

FROM:
The Humphrey for President Committee
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NEW FARM POLICY NEEDS BOTH LONG-RANGE, SHORT-RANGE PROGRAMS: HUMPHREY

Bismarck, North Dakota-November 6-- Long-range programs for constructive land-use adjustment are urgently needed for American agriculture as well as more immediate programs of income stabilization and protection, Senator Hubert H. Humphrey (D.Minn.) declared today in an address before the North Dakota Farmers Union convention.

"Such a program should include, but not be limited to, plans for an expanded agricultural resources conservation program, including incentives to encourage land-use adjustment and temporary retirement of land not needed for production," Senator Humphrey declared.

Senator Humphrey said the Republican Administration's version of the soil bank had been a "failure".

"No matter how worthy its original purpose, we all know that it has failed in accomplishing one major objective--the reduction of over-all production in order to remove some of the supply pressure from farm prices," he declared.

"But just because a program has been weakly managed and discredited in the public eye is not sufficient reason to abandon the concept on which it is based. I am sure that a helpful and worthy agricultural resource conservation program can be built."

Senator Humphrey suggested that it be patterned more along the lines of the Great Plains Conservation Program, which he described as "a pleasing and heartening contrast to the administrative inadequacy shown in the conservation reserve program."

"This special program holds out a beacon of hope to young farmers particularly -- those who are willing to look ten years or so into the future and to make plans and follow them in order to achieve economic stability.

"There are two features of this program, which, to my way of thinking, foreshadow success.

more...

"One is that the individual farmer has the major responsibility in working out his long-term conservation plan. He has the full cooperation of specialists with technical knowledge. He is assisted by soil maps and soil testing laboratories. But the prime responsibility for working out the plan -- acre by acre --- rests with the man on the land. This is the kind of individual cooperation with government that calls for initiative and understanding, and thereby supplies the impetus needed to carry a long-term plan to successful conclusion.

"The other important feature is that the Great Plains Program meshes into the other soil and water conservation programs that are already established. It is not my belief that any total farm program can ever be a success until all its parts work together in a smooth fashion. Here we see the Soil Conservation Service, the Soil Conservation Districts, the ACP program and the Conservation Reserve Program complementing and supplementing each other on the individual farm with technical know-how and cost-sharing.

"The Great Plains Agricultural Conservation Program is establishing the kind of pattern of long-range planning which I would like to see extended to other areas of the country with their differing soil and water conservation problems," he declared.

Senator Humphrey said that this could be done under one title of the Family Farm Program Development Act, which he introduced in the last session of Congress.

Senator Humphrey also expressed gratitude that wheat committees of both the North Dakota Farm Bureau and the North Dakota Farmers Union had endorsed the commodity program development portion of his pending farm bill, under which producers would have a greater voice in establishing their own supply adjustment and price stabilization program.

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Annual
convention
N.D.F.U.

Pres. Helen Talbott + office
- Ed Christenson
- John Baker
Queenen Bardick
Sen Harger

LET'S LOOK TO THE FUTURE

Address prepared for delivery by Senator Hubert H. Humphrey (D., Minn.) at Annual Convention of the North Dakota Farmers Union, Bismarck, North Dakota, November 6, 1959.

I am sure that uppermost in your minds is the future of American agriculture -- and the extent to which your government is going to help you, or neglect you, in your struggle for economic justice -- in a time of serious economic distress.

As a member of the Senate Committee on Agriculture and Forestry, as a long-time friend of American farmers -- your problems are of grave concern to me.

They should be of serious concern to all citizens, urban or rural -- for we all have a stake in what happens to agriculture.

Farm programs and farm production have been receiving a great deal of attention in recent months, and I am afraid that most of this attention has come in the form of attacks.

Newspaper and magazine articles, business organizations,

Agric
receiving
lots of
attention

Concern
for
all
of
us.

some government officials, and many individuals have set the
farmer up as a target, a whipping-boy.

People are being led to believe that farmers are in
 a completely separate category from everyone else in this nation;
 that there are taxpayers -- and farmers; consumers -- and farmers;
rugged individualists who never need the helping hand of their
government -- and farmers who live off the fat of the land and
government hand-outs.

So,
 Let's let a little of the light of day shine on some of
 these matters.

L Farmers are taxpayers, too, just like everyone else. Like
 everyone else they pay a federal income tax and in addition they pay
 a multiplicity of state and local taxes. It is true that in recent
 years, the average city dweller has been paying a higher federal
 income tax than has the average farmer -- simply for the reason that
 the city man has been receiving more *net* income than the farmer. Farmers
 are more anxious to change this imbalance than anyone else -- it

*Farmers
 different
 no!*

will take higher farm prices and higher farm income to accomplish it.

Consumers

L Farmers are consumers, too -- one of the most important consuming groups in this country.

L There are 12 million tractors, cars, and trucks on American farms. These use nearly 15 billion gallons of gasoline and oil annually -- no other single industry uses as much. Farmers are important customers of the steel industry, purchasing 6 and one half million tons of finished steel each year. Fifty million tons of chemicals -- fertilizers, insecticides, fungicides, antibiotics, and such -- are needed each year to keep the farm plant going.

L Rubber, electricity, transportation -- farmers have to buy tremendous quantities of these to keep in business. Agriculture is indeed a big market. Farm consumption of industries products is an essential to the economic health of this nation.

- Could be bigger

In fact, during the six-year period 1953-1958, not only

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The Prosperity of the City is tied to the
economic well-being of the farmer.

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farmers suffered because of sliding farm prices and sliding
farm income -- workers and consumers were hurt too.

In those six years we suffered two periods of industrial
unemployment -- 1954 and 1958. Part of this slump certainly was
due to the fact that farmers, necessarily big spenders for capital
goods, had to cut back. And when farmers' spending
is cut back, production is cut back; work-hours and workers' pay
checks dwindle; the food on the workers' tables becomes less, the
sales at the grocery stores and other community stores fall off.

We are all too closely bound together in our economy for one segment
to be hurt without others suffering too. Interdependent

h And farmers buy food, too. How many of you here raise
oranges or grapefruit, or process your own food? You go into the
grocery store and put the cash on the line. And you have to have
ready cash to pay the electric light bill, the telephone bill, the
heating bill. Your living costs have advanced just as have those

of the rest of the population. And it is only because the
prices you receive for your products have gone down that cost-
of-living figures have not soared much higher. (Farmers the
 cushion for inflation)

Ag
 Budget

Instead of publishing sensational and misleading stories,
 castigating our farm population, the magazines could be of greater
 benefit -- and honesty -- if they told the true story of how the
 Department of Agriculture budget is spent. The Agriculture Depart-
 ment budget is big -- \$6 billion for 1960, \$5 billion larger than it
was in 1952, incidentally, when Charlie Brannan was Secretary of
Agriculture.

I won't defend the size of that budget, but I object when
 the public is led to believe that all of this is given to farmers
as some kind of a gift.

A great many services of the Department of Agriculture are
 of direct benefit to consumers -- meat and poultry inspection ser-
vices, for example. Others, such as the school lunch and the school

School
 lunch
 budget

Health

milk programs, are actually investments in the health of all of America's children -- America's future.

*Loans
REA
FHA*

Part of that \$6 billion budget goes for loans which will be paid back with interest. A half billion goes into funds to be loaned by the Rural Electrification Administration and the Farmers Home Administration. The repayment history on these loans is excellent.

Loans

*Forests
&
Conservation*

Many USDA expenditures are for services that benefit the whole nation, now and in the future -- national forests are an example, as are soil and water conservation programs.

*Conservation
Forests*

Research

Much of the research done in the Department of Agriculture benefits only processors and consumers. These are no doubt all worthy endeavors but I have been trying to get them to do more research on matters that might mean something to farmers -- I have urged more research into the possible industrial uses of farm products -- uses that would be reflected in increased consumption of farm goods and a better return to farmers.

Not even all expenditures for price support programs can be considered farm subsidies. Commodity Credit Corporation recovers around 65 to 70% of the investment when the commodities are sold. And about one-third of the price support costs involve spending that is of primary benefit to business, spending for storage, handling, and transportation, for exporting costs, and -- no small item -- for interest and administrative expenses.

When surplus commodities are donated to the needy persons on welfare lists and to the unemployed, and to the victims of disaster, the expenditures are clearly in the national interest.

Government-owned commodities sold overseas for soft currencies make a tremendous contribution toward building for peace, and the costs should certainly not be listed as a subsidy to our farm producers.

Food for Peace

I have been working for years to expand the operations under Public Law 480 into a true Food for Peace Act instead of a

Food for Peace

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surplus disposal program. ~~It has seemed to me~~ ^{It is} wrong to say to

less fortunate countries: "Here are some left-overs that we don't want here, they are a burden we want to get rid of."

We should be saying, instead, "We know that you are struggling for personal and political independence and that you need a helping hand just as our country needed a helping hand in the early days of our struggle for freedom and independence. Now we are blessed with the abundant fruits of our efficiency and technological advances in agriculture and we want to share these with you in order to build a peaceful world."

I have traveled overseas in order to see with my own eyes just how this program worked. I saw men and women and children who for the first time were walking in the sunlight, escaped from the shadow of hunger and want for a little while. I saw their eagerness to learn new ways of doing things, to achieve within their own countries some of the benefits we take for granted --

roads and schools and electric power -- work for their hands to do so that they might earn a decent living.

I knew then that Public Law 480 was not a simple give-away program -- not a grudging surplus disposal program -- but a means of winning for mankind a victory over that ancient enemy want *and poverty.*

Therefore, I have proposed repeatedly in the United States Senate that Public Law 480 should be extended, not on a year to year basis, but for a longer term -- for two years, or three years, or five years -- in order to give these struggling countries the assurance that the program would not be cut off overnight and the hard-won benefits lost.

This year we made some small legislative progress toward building a real Food for Peace program. And I truly believe that we are much closer to the day when we will really use our agricultural abundance in a positive way to wage peace throughout the free world.

It is now clear to all of us that Khrushchev under-
stands the vital role food can occupy in the struggle for the
mind of man -- and he has undertaken the task of trying to out-
 produce us. He is smart enough to know that in areas of Africa
 and Asia, and even other parts of the world, food means more
 today to the masses of people than Sputnik or Lunik do.

FOOD
 NOT
 SPUTNIK

I know that you here in this audience have supported me
 and backed me in this fight for a true Food for Peace program,
 and I ask you to continue this support, this backing.

This brings me to another legislative proposal which I
 hope you will feel worthy of your support.

I do not need to recount to you the history of all farm
 income-improving legislation in these past few years -- in these
 past seven years, to be exact. You have felt the vetoes in your
 pocket books.

No Go - Go Slow

VETO

-11-

Veto 001955

Congress passed 90% of parity for basic commodities legislation in 1956 -- and it was vetoed. Just this year Congress passed a 90% of parity for wheat bill -- and it was vetoed. I am quite sure that next year we could pass another 90% of parity bill -- and it would be vetoed. All we would get out of it would be the legislative exercise.

Besides, farmers need more than just 90% of parity legis-lation. They need a new national farm policy that is based upon the agricultural facts of life as they are today and on plans for the future.

For that reason, in August I introduced the Family Farm Program Development Bill. This is more than a farm income protection bill, important as that is. This is the key to the future of American agriculture. It is, I am sure, in need of perfecting changes. I am open to suggestion on the matter. After all, I do not have 80,000 trained employees at my beck and call to help formulate

farm legislation. However, I have had the assistance of farmers and noted economists and representatives of family farm organizations, and I believe we have in this bill gone to the heart of the matter.

IN
 The food-for-peace proposal -- the use of American agricultural abundance as an instrument of foreign policy -- is part of this new bill. It is of vital importance to the future of American agriculture that a reasonable determination be made as to the extent of the real food and fiber requirements in the world ~~that should be fairly~~ ^{and how much to be} supplied by our agricultural resources and labor. This would include both the dollar market and the food-for-peace market.

^{Humphrey}
 The Family Farm Program Development Act requires such a determination annually.

also
 A determination of the food and fiber needs of the people of the United States should be made annually -- a blueprint of what

Domestic needs!

we have and what we need. The Secretary of Agriculture should submit this estimate of total need to Congress each year, together with plans for meeting that part which cannot be met commercially.

This should be a complete domestic food and fiber program with provision for an expanded and liberalized national school lunch ~~program~~ and special milk program for children; a food allotment program to help meet the nutritional needs of low income persons, the unemployed, the aged, and the handicapped; and a national security reserve of food and fiber products designed to protect the people of the United States against shortages in the event of war or other national emergency.

^{Humphrey}
 The Family Farm Program Development Act requires the submission of such a domestic food and fiber program annually.

These determinations, these programs, would in effect do for farmers what was meant to be done for the rest of the economy in the Full Employment Act of 1946.

Can we

Only with this information at hand, ~~to~~ a
~~foundation on~~ ~~we~~ ~~in~~ ~~full~~ ~~consciousness~~, or justice, or with simple
~~good business management~~ go forward toward achievement of a new
meaningful farm program based on sound national policies.

↳ ~~We must admit that~~ our present national farm policies
are bankrupt.

The disparity between farm income and non-farm income
becomes greater each year, despite our supposed goals of public
policy toward bringing them together. - *Farm income Down*
Another Billion

Current trends and current farm policies are not moving
in the direction of closing the gap.

↳ We see the result of Ezra Benson's corn program -- a
crop 17% larger than the record corn crop of 1958 -- a program
which the Secretary calls "sound" brought about by "sound legis-
lation", which will result in higher livestock production. *and lower prices.* At
the same time that he has encouraged this mammoth over-production

of feed grains, he is urging hog producers to be "careful" not to overexpand their production! _____

What do you think will be the result of this mountain of feed grain on livestock production? All of the economists -- even those who counsel with the high officials of the Administration -- acknowledge that cattle and hog producers are in for a savage price decline.

And the growing stocks of feed grains and of wheat in the hands of the Commodity Credit Corporation will result in increasingly great pressure to cast aside the present wheat program.

The Administration's attitude is alarmingly reminiscent of the folk-tale family which, pursued by a pack of ~~ferocious~~ ^{hungry} wolves, kept throwing one child after the other from the sleigh, hoping each time to gain a little headway on the pack. Cotton ~~and~~ rice and corn have been pushed out. Now the wheat program is being pushed. You can expect public pronouncements from high places

Wheat Program

that the Benson corn program must be applied to wheat.

That's what the Administration tried to get through Congress in this past session. That's what they will be pounding the drums for in this next session.

*(Advisory Commission
recommendations)*

I said last January that I favored a change in the wheat program -- a change that would bring production into better adjustment with demand; a change that would stop further growth of government-owned stocks; but a change that would not ask the wheat grower to do without income protection in return for his cooperation.

The Administration wheat proposals if enacted in 1959 would have meant severe income loss to farmers. It would mean the same in 1960. I opposed these proposals in 1959. I shall oppose them in 1960.

But at the same time I want the wheat growers of this nation to put their heads together and give Congress positive

*Set
together*

assistance in this matter of legislation. Many of you here today are wheat growers. I have some questions for you.

↳ Should we take an entirely fresh approach to the question of a farm program for wheat?

↳ Should we take a new look at pricing policies in view of the changes in wheat growing and harvesting -- changes brought about by technological advances, improved seed varieties, better fertilizers, new machinery, more available power, improved methods of crop handling?

↳ Are you willing to adjust your production ^{and} not just wheat production, but your total crop production -- in order to reduce the surplus, if you are given income protection?

↳ Should bushel allotments be substituted for acreage allotments?

↳ Are you willing to put crop land into conservation uses in order to prevent the waste of precious soil and water resources

prep

and at the same time safeguard productivity against that day
in the future when it will be needed?

Can wheat growers get together in a two-thirds referendum
and agree on a wheat program that will be fair to growers, to
consumers, and to the public treasury?

When I talk about wheat legislation, when I propose wheat
legislation, I want to do so with the firm understanding that I
am working in the best interests of the wheat growers and the
nation.

But you know and I know the road-blocks in the way of
achieving the kind of wheat legislation that you want and that
I want.

The Family Farm Program Development Act was introduced
with the idea that it would be possible to build a new ~~highway~~ highway and
avoid those old road-blocks.

The bill gives a "new freedom" to producers of a commodity
when production becomes so high that the market price falls below

the price determined to be fair to producers. ⁰⁰¹⁹⁶³ This is the
freedom to elect their own representatives to work directly
with the Secretary of Agriculture and design a national market-
ing quota program which they consider appropriate and desirable.

Such a program would then be submitted to the growers in a
democratic referendum and if it were acceptable to two-thirds
of those voting it would come to Congress for approval.

Emphasizing
 The Family Farm Program Development act would open the
 door to new and varied programs, programs tailored to the exact
needs of individual commodities.

There are no restrictions on the methods that could be
 used in formulating the national marketing quota program. The
 whole toolkit of income stabilization programs is provided --
crop loans, marketing premium payments, marketing agreements,
 marketing orders, surplus diversion purchases, purchase agreements,
 export incentive payments, export equalization payments, stabilization
pools, income deficiency or compensatory payments direct to farmers.

TOOL
KIT

The method best adapted to achieve fair price objectives with proper safeguards for consumers and taxpayers would be chosen.

^{Humphrey}
The Family Farm Program Development Act provides a new

yardstick for determining a fair price. For the guidance of the Secretary and the individual commodity groups, it establishes a

fair price standard geared to current economic conditions, not frozen to some period of the past. A fair price is defined as

that price which will yield returns on capital and labor, on representative family farms, that will be comparable to nonfarm

earnings. It will be based on facts and figures collected by

the Department of Agriculture and published in their annual report on costs and returns to typical commercial family farms.

^{Humphrey}
In introducing the Family Farm Program Development Act,

I have looked at our present un-used production as the living,

costly evidence of waste -- waste of soil and of water -- waste

of human energy -- waste of all of the costly items needed to produce

FAIR Price!

Waste!

the quantity for which there is no need -- either market or social need.

Therefore, the bill requires that a comprehensive program dealing with long term adjustments in land use be formulated by the experts and technicians in the Department of Agriculture and submitted to Congress.

Such a program should include, but not be limited to, plans for an expanded agricultural resources conservation program, including incentives to encourage land-use adjustment and temporary retirement of land not needed for production.

I know that many of you do not like the present conservation reserve program. This has evolved along somewhat different lines than the program I had in mind in 1956 -- and quite different from the one I introduced in 1955 -- and I imagine that many of you here could suggest positive ways to improve it.

No matter how worthy its original purpose, we all know

that it has failed in accomplishing one major objective -- the reduction of over-all production in order to remove some of the supply pressure from farm prices.

Just because a program has been ~~badly~~ ^{badly} managed, and discredited in the public eye, is not sufficient reason to abandon the concept on which it is based. I am sure that a helpful and worthy agricultural resource conservation program can be built.

I know this because of the progress being made in developing the Great Plains Conservation Program. This is a pleasing and heartening contrast to the administrative inadequacy shown in the conservation reserve program.

I am sure that many of you here have first-hand knowledge of the work being done on the Great Plains Conservation Program.

Fred Ehlers -- your fellow North Dakota Farmers Union member -- serves with distinction on the USDA Soil and Water Conservation Advisory

Keep

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Committee as the representative from the Northern Great Plains.

His recommendations along with those of others on this Committee had a share in setting up the Great Plains Conservation Program.

This long-range program is centered on the needs of the low moisture states where wind erosion is an ever-present problem. It seeks to alter the boom-and-bust pattern in dry-land agriculture by establishing permanent conservation practices that will enlarge farming opportunities.

This special program holds out a beacon of hope to young farmers particularly -- those who are willing to look ten years or so into the future and to make plans and follow them in order to achieve economic stability.

There are two features of this program, which, to my way of thinking, foreshadow success. One is that the individual farmer has the major responsibility in working out his long-term conservation plan. He has the full cooperation of specialists

out

with technical knowledge. He is assisted by soil maps and soil testing laboratories. But the prime responsibility for working out the plan -- acre by acre -- rests with the man on the land. This is the kind of individual cooperation with government that calls for initiative and understanding, and thereby supplies the impetus needed to carry a long-term plan to successful conclusion.

The other important feature is that the Great Plains

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 Program meshes into the other soil and water conservation programs that are already established. *It is my belief that*
Conservation Program to
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~~parts~~ work together in a smooth fashion. Here we see the Soil

Conservation Service, the Soil Conservation Districts, the ACP

program, and the Conservation Reserve Program complementing

and supplementing each other on the individual farm with technical

know-how and cost-sharing.

The Family Farm Development Act is the

in agricultural

The Great Plains Agricultural Conservation Program is establishing the kind of pattern of long-range planning which I would like to see extended to other areas of the country with their differing soil and water conservation problems.

Under the Family Farm Program Development Act ~~this could~~ be done.

I should mention another factor important to the success of the Great Plains Program; that is credit made available by the Farmers Home Administration.

Hi Interest

Credit -- low-cost credit tailored to the changing conditions, economic conditions, climatic conditions -- is the life-blood of farming. Choke off credit to farmers and you choke off farming.

Many farming units today that return a low income because of low production could be transformed into fully adequate commercial family farms if only proper credit facilities were available. Before farmers are crowded from the land and sent into cities, unprepared,

to shift as best they can, a thorough understanding of their production and income problems must be achieved.

↳ The Family Farm Program Development Act provides a way to achieve this understanding and suggests ways to correct some of the conditions that lead to rural hardship.

↳ Credit from an expanded Farmers Home Administration is one way -- credit to help speed farm reorganization and to help achieve more efficient-sized and better-organized farm units.

There are additional guide-lines -- the establishment of special services, including individual farm and home management guidance; possibly the payment of special grants to assist families with poor economic futures in agriculture who may desire to seek more gainful opportunities; better protection for those who gain their living primarily as hired farm workers; stimulation of further industrial development in underdeveloped rural areas; the extension of the U.S. Employment Service to rural areas and the provision of conseling service.

As you know, I have been much concerned with these problem areas in agriculture. For this reason I have introduced, year after year, the Family Farm Yardstick Credit Bill, a proposal which would strengthen the services of the Farmers Home Administration.

The rapid population growth and spread of industrialization in this country has led to many new problems for rural people -- more than we know. I see no reason why a nation as rich as this should stumble in the dark just hoping to hit the best way/to meet possible new problems. We are rich not only in money -- we are rich in universities, in trained sociologists, in religionists, in all kinds of people equipped to help in solving human situations. ~~For that~~ ~~reason~~ I have proposed the establishment of a Rural Life Commission in order to focus this wealth of knowledge on the problems of rural communities. There are young people as well as senior citizens on farms today who are caught in the rapidly changing currents of our time without the community services essential to their well-being.

The findings and recommendations of a Rural Life Commission could be of tremendous help in formulating the kind of new rural development program envisioned in the Family Farm Program Development Act.

I hope that my good friends in the Farmers Union will find this proposal worthy of their serious study and support. I feel that this is a blueprint for both immediate and long-range constructive action.

Far from regimentation, such a program offers to farmers the real freedom they need -- freedom from poverty, freedom from economic domination, and freedom of choice as to the alternatives they prefer in seeking to avoid the hardships of the wildly fluctuating free markets over which they now have no control.

I hope that this next year brings to all of us -- farmers and city people alike -- a full realization of what the farm problem really is and what steps truly need to be taken to establish a decent

and just national farm policy.

It may be that 1960 will be a year of education,
rather than a year of realization. In either case, 1960 will
bring us all one year closer to a brighter future.

November 4, 1959



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