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Farm Program

Mike Mansfield 1903-2001

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FOR RELEASE ON DELIVERY
SENATOR MANSFIELD (D-MONT.)

July 6, 1954

FARM PROGRAM

Mr. President: I do not think that the flexible price support program, as announced and supported by Secretary Benson, is the answer to the farm problem. I feel that the farm economy must be preserved and I am not at all happy about the fact that the farm income in the past two years has dropped 16% in prices paid to the farmers, while the consumers' price index rose from 112 to 114. I do not feel that the farmers are being given undue consideration at this time because, as we all know, direct federal money aid to business exceeds direct aid to agriculture including the net cost of price supports.

It is my understanding that Secretary Benson in his attack on the present price support program before the Senate Committee on Agriculture, submitted as supporting evidence, a statistical table showing the cost of the nation's entire agricultural program from 1932 to 1952 was 16 billion 214 million dollars. In other words the inference was the cost of the price support program over the past 20 years was approximately 800 million dollars a year. Nothing could be further from the truth.

Secretary Benson's 16 billion figure included the cost of everything even remotely related to agriculture. The lending programs of the REA, Farmers' Home Administration and Rural Telephone Program are in the figures submitted by the Secretary. These figures represent loans,

not expenditures and therefore, present an untrue picture made in the statement by the Secretary. In addition to these loan programs, the cost of Soil Conservation, the Extension Service, School Lunches, flood prevention, Forest Service programs and many others are in Mr. Benson's table. Actually, it would appear the loss on price support on the 6 basic crops --- corn, wheat, cotton, rice, tobacco and peanuts, total \$20,720,931 from 1932 to 1953. On the non-basic crops they were \$1,089,415,958 for an over-all loss of \$1,110,136,889. The average annual cost on price supports over the past 20 years, I am informed, has been approximately 35¢ per person.

Government subsidies to business in 1954 alone will equal the entire cost of the farm price support program for the past 20 years. Cost of subsidies to newspapers and magazines, through the loss of handling second class mail over the past 20 years amounted to more than 2 times the cost of the farm price supports for the same period. According to a release by Postmaster General Summerfield in January of this year, he pointed out "since 1938 through the fiscal year 1952, the loss on second class mail, with magazines comprising 68% of the total, was \$2,127,000,000." Yet many magazines and newspapers, with rare exception, have denounced the farm price support program in every conceivable manner while a handful, relatively speaking, representing the publishing industry has received more than twice as much as the entire farm population of the nation in direct federal subsidies.

As has been pointed out many times, though not often enough, business and industry have had a comparatively high protective tariff for 150 years compared to the farmers protection over the last 20 years only. In 1951 airlines received 80 million dollars a year in subsidies. In 1951 construction was underwritten in an amount of approximately 40 million dollars a year. Business was subsidized at the end of world war two at a cost of about 8 billion dollars a year for 7 years. Railroads and other industries have likewise received the protection of subsidies from the federal government.

I feel that not only should the price support program be extended at 90% of parity but I would like to see it increased to 100%. I am glad to note that the President in a message to Congress relative to the wool situation has made the proposal that the grower sell his wool for whatever he can get in the domestic market and then the grower will be paid the difference out of tariff receipts between what he actually received and 90% of parity. This two-price system resembles the so-called Brannan Plan which was opposed by so many Republicans in the previous administration. I can see no justification for a flexible price program for the basic crops and dairy products and a 90% support program for wool. I am in favor of the 90% parity program for wool as I am for other agricultural products.

I have never forgotten the early 30's in Montana and I feel that the farm economy must not be allowed to decline too much or the rest of the economy will follow suit. I want to see farmers maintain as stabilized a level of income as is possible because their responsibilities are great and whereas the farmer has to feed four people today, by 1975 he will have to feed five people. There has been an exodus from the farm to the city and it is my belief that the only way this can be stopped is by assuring more security to the farmer and thereby more security to the rest of our economy.

To accomplish this, parity must be continued, "and a fair share is not merely 90% of parity --- it is full parity". Thus spoke the man who is now President of the United States, at Kasson, Minnesota on September 6, 1952.

Mr. President, I ask unanimous consent that I may insert at this point in my remarks an editorial from the Great Falls (Montana) Tribune of February 11, 1954, and an article carried in the official publication of the Montana Chamber of Commerce Montana Affairs for February 1954. The latter article is titled "Postal Subsidies Make Farm Subsidies Look Puny".