

EXCERPTS FROM SPEECH BY
SENATOR HUBERT H. HUMPHREY
before the
DEMOCRATIC STATE CONVENTION, EAU CLAIRE, WISCONSIN
Sunday, June 18, 1950, 2:00 p.m.

You in Wisconsin have clear evidence of the effect which the New Deal and the Fair Deal have had on your state and the welfare of your citizens during the past fifteen years. Let me address myself for a few minutes to those of you who are farmers or interested in agricultural problems.

~~I know what I am talking about.~~ I grew up in a farming community. I was a young man when the depression and the drouth combined to play havoc with the farm families. I learned a great deal about agricultural problems from first-hand experience. I know what ~~it is like to own a farm or try to live on a farm~~ *happens to farms & farmers* with declining farm prices, with mortgages past due, with poor soil conservation and soil erosion, and with big debts.

Agriculture is a basic industry in Wisconsin. Your state's 178,000 farms cover nearly 24,000,000 acres of land. Your 720,000 farm people make up about 25% of your population. Let us never forget that in 1932 cash receipts to the farmers of Wisconsin amounted to \$166 million. Last year in 1949 they came to \$940 million - an increase of about six times.

It is true that last year's figure for Wisconsin was less than the \$1,150,524,000 of 1948; but let us not forget that even in the so-called boom year of 1929, the highest level reached was \$393,987,000.

And this is the welfare state of which we are to be frightened!

In January 1933, as the New Deal came into power, more than \$483 million in farm mortgage debt was outstanding in Wisconsin. On January 1, 1949, after sixteen years of welfare state - of which we

are supposed to be frightened - farm mortgage debts in Wisconsin were reduced to \$260,327,000, in spite of the fact that the value of the dollar has decreased.

From April 1933 until May 1950 the Farmers Home Administration has been of assistance to more than 84,000 Wisconsin family-type farmers unable to obtain credit through normal channels. These farmers received nearly \$50 million in loans through the Farmers Home Administration. These loans have encouraged and made possible the ownership of family sized farms. This program has strengthened the ownership of private property and free enterprise in Wisconsin.

In addition, since May 1933 until January 1, 1950, the Farm Credit Administration has granted more than 182,000 loans to Wisconsin farmers, amounting to more than \$361 million. This, too, strengthened the institutions of private property and free enterprise in Wisconsin.

And this is the welfare state of which we are to be frightened!

I also want to bring to your attention the fact that, as the farmers of Wisconsin well know, from May 1, 1933 to December 31, 1949, 802 farm cooperative in Wisconsin had received government loans of nearly \$107 million.

Today more farmers are able to produce their own food by their own labor and on their own land than ever before. Here is the essence and the finest expression of free competitive enterprise that this or any country could offer. This was made possible through the program of the New Deal - through the welfare state, if you please.

Is it economical? I ask, could we afford to do anything else? These investments have done more to preserve free enterprise and the American way of life than any other single investment of like amount that I can think of. The alternative is a land system under which the banks, absentee landlords and gentlemen farmers in the city own all the good farms.

But I must confess to you that in addition to promoting family farm ownership, the Roosevelt and Truman welfare programs are guilty of another grievous sin insofar as the farmer and his family are concerned. Do you know what they have done? They have very nearly destroyed the market for kerosene lamps on farms! Now, isn't that awful?

Yes, through the REA, Wisconsin farmers, acting together to form cooperatives, have strung in the first fourteen years 28,000 miles of rural lines. They have brought service to more than 80,000 farmers who never enjoyed the benefits of electricity before. When the REA was first established in 1935, only a little more than 19% of Wisconsin farms had electricity in any form. Today that figure is 91.6%

And this is the welfare state we are supposed to be frightened of!

Today Wisconsin farmers are participating in the agricultural conservation program of the Production and Marketing Administration.

Soil has been conserved and restored. Farms have been improved.

Farmers have been enabled to obtain fair prices for their crops.

Farm mortgages have been reduced. Tenants are now able to buy farms

and make rented land their own. Farmers and farm people appreciate

the benefits of electricity as much as you and I in the city. Today

the farmers of Wisconsin are able to get telephone service through

the use of REA funds by cooperatives. Incidentally, this market

for telephones and electrical appliances will compensate the city

folk many hundreds of times over the kerosene lamp market.

Soc. Sec.

Let me go on with a few additional direct examples of how

the Fair Deal program affects the residents of Wisconsin. In 1949

approximately 114,000 Wisconsin residents received direct benefits.

as a result of the old age pensions and the old age and survivors

insurance provisions of the social security law. In 1949, 21,793

children received assistance under the aid-to-dependent-children

program of the federal government. In 1949, 1,374 blind people in

Wisconsin received assistance through laws passed by the federal government.

As a result of these expenditures of nearly \$35 million, every resident of Wisconsin has benefitted through improved health, education, vocational rehabilitation and social security.

I have already made it clear that the Fair Deal and the New Deal programs have helped all the people - and that includes the bankers - the bankers who forget the year 1932 when banks were closing and bankers were committing suicide. In 1932 and 1933 433 Wisconsin banks with deposits of \$140,000,000 failed and closed their doors.

Today there are deposits of \$2,946,000,000 in 543 banks in Wisconsin.

Is this bad?

None of these banks have closed and all of these deposits are insured by the Federal Deposit Insurance Corporation. We still

have many problems to concern ourselves with, but the closing of savings banks is not one of them. I thought all of you bankers in the audience would like to know that.

What we strive for can best be put in the phrase "economic democracy". That phrase means a system which preserves the political fabric of democracy and the freedoms traditionally associated with it at the same time as it searches for increased economic freedoms...

We are moving into the second half of the 20th Century, a century which has seen America's productive strength grow beyond the dreams of even the most visionary of our national founders. Today we have the natural resources and the technical knowledge to open up a new vista. President Truman's recent messages to Congress have demonstrated the possibilities that are open to us. Merely by continuing our past rate of growth we can within five years increase in production 20%, which would mean increasing the average family income by about \$1,000 a year. Within our grasp in the next 50 years we can treble today's standard of living which would mean average family incomes of about \$12,000 a year.

We have an opportunity for the first time in the world's history to establish a society in which every family can have a decent standard of living and in which luxury living will be available to an increasing number of our citizens. It can be a society in which all have enough without unduly limiting the rewards available for the more industrious and the more able.

Yet as these possibilities come to mind, there also comes to mind the increasing complexity of our society.

In the not too distant past, opportunity was open to all. If a man was willing to make the effort he could have the richest land and the richest resources for the asking. Today millions of families are dependent upon jobs that may disappear tomorrow with no others available. Millions of families live on tiny worn out farms eking out a bare subsistence.

In this the land of plenty -- in this the century of progress -- we in America still have almost 10 million families, or about one quarter of our population, trying to get along on less than \$2,000 a year.

Here is the crisis we face. Here is why we need a Fair Deal program working toward an increasing welfare program working toward greater economic democracy.

There are some who feel that the realization of the dream which is before our eyes cannot be achieved without sacrificing the free enterprise system -- and they prefer the free enterprise system.

They are of little faith. I believe in the free enterprise system -- I am not a socialist. No other system could have made the progress we have made in the past 150 years. But the free enterprise system in America as we have seen it has always been receiving encouragement, stimulation, and protection from government activity -- from government welfare programs...

The greatest threat to the free enterprise system in America is not social security, minimum wage, aid to education, rural electrical programs, and the like. The greatest threat to free enterprise in America is growing monopoly in America.

There are those who would have us believe that an unbalanced budget spells the end of free enterprise in America. That is nonsense. I am more concerned about the fact that the Federal Trade Commission recently reported to Congress another half a dozen industries which are dominated by 4 to 6 companies making a total of 19 highly concentrated industries out of 26 studied. I am more concerned that 3 companies control 95.3% of the tin cans and other tin ware industry; that 3 companies control 92.1% of the linoleum industry; that another 3 companies control 88.5% of the copper smelting and refining industry. In this connection Anaconda Copper alone controls almost half the capital assets of the whole industry and another quarter of the capital assets of the copper industry is controlled by Kennecott Copper Corporation.

I am concerned about the future of the free enterprise system when I learn from the Federal Trade Commission reports that 113 companies, all with assets of more than 100 million dollars, own almost half of the

manufacturing plants and equipment in the whole of our United States.

The free enterprise system is in danger, but the danger does not arise from welfare programs. The danger arises from the fact that from 1940 through 1948, according to the Federal Trade Commission, more than 2450 formerly independent firms in the manufacturing and mining industries alone disappeared as a result of merger and acquisitions. The asset value of these firms amounted to about 5.2 billion dollars or nearly 5% of the total asset value of our manufacturing corporations in America. Moreover, nearly one-third of the companies merged were absorbed by the very largest corporations, those with assets exceeding 50 million dollars.

and the defender
It is monopoly which threatens a free America. I do not consider unbalanced budgets to be desirable objectives. Unbalanced national budgets, however, are not indications of the basic health of the American economy. The Republicans would balance the budget but they would do so I suggest at the expense of unbalancing the American economy. I remember well the days of the balanced budget

under Ogden Mills, Andrew Mellon, and Herbert Hoover, and I remember that those balanced budgets spelled unbalanced family life for millions of Americans. I am more concerned with balancing the daily lives of Americans and their families so that they can have full employment; so that they can enjoy the fruits of their labor; so that they can participate in the good life which is possible in our society...

In the dark days of 1938 President Franklin Delano Roosevelt warned the American people. He said: "Democracy has disappeared in several other great nations, not because the people of those nations disliked democracy, but because they had grown tired of unemployment and insecurity...In desperation they chose to sacrifice liberty in the hope of getting something to eat. We in America know that our democracy and our democratic institutions can be preserved and made to work. But in order to preserve them we need...to prove that the practical operation of democratic government is equal to the task

of protecting the security of the people."

Yes, this program and these principles which I state have international implications as well. America must prove to the peoples of the world that political democracy and political freedom is not synonymous, as the Communists would have them believe, with industrial anarchy, growing unemployment, and the monopoly state. American democracy must prove that political freedom and political democracy can bring about an economy which is a healthy economy -- one which is concerned for the welfare of the people. In fact, political democracy and economic oligarchy are incompatible and there can be no lasting political freedoms so long as economic control is in the hands of the few and so long as economic security is missing in our society...

United States Senate

MEMORANDUM

June 14, 1950

BANK FAILURES IN MINNESOTA AND WISCONSIN

Wisconsin

1932	67 \$19 million on deposit
1933	366 \$121 million on deposit

Minnesota

1932	61 \$12 million on deposit
1933	122 \$249 million on deposit

Today there are 543 banks in Wisconsin with deposits of \$2,946 million.

There are 660 banks in Minnesota with deposits of \$2,795 million.

They are insured by FDIC.

United States Senate

MEMORANDUM

Information from Legislative Reference
June 14, 1950

Activities or programs carried on by Farmers
Home Administration during period January 1,
1933 to May 31, 1950:

	<u>No. of Loans</u>	<u>Amount of Loan</u>
Minnesota	138,000	\$71,856,800
Wisconsin	84,290	49,687,600

There was at one time a Regional Agricultural
Credit Corporation which was liquidated about
April 1949. These funds have been turned over
to the Farmers Home Administration. *543*
1933-1949

Loans made from this fund from May 1933 to April
15, 1949, or prior to its liquidation, were:

Minnesota	21,000	30,085,000
Wisconsin	9,800	9,700,000

This money was loaned principally for floods and
other disasters, and some for fur.

April April 15, 1949, the loans made from the funds
of the Liquidated Regional Agricultural Credit Corp.
were included in the Farmers Home Administration
loans.

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LEGISLATIVE REFERENCE SERVICE

6/13/50

Hon. H. H. Humphrey
S. O. B. 452
Attn: Mr. Kampleman

The attached information is forwarded
in response to the inquiry from your office
noted below.

Respectfully,


Director

Legislative Reference Service

Farm Statistics for Wisconsin and
Minnesota.



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WASHINGTON 25, D. C.

LEGISLATIVE REFERENCE SERVICE

MINNESOTA AND WISCONSIN: SELECTED FARM DATA

	<u>Minnesota</u>	<u>Wisconsin</u>
Number of Farms (1945)	188,952 Farms	177,745 Farms
Land in Farms (1945) Acres	33,139,997	23,615,031
Population (Total, 1945)	2,497,485	2,952,205
Farm Population (1945)	730,748	719,913
Farm Population as a Percent of total population	29.3%	24.4%
Cash Receipts from Farm Marketings		
1929	\$432,001,000	\$393,987,000
1932	177,120,000	166,095,000
1947	1,324,457,000	1,056,373,000
1948	1,332,313,000	1,150,524,000
1949	1,145,055,000	939,987,000
Government Payments		
1929	---	---
1932	---	---
1947	8,888,000	9,402,000
1948	9,879,000	8,275,000
1949	5,781,000	4,260,000
Total Cash Receipts From Farm Marketing & Gov't. Payments		
1929	---	---
1932	---	---
1947	1,333,345,000	1,065,775,000
1948	1,342,192,000	1,158,799,000
1949	1,150,836,000	944,247,000
Farm Mortgage Debt:		
Total Amount Outstanding		
Jan. 1, 1932	437,556,000	483,371,000
Jan. 1, 1949	237,572,000	260,327,000
Rural Electrification Administration:		
No. of Miles (Loan Estimate) as of Dec. 31, 1949	71,196	27,926
Number of Consumers	167,591	80,690
Percent of Farms Electrified		
Dec. 31, 1934	6.8%	19.6%
Percent of Farms Electrified		
Dec. 31, 1949	79.1%	91.6%

	<u>Minnesota</u>	<u>Wisconsin</u>
Number of Applications for Loans to Purchase Land Received by FCA - Jan 1, 1937 - June 30, 1948 - - -	5,462	3,502
Number of Loans Granted to Farmers May 1, 1933 - Dec. 31, 1949 - - - -	169,945	182,265
Total Amount Loaned to Farmers May 1, 1933 - Dec. 31, 1949 - - -	\$478,125,308	\$361,162,679
Loans to Farmers' Cooperative Associations May 1, 1933 - Dec. 31, 1949 - - - -	\$317,180,672	\$106,770,682
Number of Cooperative Associations - -	965	802
Farmers Home Administration and Predecessor Agencies 1918-1950		
Estimated Number of Family Farmers Aided - - - - -	77,600	53,000
Total Amount of Loans Granted	\$ 74,500,000	\$48,300,000
Farmers' Home Administration		
Number of Loans Granted Nov. 1, 1946 to May 31, 1950 - -	9,069	7,290
Total Amount of Loans Granted - - -	\$ 16,235,575	\$14,215,252

Sources: Farm Credit Administration.

Farmers' Home Administration.

U. S. Department of Agriculture, Agricultural Statistics, 1949.

U. S. Department of Agriculture, Bureau of Agricultural Economics, Cash Receipts From Farming By States and Commodities, 1924-44.

U. S. Department of Agriculture. Farm Income Situation, August-September 1948 and March 1950.

U. S. Census of Agriculture, 1945 - Vol. II, General Report Statistics by Subjects, Chapter V. Farm Population and Farm Labor.

U. S. Department of Agriculture, Miscellaneous Publication No. 699, Farm Land Ownership in the United States, Dec., 1949.

Sources: (Continued)

U. S. Department of Agriculture, Rural Electrification
Administration, Monthly Statistical Bulletin No. 106,
as of December 31, 1949.

[Carl A. Hagen
Economics Section
June 13, 1950]



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WASHINGTON 25, D. C.



To: Honorable Hubert H. Humphrey

June 12, 1950

From: American Law Section, Legislative Reference Service

Subject: Information for the states of Minnesota and Wisconsin.

- (1) How many persons, for 1949 calendar year, received Social Security benefits and amount of money received:
 - a. Old age insurance
 - b. Old age assistance (pension)
 - c. Aid to dependent children
 - d. Assistance to the blind
 - e. Maternal and child health
 - f. Crippled children
 - g. Child welfare.
- (2) Amount of money spent for school lunch program and number of children benefiting therefrom.
- (3) Amount of money spent on the vocational educational program for veterans and number benefiting therefrom.

(1)

a. Old age and survivors insurance

	Recipients	Amount expended
Minn.	41,399	\$842,549.00
Wisc.	62,322	\$1,284,720.00

b. Old age assistance

	Recipients	Amount expended
Minn.	55,908	\$29,290,000
Wisc.	51,550	\$24,750,000

113,872

c. Aid to dependent children

	Recipients	Amount expended
Minn.	19,586	\$7,069,000
Wisc.	21,793	\$9,313,000

d. Assistance to the blind

	Recipients	Amount expended
Minn.	1,081	\$716,000
Wisc.	1,374	\$720,000

e. Maternal and child health

(Because of the varied services of this program, some of which overlap one another, it is impossible to give the number of persons receiving aid in one total.)

Recipients

	Program
	Expectant mothers attending pre-natal clinics
Minn.	337
Wisc.	79
	Infant well-baby clinics
Minn.	1,963
Wisc.	1,408
	Child care in general clinics
Minn.	221,881
Wisc.	58,693
	Nursing visit to pre-school children
Minn.	14,625
Wisc.	20,214
	Nursing visit for infant hygiene
Minn.	10,733
Wisc.	29,316
	Nursing visit to mothers and children after birth
Minn.	2,826
Wisc.	6,531
	School children examined by physician
Minn.	33,635
Wisc.	23,669
	Number of pre-school children attending well-child clinic
Minn.	3,365
Wisc.	3,604
	Number of children immunized against: diphtheria
Minn.	45,658
Wisc.	43,898
	Smallpox
Minn.	37,675
Wisc.	46,842

Total expenditures, federal, state and local, under the
maternal and child health program.

Minn.	\$214,669.38
Wisc.	\$104,698.28

f. Crippled children

	Recipients	Amount expended
Minn.	6,523	\$166,132.69
Wisc.	4,741	\$189,249.46

g. Child welfare

	Recipients	Amount expended
Minn.	9,673	\$109,699.51
Wisc.	7,960	\$95,093.58

(2)

School lunch program

	Students enrolled	Amount expended
Minn.	184,000	Cash \$1,272,000 Commodities \$777,000 (March 31, 1950) and price support
Wisc.	160,000	Cash \$1,295,000 Commodities \$478,000 (March 31, 1950) and price support

(3)

Vocational education (Public 346, 78th Congress)

	Veterans enrolled	Amount expended*
Minn.	39,205 (Dec. 1949) 35,546 (April 1950) 37,400 (average per month for 1949)**	\$171,251,000
Wisc.	36,212 (Dec. 1949) 33,252 (April 1950) 33,818 (average per month for 1949)	\$166,462,000

*Total amount expended since program began in 1944 (only figure available).

**Plus 2,900 to cover 14 northwestern counties included in the Dakota region.

Clayton R. Gibbs
American Law Section
June 12, 1950



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