

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

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MAKE SURE U.S. PORK-BUYING BENEFITS GO TO PRODUCERS,
SENATOR HUMPHREY SAYS

Any emergency government pork-buying program "must be aimed at lifting prices to producers, and not be just a bonanza to processors", Senator Hubert H. Humphrey (D., Minn.) warned today at opening sessions of the annual Midwest Democratic Farm Conference in Des Moines.

While calling for immediate government action to halt collapsing hog prices, Senator Humphrey said, "We want a better and more realistic program than the one Secretary of Agriculture Benson so timidly used for temporary purchases of beef."

"Beef was purchased on competitive bids from processors," Senator Humphrey said, "with no requirement that the processors pay any fixed level of prices to producers for the beef they sold the government."

"As a result," Senator Humphrey added, "processors found a good market with the government for beef they purchased at distressed levels. While producers benefitted indirectly to the extent that some beef was taken out of normal marketing channels, the biggest profit bonanza went to the processors, and prices to consumers were forced up without comparable increases in returns to producers."

"There's nothing to stop Secretary Benson from requiring processors submitting offers to the government to certify that they paid a fixed fair price level to producers for the pork they wanted to sell. Personally, I feel that level should assure 90% of parity to our pork producers -- but knowing Secretary Benson as I do, I'm doubtful we can achieve that level for supporting hogs without new legislation. However, whatever level Secretary Benson establishes would be better than nothing toward seeing that the benefits of any hog purchase program are passed along to producers where help is needed, instead of stopping with processors who are already making record profits."

Senator Humphrey said Secretary Benson "has all the authority he needs" for such emergency purchases now, and can use his administrative authority to make sure the benefit goes to the producers "if he is willing to do so."

Ample outlets exist for such temporary purchases of pork through the school lunch program and foreign aid programs, Senator Humphrey added.

"Instead of shipping feed grains under our foreign aid programs it's time we shifted to finished products like meat so we can consume more of our feed at home and save on shipping costs by moving food in more concentrated form."

Senator Humphrey said such emergency action "was needed right now, without a day's delay", but that Congress must broaden the farm program to make such support mandatory for perishables such as hogs, beef, and eggs, rather than "leaving producers to the discretionary mercy -- or lack of mercy -- of any one man".

He said he would outline in more detail later in the conference his own recommendations for improvements in the entire farm program.

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FAIR INCOME ON LESS ACRES MUST BE FARM GOAL, SENATOR HUMPHREY SAYS

America's rural economy "shouldn't be expected to absorb alone the hardship and loss of any production adjustments required for the good of the entire nation's economy", Senator Hubert H. Humphrey (D., Minn.) declared today in a luncheon address at the annual Midwest Democratic Farm Conference at Des Moines.

"Just as the entire nation shared in the financial burden of converting industry from wartime to peacetime production, the entire nation has a moral obligation to aid agriculture achieve adjustments from excessive production resulting from the nation's wartime demands," he declared.

"We didn't penalize munitions manufacturers for the production of shells we didn't have to fire. Neither should we penalize farmers for production of food the world might have urgently needed if Korea had broadened into the threatened worldwide war."

Full reliance upon lower farm price to achieve such adjustments is "both unfair to farmers, and unworkable", Senator Humphrey added.

"Increasing rather than decreasing production as farm income continues downward has proven the fallacy of depending upon lower prices to avert surpluses and bring production into line with demand. It is becoming increasingly obvious that 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."

Senator Humphrey said that farm prices must fall in the neighborhood of 20 percent to move into consumption a 3 percent increase in output, while a cut of 3 per cent in total food supplies means that farm prices will rise in the neighborhood of 20 per cent.

"Instead of trying to achieve production balance by deliberately putting a price and income squeeze on farmers, it's 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 fiber. 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, 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 is author of both Conservation Acreage Reserve and Family Farmer Price Support bills in the Senate, and explained he regarded them as "important supplements to each other, not in any sense substitutes for each other".

As suggestions for "an improved farm program geared closer to the needs of the Midwest", Senator Humphrey said his Family Farmer Price Support bill would provide for:

1. Restoring price supports to 90% of parity, but limiting eligibility for such support to basic family farm production under a new domestic "two-price" concept.
2. Extending support to cover such perishables as hogs, eggs, farm chickens, broilers, turkeys, beef cattle, whole milk and butterfat at the same levels as basic commodities, but authorizing use of production payments as an alternative means of support for such commodities to avoid excessive purchase and storage.
3. Supporting soybeans, cottonseed, flaxseed, dry edible beans and rye at the same levels as the basic commodities "as promised by General Eisenhower at Kasson", and fixing the support level for grain sorghums, barley and oats on the basis of their comparative feeding value to corn.

"I believe my price support bill would achieve a better balance between economic and social objectives of farm legislation by offering some semblance of protection toward fair prices for the basic production required to meet living expenses of a family farmer, yet removing support incentives for the big farm operator to increase his mass production beyond the point for which there is effective demand in the open market," Senator Humphrey said.

Under terms of Senator Humphrey's bill, farmers would be granted not less than 90% of parity price supports on products from any one farm up to a gross value of \$25,000. For additional farm production with a gross value up to \$50,000, farmers would be eligible for price supports of not less than 75%. For production above the \$50,000 gross value limitation, no support would be provided at all.

Emphasizing the need for a "more complete and comprehensive farm program that doesn't put all our eggs in one basket", Senator Humphrey said that in addition to his Conservation Acreage Reserve and Family Farmer Price Support bills he has introduced measures for liberalizing farm credit, expanding the special school lunch milk program to include milk distribution in non-profit Neighborhood Houses and Children's Camps, and providing a "food stamp" plan for increasing consumption of surplus commodities among low-income families.



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