have been whittled down in effectiveness by administrative decisions over the past four years, such as some of the market dumping of corn at a time government policy is supposed to be aimed at firming up prices.

I am endeavoring to avoid political partisanship today, although it is hardly a secret that I believe the Administration and policies of Secretary of Agriculture Benson have given American agriculture its worst setback in several decades.

Too many myths are still being perpetrated on the public. Lowering of farm price supports has not curtailed production, and certainly has not improved farm income by gaining better prices in the "free market". The

individual farmer has been forced to increase his production to attempt to keep his income from dropping further as a result of falling prices. CCC inventories today are nearly five times as high as they were at the end of 1952, and far higher than when the so-called flexible program went into full effect in 1955 -- despite many new tools provided for surplus removal.

The realized loss on price support operations has been more than twice as much in the last four years as in the preceding twenty. The simple truth is that the flexible theory of regulating output through lowered prices has been a complete failure -- resulting in nothing but further depletion of farm income. As a result, it is irresponsible to ask Congress for just more of the same -- more flexibility, still lower prices.

All of us like to think of the ideal of "free markets", but the truths that we do not have completely "free markets" in our economy. The prices of things that farmers buy, both production and family living items, are based on the wholesale prices behind them -- which are in part "administered" prices; prices set by manufacturers, money-market bankers, railroad companies, and many others, on the basis of their Government sanctioned ability to withhold supply to maintain set price.

The farmer not only buys his needs in an administered-price market, dominated by sellers but also farmers sell their products into markets where buyers have the upper hand. I have often wondered whether some of the loudest advocates of "free markets" for agriculture would be quite so vocal if it was a farmers seller's market, instead of a buyers market -- if the farm producer had the upper hand in bargaining power.

I am afraid if such were the case these same people would be appealing for government intervention and regulation, instead of insisting upon free markets.

Surplus of Cars, no Price Drop!

Perhaps that is why, lately, you have heard more discussion among farm groups about "strengthening bargaining power". Perhaps one of these days we will have an opportunity to find out, whether we want to or not. You have all probably followed recent indications that there is more and more of a trend in farm organizations to seek ways for farmers themselves to strengthen their own bargaining power. — to organize —

3000 in N. D. + Penn. joined teamsters.

Farmers are at a bargaining disadvantage in the market place today, ~~as~~
~~they~~ have always been. They realize they need stronger bargaining power.
And if they don't find it one way, they will seek other ways.

It is really nothing new. They have sought to strengthen their bargaining power in many ways in the past. They have done it through banding together in cooperatives. They have done it through working out programs of price maintenance and control of market supply through their government, just as other segments of our economy have sought to protect their position through government action.

Here is the message I want to leave with you today; unless existing legislation can be made more effective, either through administrative policy or legal changes where necessary, farmers are bound to seek other ways to strengthen their bargaining power.

If I were a business man dealing with agriculture, I would think very seriously about whether I preferred dealing with farmers through some type of government program, or with farmers directly just as you now deal with organized labor.

Any of you who have followed what is going on among the various farm organizations, know that there is more and more talk about farmers turning to united action on their own, both toward controlling production to meet demand and toward some form of collective bargaining through producers' co-ops to establish prices and income nearer to equality with other segments of our society.

My purpose today is not to say this is right or wrong, but to suggest if the balance of bargaining power were to shift from buyer to seller of farm products, many now talking about free markets might be the first to prefer a new look at direct payment methods or alternatives of achieving more equality of farm income, that would still assure abundance rather than scarcity.

Consumers^{to} should be alert to where their own best
^
interest really rests.

It is easy to talk about "free markets" and letting supply and demand determine prices -- when you are a buyer and know there is an oversupply that will force prices down.

But consumers should look at the other side of the coin and see what the supposed purpose of the so-called "free market" approach to farm policy really is. The purpose, its spokesmen say, is to discourage enough producers and enough production to bring supply in line with cash demand, and achieve 100% of parity in the market place. Now, I wonder if consumers realize what such a scarcity philosophy could and would do to prices -- particularly with the natural hazards hanging over agriculture that can so quickly turn balanced supply into serious scarcity. I wonder if you as businessmen really want supply trimmed ~~exactly~~ to demand --

with no "cushion" to protect you from shortage.

If agricultural supply and demand were in balance in this country today -- the objective everybody seems to profess -- we would be faced with demands for price controls to keep food prices from soaring *out of sight*

The truth is that the "cushion" of excess production beyond immediate effective demand is the public interest stake in farm policy -- a stake for which in all fairness some public price must be paid to keep it from penalizing the farmer.

* * * * *

Clearly, our nation needs a new and different farm policy, and it needs it now. It must be based upon recognition of the need for a rising net income for agriculture -- not alone for the sake of farmers, but for the sake of our entire economy. It must be based upon recognition of the public interest stake in abundance rather than scarcity -- both for

the sake of our own consumers, and for the sake of our international commitments. It must be based upon recognizing that American agriculture has assumed a changing role, and having to be concerned with world needs rather than just our own domestic needs. It must also be based upon recognizing that changes are under way within agriculture itself, changes which could further serve or seriously harm the public's interest -- depending upon how they are directed as a matter of public policy.

Encouraging abundant production as a matter of public policy need not mean blindly perpetuating over-production of commodities for which no real foreseeable need exists. Rather, it means encouraging shifts in production toward commodities better serving our long-range needs.

The basic question is whether desirable shifts, in the public's interest, should be encouraged by incentive -- or

forced by economic hardship which really would just shift an
economic and social problem from rural America to the relief
rolls in our cities. Quite frankly, I can see little wisdom
in policies designed to speed the movement of people off farms
into our cities looking for alternative opportunities for making
a livelihood at the very time unemployment is becoming a serious
national problem.

*Shipping
Production* ↙
Whatever means are accepted as government policy
for encouraging shifts in production patterns, the important
thing is to make sure such shifts go in a desirable direction
-- and stimulate desirable trends already under way rather than
trying to "buck the tide".

↙ Let me explain briefly what I mean.

↙ Fats or oils and proteins are basic nutritional needs

in the world. While American diets are rich in both, the world

supply is still a tremendous deficit from a nutritional standpoint. Even among low income groups in our own country, there are tremendous dietary deficits in both.

∟ If we are raising our sights in agriculture to consider our role throughout the world instead of just a role of providing ~~sufficient~~ for our own growing population, we are going to ~~need more~~ ^{need more} ~~needs for more~~, not less, ~~of~~ ^{of} fats and oils and protein. Fortunately, they are so inter-related that expansion of one means expansion of the other. By nature, and in the history of food, fat and protein are produced hand-in-hand. Protein occurs as a side product and even a main product of the fat production cycle. Protein is a sister to fat -- soybean meal, and soybean oil; milk, and butterfat; pork, and lard.

∟ By nature and in the history of food, fat and protein are produced hand in hand.

It is imperative that this relationship be recognized in guiding agricultural policy, because whatever seriously affects one

affects the other.

From my observations I have come to some conclusions I wish to share with you. ~~You may not agree, and if so I would~~ welcome your views, for I am always searching for guidance on basic trends upon which policy decisions should be based. I certainly do not claim to be an expert, but evidence seems to support these conclusions:

1. This country is going to produce more, not less, fats and oils, both vegetable and animal. The soybean crop, in particular, is going to grow far beyond its present size -- despite its already dramatic growth.

2. We are going to produce more protein, and feed it to livestock and poultry.

3. We can probably consume the added protein domestically in the form of meat, milk, and eggs, if we maintain an expanding economy and a rising standard of living for our own people.

4. But we are going to have to look to the rest of the world for additional outlets for fats and oils we produce beyond our own immediate needs.

All four points appear desirable, and worth encouraging as a matter of public policy.

Expansion of soybean production, for example, would mean diversion from corn and other feed grains now in surplus and result in shrinking the total feed supply from the same number of acres.

Dwindling of a feed grain surplus would result in our animal agriculture consuming more protein feed concentrate. It is probably true that today most farmers are not feeding enough protein to get the best results.

Almost all of our nutritional guidance points to encouraging more protein consumption in the human diet, and consumer preference for that protein is in the animal form

of meat, milk, and eggs. Only the great civilizations have been able to maintain a relatively high level of animal protein consumption, and there is still ample opportunity for expanding our own.

But there are other areas of the world yet unable to achieve our level of animal protein consumption, areas that must exist on more basic forms of food energy. For many of these, more fats and oils are imperative to survival. As a result we not only have a potential outlet for our growing production -- it is actually needed.

Many countries in the world today are definitely fat deficient, and many countries contain population groups who are fat deficient. History shows that a people deficient in calories -- and that in practice means calories in the concentrated form called fat -- either become too weak to carry on a strong nation,

~~or, and this is very frequent in the history of our times, are~~ ^{or}
easily provoked to aggression and internal disturbances.

This brings us right back to my earlier emphasis on
the role our agriculture occupies in the world today.

~~I am not saying that the lack of fat or even of good
nutrition is the mother of all wars -- but I think it can be
shown to be the cause of serious national problems.~~

~~What would happen if all margarine or butter disappeared~~
~~in the United States? Something like that has happened to many~~
~~people in other countries, and I have had high officials of~~
foreign governments tell me personally that if it took their
last dollar of foreign exchange, they had to get edible oils
for their people to preserve political stability.

In many instances, the health and strength of these
countries are vital to our own interests. Such countries include,
for example, our NATO partners of Turkey ^{Greece} and Italy, the Baghdad

bloc, Spain, Japan, Viet Nam, Formosa, Burma, India, Tunisia,
and Morocco.

That is why I have encouraged expanded exports of
fats and oils into these areas under Public Law 480. It has
effectively served our own international policy's best interests,
and has strengthened the forces of freedom in the world. Yet,
if my conclusions about agricultural trends in this country are
correct, it has also served the best interest of American agri-
culture -- and it will be necessary to continue and expand such
exports to maintain desirable shifts in our national food pro-
duction.

h I am aware that the margarine industry is interested *primarily*
~~almost wholly~~ in the domestic market, but you have a stake in
every trend that affects the fats and oil picture. The fact that
we have enough to export -- and have become the world's largest

exporter of fats and oils while still providing adequate supplies for our own expanding population -- assures you of a reliable supply of raw materials at reasonable price levels. Yet without the expanded export outlets for oils, price-depressing surpluses might result in reversing the entire trend of the present desirable shift into soybean production. Any short range price benefit you might expect could well be offset by even higher costs resulting from shortages of the future if soybean production did not offer economic opportunities for farmers.

In my opinion, the time will come when you will be thinking more about the potential of markets abroad, as economic development results in higher living standards and greater purchasing power in many areas of the world. Eating habits are being formed and changed ~~as these underdeveloped areas progress~~

In view of the pressing need for fats and oils in any form in many of these areas, might it not be sound to call upon you for a

finished product as one means of putting soybean or cottonseed oils into this phase of the foreign field, as a part of our national foreign aid policy? I do not suggest this as a benefit to the margarine industry, but as a useful form of foreign aid. It will not cure any problems you may have, but it may be a serviceable expression of our national interest in helping ~~free countries fight off communism.~~

Two of your principal ingredients -- soybean oil and skim milk -- are being handled as surpluses under the agricultural assistance laws. There seems ample precedent for sending finished food fat goods overseas for welfare or foreign aid -- in a form that might

later pay dividends in market development through creating new eating habits.

All Aid Program can be a sales program if you look to the future.

Perhaps I have endeavored to cover too much ground in one talk today, in trying to look at ~~food~~ ^{the role of food} in the world

along with domestic agricultural policy. Yet I feel they are closely ~~interlocked~~ ^{related}.

It has been good to be with you. We still face many challenging problems regarding food and agriculture. Some of them are before us in Congress.

Of one thing you can be certain: Food is so essential to national life that I am sure Congress will always require safeguards in the public's interest in any farm policy. And, quite frankly, in my opinion the best safeguard the public can have of continued abundance is more willingness to see that the farmer gets a fair reward for his production.

I believe in abundance, not scarcity. I am convinced that farm people prefer to produce rather than to be forced to curtail production in order to achieve decent prices.

The challenge to our society is to find constructive and beneficial ways and means of using our abundance. We need

to look upon our abundance as a national asset, not as an
economic liability. You as food manufacturers have a real
interest in abundant production. It would be against your
own interest to force farmers to turn to artificial scarcity as
a means of protecting their income.

For that reason, I suggest you soberly consider
the alternative of current farm policy debates -- and realize
we all have a stake in strengthening our farm economy.



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