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Speech of Senator Mike Mansfield (D., Montana)
February 23, 1955

AMENDMENT OF AGRICULTURAL ACT OF 1949

Mr. President, today I am introducing a bill which would, if enacted, guarantee farmers 100 percent of parity price for their 1955 and future basic agricultural crops. This bill will return the fair price guarantee for a farmer's product in relation to his cost of living.

The Administration's measure of last year reduced price supports to 82-1/2 percent to 90 percent of parity for basic farm commodities. In the case of dairy products, government supports would be as low as 75 percent. Under this flexible program, price supports go down as production goes up. The best interests of farming and agricultural populations demand a strong price support program, a reversal of the flexible program.

The farmer's income and financial status in our economy continue to be static and less stable. At the same time the remainder of the nation enjoys prosperity. Consumer prices and cost of living continue to rise, but the farmer's income does not follow this pattern. This, obviously, is not a healthy situation.

A sampling of statistics from the Department of Agriculture gives a great deal of support to the concern I have shown over the farmer's dilemma. The average individual income of persons whose entire income comes from farming is one-third as much as the remainder of the population. The net worth of United States farmers has dropped \$10 billion from 1952 to 1954.

The ratio of parity prices received by farmers for their products and the consumer prices paid was 99 percent on October 15, 1952; one year later it was 91 percent; and on September 15, 1954 it was 88 percent. The latest figures show that the ratio had dropped to 86 percent on January 15, 1955. We cannot afford to let this trend go on unchecked.

Since October of 1952, farmer's taxes per acre have increased 11 percent; interest payments have gone up 20 percent; and cost of living for farmers has gone up 3 percent. The farmers average income since 1952 had decreased 14 percent. An isolated case, as an example, is the marketing of meat animals, their market price has dropped 19 percent since 1952.

The farmer is the very background of our society. The great cities of this country are not maintaining themselves. Even from the standpoint of population numbers, the great seedbed of the Nation is on its family farms. Our cities would wither and die but for the farm-born children that migrate to them. If, even for just a few days, the abundant flow of food and fiber from the farms were cut off, the cities would be helpless.

The direct relation of the production and prosperity of family farms to general national interest is not confined to the large cities alone. The ebb and flow of economic opportunity and results of the farm people is, also, of direct importance to the people of the thousands of rural towns and small cities and regional market centers all over this great Nation. This is true not only because the farm is the source of such a very high proportion of our food and clothing, but because the processing and distribution of farm-produced

commodities and the manufacturing, transportation, merchandising and sale of farm production and farm family living supplies is a major or contributing source of income to so many people. The production and income of the farms and ranches of the Nation are directly related to continued national well-being and the rise or fall of national prosperity.

Great national depressions in the history of this and other countries have almost always been preceded by depression and economic reverses on the farms. Is that where we are headed again? I don't know whether the cause and effect relationship is absolute. But nevertheless the Nation can ill afford to take the chance.

Mr. President, the bill I have introduced eliminates the sliding scale of price supports for wheat, cotton, and other basic commodities. These commodities and others would be supported at a fixed level that could not fall with production in increased abundance nor with accumulating safety stockpiles.

My bill provides mandatory price supports at 100 percent of the parity price for the basic commodities--wheat, corn, cotton, tobacco, rice, peanuts; for the important livestock, dairy and poultry products, wool, hogs, eggs, chickens, beef cattle, milk and butterfat; for soybeans, flaxseed, dry edible beans and rye; and a feeding value equivalent to 100 percent of parity for corn to the feed grains--barley, oats, and grain sorghums. These are all commodities that the Nation requires in greater abundance. All are basic to the farm families that produce them.

In addition my bill provides authority for the Department of Agriculture to resume the use of parity payments where needed in conjunction with loans, purchases, and other price-support methods to provide desirable protection to the producers of perishable commodities.

My bill would also add Section 421 to the Agricultural Act of 1949 which would be in the form of a \$2500 limitation on the amount of price support payments any one farmer might receive in any calendar year. In addition, price support payments and loans would not apply if an individual farmer's sale of products is in excess of \$25,000 in each year.

Briefly, I wish to comment on the over-emphasized phases of subsidy and surplus. These two elements of the farm program have been debated time after time, but in the end I think that you will find that their seriousness is somewhat inflated. In regard to subsidy, the subsidies which the farmers receive in the form of price supports, are not nearly so large as the subsidies given to government agencies and private enterprise. Admittedly, we do have large surpluses of certain commodities, but I am sure that we would not feel that they were in excess if the nation should suffer a long period of drought or be faced with a general mobilization.

The stability of the American economy depends on the prosperity and security of the farmer. The only solution, at this time, which will stabilize the farmer's income and prosperity is a program of 100 percent of parity, a high price support program. Only by preserving and improving the strength of the large group of family-size farms in this Nation can we maintain the conditions necessary for preserving our way of life.