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PARTICIPANTS: THE HONORABLE CLINTON P. ANDERSON
United States Senate
(Democrat of New Mexico)

THE HONORABLE HUBERT H. HUMPHREY
United States Senate
(Democrat of Minnesota)

SUBJECT: A reply to Secretary of Agriculture Benson's
farm program broadcast on the CBS Television
Network Thursday, February 23.

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SENATOR ANDERSON: Good evening. My use of time tonight will not be strictly a rebuttal to the presentation last week by Secretary Benson. I watched his program carefully but felt that he did not contradict the essentials of the January 26 Ed Murrow story. Mr. Murrow took his microphone to farmers and let them speak. Secretary Benson presented Senator Martin, whom we saw on a hand-shaking tour of Iowa, but I did not hear the voice of a single farmer while Senator Martin shook his hand.

Yet farmers want to talk about current farm distress. Eleven thousand farmers belonging to the Illinois Agricultural Association packed the Bradley University Field House in Peoria a few weeks ago to express their opinion of the farm bill now before the Senate. They were vocal.

A Nebraska farmer wrote me after the Benson show to suggest a theme for my talk tonight. He expressed his apprehension of present slipping farm prices at a time when everything the farmer has to use is going higher. These are his words, "I have farmed 46 years and think the only thing that saved us from being a Communistic Government today was Mr. Roosevelt's farm program." I share his belief that an alert and progressive farm program helped this nation keep its balance in its time of economic disaster.

A farmer from Independence, Iowa, wrote me after Mr. Benson's show to say that the income on eight farms operated by the Iowa State College Agricultural Foundation dropped

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66 per cent in 1955. This farmer asked, "If the college-managed farms can't make it, how do you expect an ordinary farmer to make it?"

Secretary Benson is an honorable and upright man who wants to be helpful to the American farmer. He has supported principles and programs which I support, such as variable price supports and a soil bank, which had their origins early in the administration of President Roosevelt.

Henry Wallace used to say, "When the Ever Normal Granary begins to overflow, store the grain in the soil." Hence, the term "soil bank" now advocated by Mr. Benson. Like Mr. Benson, I believe in what is called "modernized parity." I proposed this new formula to the Congress.

If it appears that I agree with Secretary Benson on many things, where then do we part company? My answer is: On performance, -- on the question of what gets done. No law is any better than its administration. No system of price supports, rigid or flexible, will work with warehouses clogged with grain, with mountains of cotton building higher every day, with rice stocks at fantastic levels, and with no assurance that the Secretary of Agriculture intends to stand firm on the two questions most vital to American agriculture: Will we dispose of our surpluses promptly and steadily so that they do not continue to destroy agricultural prices at home and abroad? Will we at the same time, control the rate at which our

agricultural production is expanding? Unless we do these two things the present farm bill debate is a waste of time.

Suppose we turn to a few charts. The first one traces the relationship between net farm income and national income, -- not in total dollars, but in a way that permits fluctuations to be followed. Notice that they travel on almost parallel tracks from 1910 to 1914 -- the Golden Age of farming in America, the original base period of parity -- just as they did during the previous 40 years. Then came the distortion of World War I when the European demands for American food brought sudden and sweeping prosperity to American agriculture. Then the war ended and agriculture collapsed, as the chart shows. Then came a long period of traveling together until World War II when agricultural prices were held more closely under price control than industrial prices. Then controls came off and agriculture caught up with the rest of the economy.

But, beginning with the year 1948, you can see these lines begin to separate, national income going up in eight or nine years to 50 per cent above what it was in 1947, farm income dropping down more than one-third of what it was that same year. These are the jaws that opened to crush the American farmer. This is truly the farm problem. Toward learning the cause and cure for this spread between net farm income and national income, every effort of the Secretary of Agriculture should be bent.

I hope to be fair. Much of this income gap opened up before Mr. Benson became Secretary of Agriculture. But once in office his first aim should have been to clear the decks so his

farm plans could operate and halt further surplus accumulations with their demoralizing effect on farm income. Has that been done?

Let's take a look at Commodity Credit loans and stocks on the books as of June 30 each year. Don't pay much attention to the 1952 figure of \$1,437,000,000. This was before Mr. Benson took office. Instead, look at the figure of \$3,476,000,000. It is the total of loans outstanding or stocks owned as of his first year in office. Today that figure is closer to eight billion dollars. Why should he boast of selling or giving away four billions in food and fiber if he acquired nine billions at the same time?

Now let's look at a few commodities to see what has been happening.

Cotton is the number one problem because it affects so many of our homes. Our cotton carryover was below 3 million bales after the 1950 and '51 crops. After the 1952 crop, this carryover of cotton was 5-1/2 million bales and after the 1953 crop, it had climbed to 9,728,000 bales. The 1955 crop will give us a carryover of about 14 million bales. It is my view that the Secretary should have launched an export program three years ago to hold down the cotton surplus.

The cotton story is worth a few more seconds. There's a law which permits the Secretary to limit the number of acres which can be planted to cotton so that the yearly harvest will

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In fairness to Secretary Benson, I must say that cotton marketing quotas and acreage limitations should have been applied to the 1953 crop, over which he had no control. Because this was not done on his first crop as Secretary, the curbs on his second crop needed to be more strict. Instead the Secretary chose in October of 1953, by a bookkeeping device, to permit cotton farmers to plant an additional 415,000 extra acres and thereby defeat the purpose of the ten million-bale limitation. So he shrunk with one hand and expanded with the other. His action tempted the Congress to lift the lid still more, and Congress did, adding about three million unneeded acres.

Now what will follow? The Secretary must use quotas on cotton in 1957. If he again uses his bookkeeping device -- figuring on planted instead of harvested acres -- he will announce an allotment of 15,841,000 acres, but if he holds to harvested acres, next year's allotment would be 14,724,000 acres, or 1,100,000 acres -- and a million bales -- less.

Now the test will be this: What will the Secretary do? Will he try to hold cotton production to ten million bales or will he let cotton pile up as he did when he chose the liberal treatment for 1954? Or will he perhaps take an extremely reckless step, with his eye on the farm bill vote next week?

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Will he proclaim no reduction at all? Will he instead leave the cotton allotment at 18,000,000 acres for 1957 and 1958, and thus hopelessly confuse the whole cotton situation for years to come?

Yesterday's newspapers carried a report that Mr. Benson will offer our surplus cotton in world trade at competitive prices and try to dispose each year of 5,000,000 bales. That is good.

But will he now withstand the pressures of the State Department which often opposes aggressive exporting of our surplus commodities? Will he withstand the pressure of Egypt, where a government wants to build the Aswan Dam and give our cotton farmers more overseas competition?

Another question: Why does he announce he will start the program in August? Why not start it today, or at the latest, tomorrow?

I'm afraid the announcement of a program postponed to August 1 means that we will toy with it until election day and then yield to the pressures of other cotton-producing nations.

There is no middle ground. We must either sell our cotton competitively at home and abroad or we must shrink our acreage to match our shrinking trade. Mr. Benson has thus far declined to do that as our mountain of excess cotton so eloquently testifies.

Let's turn now to wheat. The carryover of wheat in 1953,

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when Mr. Benson became Secretary, was 562 million bushels. Today it is more than one billion bushels. Two days ago the Department of Agriculture estimated the combined oncoming winter and spring wheat crop as 25 million bushels more than market needs. When Mr. Benson came in our export wheat subsidy was 54 cents a bushel. Today it is 87 cents, and we still can't move wheat. We don't seem to be able to give it away as fast as it grows.

Next, let's look at rice. When Mr. Benson became Secretary the carryover was 1,515,000 bags. The next crop year ended with a carryover of 7-1/2 million bags and the next year with 29,900,000 bags -- more than all of the rice held during the twenty years of the Democratic Administration.

The 1956 estimate of surplus rice stocks is about 28 million bags. Why didn't production come down? Because Congress, in the closing days of the last session, passed a bill preventing the Secretary from reducing the 1956 acreage more than 15 per cent below the 1955 figure. But Congress isn't entirely at fault. The Department of Agriculture not only favored the bill but testified that controls should have been imposed on the 1954 crop, (they were not,) and that exports had been overestimated. This excuse is handy, if you don't want controls. Still the Department wanted the rice acreage cut to be no more than 15 per cent, even though the Senate bill would have allowed a cut of 25 per cent. So now we have rice running out of our

ears with more to come.

Now what will the Secretary do? Will he demand that 1957 acreage go down to a point where that crop will be brought in line with anticipated consumption at home and abroad? Or will he let rice grow faster than he can give it away?

This is no mess that the Secretary inherited. This is a mess of his own making.

This is the pattern I see: Always a willingness to have fewer controls than prices and surpluses demand.

We need to bring our surplus stocks to a reasonable level and control our expanding agricultural production so that surplus stocks are not rebuilt. Then -- and only then -- will price supports of any type work as they are intended to work. Then -- and only then -- will our farmers get a just share of the consumer's dollar and a fair distribution of national income. They will not be satisfied with anything less.

And now it is my great pleasure to present to you my colleague in the Senate, and the Senate Agriculture Committee, Senator Hubert Humphrey, of Minnesota.

SENATOR HUMPHREY: Thank you, Senator. Thank you very much.

Senator Anderson, I want to commend you for your very splendid and, may I say, well-documented presented. Your record as Secretary of Agriculture is a source of great pride to your many friends and surely it ought to be to you.

Now, friends, I am deeply grateful to the CBS for this opportunity to speak to you over radio and television about the so-called farm problem. The simple truth is that this isn't a farm problem that we are confronted with. This is a national problem.

Our farmers are part of a great national economy. What's more, our farmers are customers for city workers and businessmen, just exactly as businessmen, city workers and housewives are customers for farm production.

We Americans need to think of an economy in balance, and we need to think of each other, and not at any time ever try to take advantage of one another. The true purpose of American democracy is justice.

So I want to say that there is something more than just prices and income involved in this farm question. There is a great moral question involved, a moral responsibility on the part of our Government, namely, whether or not this democracy of ours provides

a fair treatment, equality of treatment, for the different people in our economy.

I was very, very much interested in and pleased with the Ed Murrow show of some weeks ago. I was rather surprised when the Secretary of Agriculture decided that he wanted to reply to that splendid television show, and I was disappointed in the Secretary's reply, because he didn't answer Mr. Murrow. He went on to make a political speech in behalf of the Eisenhower farm program, which, by the way, may be a farm program in the newspaper ads around this country, but there isn't any Eisenhower farm program before the Congress.

There is a farm program that has been developed by the Senate Committee on Agriculture and Forestry, a Senate Committee on which I am proud to serve and upon which Senator Anderson serves, and of which the chairman is Senator Ellender, of Louisiana.

That farm program is before us, and we are going to take action on it.

But as I said, I was disappointed that the Secretary of Agriculture seemed to take issue, not so much with Mr. Murrow, but with the farmers that Mr. Murrow interviewed. Farmers were speaking up for themselves. They wanted to be heard. They talked into the microphone. Their voices were recorded, and those voices were brought to you over the airwaves, through your television sets and your radios.

Now, tonight I want to talk to you about our agricultural

situation, and I'd like to talk in terms of facts, not just opinions, but facts as they have been developed by none other than the Department of Agriculture.

Now, these facts are available to the Secretary of Agriculture and to the President just as they are available to Senator Humphrey or Senator Anderson or anyone else.

It seems to me that people ought to know the facts.

Now, I have prepared some rough charts. They are not works of arts, but possibly they will be helpful in explaining to you what has been going on in the agricultural economy of America and how agriculture stacks up with the rest of the nation.

Now, if you will just join with me for a moment, let's take a look here at Chart No. 1, "How Farmers Compare with Others." That is what that chart says. Let's take a look here, for example, corporation profits after taxes, starting in 1952 and running to 1955.

Corporation profits after taxes are up 36 per cent. Dividends are up 22 per cent in these three years. Interest -- and this is a big item for farmers, because farmers have to make short-term loans as well as long-term loans, up 28 per cent. Weekly earnings of manufacturing workers -- that is per week -- up 14 per cent.

Now, that's how the rest of the American economy has been doing.

Now, how has the farmer been doing? What has been happening

to this farmer in this same three-year period? I used this period because there was a change of administrations in 1952 or the end of '52 and the beginning of '53.

Now, let's just take a look for a moment here, how farmers compare with others. Here's farmers' total net income: In 1952, \$14,900,000,000; 1955, \$10,600,000,000, down 29 per cent; farmer income per family, down 24 per cent.

What about the number of farms? And this is an interesting figure. The number of farms in three years is down 9 per cent.

You see what is happening. Our farmers are leaving the farms. They are not leaving because they want to. I can assure you that I receive hundreds of letters every week from farm families telling me, as their Senator, that they are going to have to leave the farm; they are selling out -- auction sales. There have been foreclosures, too. Even though the Secretary didn't seem to feel there had been very many, may I say there have been plenty? Farm mortgage indebtedness has gone up from 5-1/2 billion dollars in 1952 to almost nine billion dollars in 1955.

Right out in the mid-West this last year, there was an increase in short term loans of over 17 per cent over last year. Now, those are some of the sad facts.

I think one of the most tragic facts of all is that our young people are being forced off the farms, these young G.I.'s that came back from World War II and from the Korean war, that bought farm land and farm equipment at high prices, and are being compelled to try to pay off that high priced equipment and land with low agricultural prices and reduced farm income.

Frankly, they can't make it, and the farm population is growing older and older, and our young people are going to the cities. They are not staying on the farms. And if this keeps

up, ladies and gentlemen, you are going to have an old, old farm population, or this land of ours is going to get in larger and larger units until, frankly, American agriculture will be somewhat collectivized, not state collectivism, but private collectivism.

I happen to believe in the family farm. I think family farming is good for America. I think it is a part of our social structure. It is family farming that makes possible rural communities -- that church on the crossroads there. It is family farming that makes possible local government, township government, and I don't want to see American agriculture be driven to the point where you have huge estates, like in some of the older countries of the world, where there is the management and then the hired workers by the hundreds and hundreds working on machines. That'll change the picture of America, and it will do something to our democracy. It will cheapen our democracy, and it may very well threaten its stability.

Now, you've heard another statement many times on radio and television and in the press. You have always heard about parity. Now, what is parity? It is a word that is bandied about -- the parity ratio.

Well, it is very simple. Here is another one of these rough charts I would like to show you -- parity ratio. It is like a scales. Parity is justice. It is equality. It is a

measurement of what farmers get for what they receive, or for what they sell, as compared to what farmers pay for what they buy. In other words, it is farm costs and farm prices. When they are in balance, that's a good situation. That means farming is in balance with the rest of the American economy.

Now, that's what it was in 1952, before the change of Administrations. The economy was in balance.

Now, let's take a look and see what happens when parity gets out of balance, the parity ratio, I should say. Here is another chart, the parity ratio, in 1952. It was approximately 100 about election time. Now it is down to about 80 to 81 per cent. You see what happens to the scales of justice, of economic justice? Farmers' costs go up; farmers' prices go down, and there is trouble in rural America.

Now, I mentioned to you a moment ago something about this parity ratio and what had been happening to it. I don't want to use too many charts, but sometimes I think the graphic display is a little easier to understand than just talking about these things.

So I've prepared another chart, tracing the parity ratio from 1952 right down to the present. You'll see what has been happening in American agriculture.

Now, just take a look at this chart. Here's how the parity ratio has fallen. We start up here in 1952, the end of 1952. It would be about here, where it was about in November,

October, 100, about election time. Now, that meant everything was in balance, farm prices and farm costs.

Look what's happened, the first year of Mr. Benson's period as Secretary and of the Eisenhower Administration. Look at it go down and down and down and down and down.

That isn't flexible parity, my friends. That is sliding, sliding off into the deep depths of a farm depression, until today, in 1956, in January-February, it stands between 80 and 81 per cent.

Well, now, that gives you a picture pretty well of what's been happening to American agriculture, and I think it would be well now if we just took another look at what farmers' costs are all about. You hear so much. The Secretary says the farmers' price problem is due to labor or it's due to business. He seems to find new scapegoats for farmers' troubles.

Very frankly, the farmer's troubles are due to low prices, and low prices are due to the glut of the market and to mis-administration and maladministration by this administration.

Here's the index of prices paid by farmers: Interest. Look at this item. Interest rates, up 27 per cent since 1952. Taxes, mostly local taxes, up 16 per cent.

Now, you will see clothing, automobiles, and farm machinery, about 3 and 4 per cent. Now, this is where your labor costs become involved. Actually, labor costs have not been the problem for the farmer. What's his problem is simply this, that his interest rates -- and he borrows a good deal of money for his operation -- are up. Taxes, mostly local taxes in this instance, are up, due to new schools and new roads.

But most of all his problem is that his price is down. His income is down.

Now, do you want -- the Secretary would have us believe that maybe the way to answer this is to push everybody down. Well, now, that is not the answer. May I say that would bring national catastrophe.

I think another example that will be helpful to you is what's happened to the farmer's share of the food dollar. In other words, in 1952 the farmer got 47 cents out of every dollar that every housewife spent for food. What does he get now? He gets 38 cents, 38 per cent out of every dollar that you spend in that supermarket or that grocery store.

Where has the rest of it gone to? To the middleman. The farmer isn't getting it. And when you go to the grocery store or the supermarket and buy food, just remember that the farmer's share of that food dollar has gone down and down and down.

Now, I am not asking that we penalize grocers and supermarkets. I am saying that what needs to be done is to develop a farm program here that will bring these prices up so that the American farmer can come up with the economy, rather than pulling down the economy.

Now, in the few moments that are left, just let me point out to you, because so much has always been said about the mess that Mr. Benson inherited, or the Eisenhower Administration -- Senator Anderson has talked to you about that. Quickly put, actually in 1952, even though we had 90 per cent of parity on wheat, 90 per cent of parity on corn, we had actually less, may I say, than three months' wheat supply in 1952. We had less than a month and a half of corn in reserve in 1952. We had only two months of feed grains in 1952.

Now, what happened in 1955? We had thirteen months of wheat after three years of what you call, what the Republican Administration would like to call, efficient agricultural administration. We had three and a half months of corn, 1,050,000,000 bushels, and we had three months of feed grains.

In other words, their program hasn't worked. The surplus problem has become worse and worse and the price problem has

become ever worse.

And now quickly, another chart that will be helpful to you. Mr. Benson says the answer to all this is what he calls lower price supports. He calls them flexible price supports. Well, let me just show you what's happened. When you've lowered the price support level -- and I've got the chart here -- like oats, down 22 per cent, production up 30 per cent. Take barley, price supports down 23 per cent; production up 71 per cent. And the chart is fully descriptive.

As a matter of fact, any one of these commodities where you have lowered the price support level, you have got increased production.

And now as I bring this to a conclusion, let me just say this about the farm program. A farmer has a loan program that provides for orderly marketing. That is what he has. And when we ask for 90 per cent of parity upon our farm commodities, all we are asking for is a government loan upon a commodity.

Now, let me show you. Here is Commodity Credit Corporation -- 90 per cent loan on farm commodities. The farmer pays 4-1/2 per cent interest on that loan, and the farmer pays 11 cents a bushel storage charges.

Now, when you buy a house out here, most of us, you get a 90 per cent loan guarantee to the banker for you loan. The same principle. Now, if you default on that loan, the government takes the house. If the farmer defaults on his loan, the government

takes the grain.

I leave you with this thought. Our agriculture is so much a part of our national history that we've got to protect it. And it's got to become an ever more important part of America's national life.

I say the way to do it, ladies and gentlemen, is through the cooperation of government and farmers and the community. Let's be a little more understanding of each other.

ANNOUNCER: From Washington, D. C., CBS television has brought you a special program with Senator Hubert H. Humphrey, Democrat of Minnesota, and Senator Clinton P. Anderson, Democrat of New Mexico. This time was made available to the Senators so that we might present another viewpoint on the farm problem.

The Quiz Kids, sponsored by the makers of Anacin, usually seen over many of these same stations at this time, will be seen one week from tonight.

This is the CBS Television Network.



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