

From the Office of  
Senator Hubert H. Humphrey  
Room 429 Nicollet Hotel  
Minneapolis, Minnesota

For Release: Monday a.m.  
August 22, 1955

SENATOR HUMPHREY OUTLINES AIMS FOR FARM PROGRAM IMPROVEMENTS

Increasing rather than decreasing production as farm income continues downward has "proven the fallacy of depending upon lower prices alone to avert surpluses and bring production into line with demand," Senator Hubert H. Humphrey declared yesterday in an address to a county Farm Bureau picnic at Winona.

Calling attention to record production levels this year despite Secretary Benson's lowered price support levels, Senator Humphrey said "it is becoming obvious the sliding scale theory is failing to solve the problem it was claimed it would solve, and only creating worse problems of financial hardship instead."

Instead of trying to achieve production balance by "deliberately putting a price and income squeeze on farmers", Senator Humphrey said, "It is time we gave more thought to achieving a better production balance by making it possible for farmers to make a decent living out of less acres and less production."

"Let us start giving more thought to a practical way of taking some of our land out of production and diverting it to soil-building conservation practices instead of temporarily unneeded food and feed," Senator Humphrey said. "Let us think about storing future productivity in the soil itself, instead of just storing excess food beyond normal safety reserves in bins and warehouses."

But to make such a shift, Senator Humphrey warned, "we are going to need a more realistic price support program giving the farmer a decent chance to make a fair living out of his limited production, and provide him with conservation incentives enabling him to keep part of his land in reserve without substantial loss in income."

Senator Humphrey called attention to his two-fold legislative program designed to achieve that purpose, including:

1. A new price support concept extending 90% of supports by loans or payments to a broader range of commodities, but limited to not more than \$25,000 worth of production from anyone farm, with support at 75% on the next \$25,000 worth of production and no government support at all on production of commodities in excess of \$50,000 on any one farm.
2. A Conservation Acreage Reserve proposal providing incentives for a nationwide "soil bank" program of taking unneeded acres out of production and building them for future needs.

Senator Humphrey has introduced bills in the Senate for such farm program changes, along with measures for liberalizing farm credit, expanding the special school lunch milk program, and providing a "food stamp" plan for distribution of surplus commodities.

He predicted "a vastly improved farm program" would come out of the 84th Congress as a result of a nationwide series of hearings to be conducted by the Senate Committee on Agriculture of which he is a member, including two hearings in Minnesota in October.

From the Office of  
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For Release: Tuesday P.M.  
August 23, 1955

AMERICA'S FARMERS CRACK RUSSIA'S IRON CURTAIN

The lever that is finally making a crack in Russia's iron curtain is the productivity and efficiency of American agriculture, Senator Hubert H. Humphrey declared in an address before the St. Paul Rotary Club today.

And the agricultural abundance about which some Americans fret may yet turn out to be "the soft goods that lead to softening the belligerency of the Kremlin", Senator Humphrey declared.

Senator Humphrey, member of both the Foreign Relations and Agriculture Committees in the Senate, emphasized the relationship between the two in commenting on the recent exchange of touring farm delegations between Russia and the United States.

"Russia did not send a delegation here to look at our industrial plants -- they have their own. Russia did not send a delegation here to seek information on A-Bombs and H-Bombs -- they have their own. But, they did send a delegation here to learn the secrets of American agriculture, for Russian agriculture has been a failure -- the Achilles Heel of the Communist regime.

"The need for knowledge to feed their own people has accomplished what threats of armed might and atomic retaliation have failed to accomplish -- it has opened a crack in the iron curtain, and permitted a grudging admission of the need to learn more about the American way. It may well be a harbinger of new and improved relations, accomplishing more than all the diplomatic conferences could accomplish.

"American agriculture also has the answer to the next step in further improving relations with Russia. We have food in abundance, food Russia may make further concessions to obtain.

"Depending on Russia's willingness to prove by deeds rather than words a changed pattern of really turning from hopes of conquest to concern for its own people, America is in a powerful position to bargain on opening of East-West trade

"If that door to trade is cautiously opened, it should be opened on agricultural commodities -- for food and fiber serve human needs, and can and should be effective weapons for waging peace instead of waging war."

Senator Humphrey said the current situation again emphasizes that America's farm abundance "is a blessing rather than a curse, strengthening our hand in international relations.

"It is a sad commentary upon ourselves, however, that the one segment of our American economy now proving most effective in the cause of peace is the most neglected segment of our entire economy," Senator Humphrey said.

"It emphasizes the need for taking better care of American agriculture, and making sure we protect and preserve our family farm system with its ability to produce in abundance and to produce at a fair return."

To do that, Senator Humphrey said "we must quit exploiting human resources and land resources. We must provide equality of economic opportunity for farm people, and increased conservation to assure future productivity for our growing population."

M O R E



Minnesota businessmen should realize the seriousness of the economic blow being suffered by agriculture, Senator Humphrey warned.

"Farm income in our state was down \$100,000,000 last year, and will be down more than another \$100,000,000 this year," he declared. "That is money out of the pockets of Minnesota's main street businessmen, as well as out of the pockets of farm families.

"We are all devoting our energies to getting new industries and new payrolls for Minnesota, yet some sit by too idly and watch hundreds of millions of dollars worth of potential farm spending be wiped out."

Lower price supports invoked by the Eisenhower Administration this year alone Senator Humphrey declared, has meant a loss of an estimated \$106,000,000 in value of the state's farm production, including nearly \$30,000,000 less for butterfat, \$2,000,000 less for wheat, \$14,500,000 lowered value of corn, \$30,700,000 lowered value of barley, \$14,400,000 on soybeans, and more than \$8,000,000 less on flax.

"By one decision in Washington, \$106,734,658 in potential value of Minnesota farm production has been wiped out virtually overnight," Senator Humphrey said.

"Every Minnesotan recognizes the interdependence of our economy. To be sure we are a great industrial area. Our Twin Cities are noted for their great financial and credit institutions, wholesaling and retailing establishments, and factories and shops. We are a central point for all forms of transportation.

"Knowing this to be a fact, we must all keep in mind that the economic growth and prosperity of our urban centers and of our business community is primarily dependent on the economic health and prosperity of our agriculture.

"Minneapolis and Saint Paul are the trade centers for the great agricultural Midwest. There is an economic relationship between farm and factory, between farm income and business income. Minnesota business should be much more interested in the price quotations on the grain market, the hog market and the dairy market than on the New York Stock market.

"It is our agricultural markets that are showing definite signs of weakness. The growing reports of the all-time high of prosperity are blurred and distorted, by the unmistakable reduction in farm income and drop in agricultural prices. Farm income has dropped 6% in the past year. The estimates are that it will drop another 5% the next year.

"No other segment of the American economy has received such an economic blow. We lived through this situation once before, and while I recognize the differences between now and the twenties, one cannot ignore the strangely similar situation, with the stock market at an all-time high then and now, and with farm prices becoming depressed then and now.

"The present farm program will neither regulate production to demand nor provide a fair return for farm operation. It is an economic misfit. It is unworkable. It can lead but to further trouble.

"The Congress of the United States must rewrite the farm price support program, taking into consideration the imperative need of keeping agriculture on an equality with the rest of the economy.

"I make these suggestions as the basic principles for an effective farm price support program:

1. "90% of parity supports should be granted to farm production on family size farms;
  2. "All agricultural price support and credit policies should be directed toward not only preserving the family farm type of agriculture, but toward its encouragement and expansion.
  3. "Production controls should be used in coordination with a 90% parity formula. Controls will be accepted only when income levels are not depressed to a point below cost of farm operation.
  4. "Marginal land should be with-drawn from production under a nationwide conservation program. Farmers are custodians of the soil. The fertility of our soil must be preserved for a growing and expanding nation. Farmers can not be expected to bear this cost alone. A conservation acreage reserve is a national obligation and a national responsibility.
  5. "Federal and state governments, in cooperation with industry and agriculture, should step up research directed toward finding new uses and new utilization for agricultural production. The science of agricultural chemistry offers a great hope for the use of our agricultural abundance.
  6. "The easing of trade restrictions by the East and the West can be accomplished with no injury to American security in agricultural commodities.
  7. "Price support policies should be expanded to include not only crop loans and storage of agricultural commodities, but where feasible, the use of production payments particularly on perishable commodities. Production payments are no longer a theory. They are being effectively used on such commodities as wool and sugar."
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