

001647 Fargo, N. Dak.

Legislators,  
Commissioners  
Mayors  
Farmers, Labor

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Quentin Burdick ©  
Herschel  
Laskowitz ©  
of Fargo  
Mayor Stearns  
and his wife  
of Moorhead

Senator Ray ©  
Vendell  
Sen minority leader  
Rep Arthur Link  
minority leader  
Grove

I want to talk a little bit about what has happened to  
the business of farming and at greater length on what our farm  
policy goals should be.

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We need to look back, for there is much to learn from  
the events that have gone before. But we need also to look into  
the future, to have firmly in mind what we want and need, what  
our goals are. Only then can we map out the steps to be taken,  
the ways in which we should move forward.

Farm

You do not need me to describe for you in detail the farm  
income decline in recent years. You know more certainly than any  
one else in the world that farmers' incomes have eroded away steadily  
and dangerously, while the costs of the things farmers need to buy  
have climbed. You struggle daily with the cost-price squeeze.

Farm  
Income  
Decline

Lard 8¢ - 21¢

Hogs at

# Farm Subsidies

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You know more surely than anyone that our farm programs have been wrecked, piece by piece, during these past years -- it is almost seven years now -- and the very concept of a national farm program has been made the whipping boy of the national periodical press and the commentators.

The public has been led to believe that farmers receive enormous subsidies as annual gifts from the federal taxpayer. This kind of mis-statement is making it more and more difficult to get any improving farm legislation passed by Congress.

What is the basis for this widely believed fallacy?

It comes from the annual budget appropriation for agriculture and agricultural resources. For fiscal 1960, agriculture was the third largest item in the budget, coming after defense and interest on the national debt. It approximates \$6 billion.

But much of this budget does not go to the farmer at all.

Part of this \$6 billion goes for loans which will be repaid.

For example, a half billion dollars goes into funds to be loaned by

Budget

Loans

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the Rural Electrification Administration and the Farmers Home Administration. The repayment history on such loans is excellent.

L Some of the agriculture budget money goes for research. *Research*

Some goes for services that benefit consumers far more  
than farmers, for example the school lunch and school milk programs  
which are actually investments in the health of our children -- America's  
future. *School Lunch*

Expenditures for the forest service, meat inspection service,  
soil conservation program, and many other USDA services are for the  
benefit of the whole nation. This money is not spent for farmers *done*

*Forest  
meat  
inspection*

Not even all expenditures for price support can be considered  
farm subsidies. Commodity Credit Corporation recovers around 65 to 70%  
of the investment when commodities are sold. When surplus foods are  
donated to the needy on welfare lists and to the unemployed, and the  
victims of disaster, the costs are clearly in the national interest.

*Surplus  
for  
needy*

L Government-owned commodities sold over-seas for soft currencies  
make a tremendous contribution toward building for peace.

*Food  
overseas*

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If we could bring into reality a true food-for-peace program, as I and a large number of my Senate colleagues have urged, the rewards would be of inestimable value. Certainly such use of food should not be charged up as a hand-out to farmers.

Ford  
FOR  
PEACE

Farm price support programs, however, do cost too much.

Farmers agree with consumers on this point. But farmers know too well that the programs have been mismanaged and distorted by the Republican Administration.

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 agriculture -- your problems are of grave concern to me.

They should be of serious concern to all citizens, farmers and city people alike.

Certainly these problems have been and continue to be of concern to the 86th Congress.

But it is only fair to point out to you that Congress works under certain limitations.

It is the duty of Congress to legislate, with the advice and cooperation of the Executive. We have attempted to fulfill that duty, but the vacuum of administration leadership and cooperation has blocked us, has prevented constructive legislation being enacted.

Congress works under the limits imposed by the President's veto power. This means that any farm bill that doesn't have the blessing of the President has to rally a two-thirds vote -- to over-ride the Presidential veto.

Also, Congress is limited in what it can do for farmers by the veto-power which is held by the Secretary of Agriculture. The power of the Secretary to negate the intent and spirit of Congress is great.

Pres.  
Veto's

Sec.  
Veto's

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However, there is another veto power which must not be overlooked, that held by the Congress itself when it is called on to act on the Administration's recommendations.

Cong  
Veto

This year the Administration asked that the Secretary of Agriculture be permitted to abandon the <sup>4</sup>parity concept in supporting the prices of the basic crops, using instead a downward moving market price gimmick.

Congress said "no."

*Wheat* The Administration asked that all controls on wheat acreage be abandoned, and that wheat support prices <sup>be</sup> decreased -- in effect, that wheat growers be forced to increase production of a crop that is already in surplus supply to the tune of more than 1 billion bushels.

Wheat!

Congress said "no."

As an alternative wheat proposal, the Administration urged that wheat allotments be drastically reduced, together with a reduced price, a move that would certainly cut the purse strings of every wheat producer.

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↳ Congress said "no" and sent to the President a program that would have reduced wheat production -- which he said he wanted -- stopped the growth of the CCC wheat inventory -- which he said he wanted -- and yet recognized that farmers too must live by protecting the income from such greatly reduced production by a 90% of parity support price. I have yet to hear any Administration recommendation that involved bolstering, rather than cutting, farm income.

↳ The President said "no" to this with his veto, even though the proposal would have meant a savings to the taxpayers.

The Administration asked that tobacco growers be forced to abandon the parity concept.

↳ Congress said "no" and passed a bill which, while reducing the actual support price for tobacco, retained the concept of parity, of a fair price.

↳ The President vetoed the bill, even though it would have meant a tax savings.

The Administration wanted the same production-increasing,

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price-slashing program for peanuts that it wanted for wheat.

↳ Congress again said "no."

↳ The Administration asked for only a one-year extension of

the Agricultural Trade Development and Assistance Act, Public Law 480

which provides for the sale and donation of our agricultural abundance  
over-seas.

This time Congress responded with a louder "yes" than the  
Administration wanted by approving a two-year extension of Public Law  
480 and by broadening the scope of this export expanding program. In  
fact, by taking a first small step toward building a real food-for-  
peace program, the kind that I have been urging.

The Administration recommended against any expansion of the  
special program which permits school children to share in the abundant  
production of milk. Congress chose to take into account the expanding  
school-age population and increased the authorization to be sure that  
milk would be available to more children during the next three years.

Food Stamp Plan (Burdick)



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← The brakes were put on another Administration plan -- their plan to increase the interest rates on REA loans.

REA

← Congress passed and sent to the White House a bill that restored to the Administrator of REA the full loan-making authority that had been snatched from him by Secretary Benson. The President, as expected, vetoed the bill. The Senate then voted successfully to over-ride the veto, but in the House just four votes were lacking from the needed two-thirds.

← While this bill did not become law, it did serve notice on the President and the Secretary of Agriculture that Congress was in no mood to accede to their wish to increase REA interest rates. It was a "hands off" signal which they interpreted correctly.

These are achievements, although they are negative achievements and far from the kind of legislation that I would like to see written and enacted.

My Farm Bill X



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