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### Congressional Record S. 6247 - Meat Price Controls

Mike Mansfield 1903-2001

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Why not clothing, automobiles, lumber, and many other commodities and products which I could mention? Why should the farmer, alone, be penalized?

Mr. President, let me read a portion of a commentary by Mr. James J. Kilpatrick, a conservative columnist for whom I have the highest regard because, while we may differ, I appreciate his honesty and his forthrightness, and I can understand his logic. The excerpt reads as follows:

The Springfield News & Leader, out in Greene County, Mo., came up with a pointed editorial. Steers were then selling at around \$44 to \$45 per hundredweight.

If beef prices had increased since 1950 at the same rate as postage stamps, the editor observed, beef would have been at \$77. If beef prices had merely kept pace with increases in hourly pay in industry, the figure would have been \$30. If the price on beef had followed the price of medical care, a producer would have been getting \$179 per hundredweight. Granted, meat prices are high today compared to meat prices a few years ago, but these are not the only comparisons that ought to be made.

Mr. President, in 1951, the beef producer received an average of \$34.92 per hundredweight. This was the highest price until 1972 when the average annual price was \$35.83 per hundred. Prices have gone up in the last 2 or 3 months and, at the present time, stand somewhere in the vicinity of approximately \$44, based on the best estimate possible, and this is a result of a decline over the past several weeks. When comparing these prices, one should keep in mind that during the two decades since the Korean war, the costs to the farmers in all categories have increased substantially. Furthermore, over the years, the farmers have had their ups and downs because the very nature of his occupation makes him a gambler. He has to be because of weather, prices, and other factors inherent in his profession.

The President, instead of penalizing the farmer, should take a new look at the inflationary picture and the first thing he should do would be to abolish phase III with its "flexibility" and a "club in the closet" approach because it just will not work, and return to phase II which did work reasonably well. It did keep inflation down and it did give a sense of security and stability to the American people, as a whole.

The time to act is now, not just on a piecemeal basis, and the time to act is now because of four factors:

First. Inflation, in practically all segments of the economy;

Second. The two devaluations of the dollar which have already occurred and now the "floating" of the dollar;

Third. The drop in the stock market; and

Fourth. The continued adverse balance of trade.

Mr. President, the farmer is a consumer, too, and he is entitled to parity with labor and not a "club in the closet" to be used against him alone.

Mr. President, I ask unanimous consent that the column entitled "Everything Is Going Up, So Why Pick On the

#### MEAT PRICE CONTROLS—THE FARMER IS THE SCAPEGOAT

Mr. MANSFIELD. Mr. President, once again, the farmer has been made the scapegoat because of events affecting the economy and, in that respect, he finds himself in the company of Members of Congress who are, all too often, blamed for the ills of the Nation.

The latest action by the President on Thursday last in imposing a ceiling on meat prices is, I think, both unjust and unnecessary. The average rancher today has an income of somewhere around \$12,000 a year and he has earned that the hard way over a number of years; I believe I could say the last two decades, because of the increase from a low point of somewhere around \$6,000 up to the present figure.

The farmer does not work an 8-hour day. The farmer represents, at the most, 6 percent of the total population and because of the difficulties which have been his, that percentage is steadily going down. The latest move by the President will not be of benefit to the farmer or to the economy. Why pinpoint meat prices?

Farmer?" written by James J. Kilpatrick, and published in the Baltimore Sun of Sunday, April 1, 1973, and also a table on "Choice Steer Prices, Omaha Market—All Weights" covering annual average 1950-72 and also monthly averages for 1951, 1952, 1971, and 1972 be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHOICE STEER PRICES, OMAHA MARKET—ALL WEIGHTS

Annual average	
1950	\$28.88
1951	34.92
1952	32.37
1953	22.77
1954	23.45
1955	22.16
1956	20.09
1957	22.61
1958	26.39
1959	26.93
1960	25.18
1961	23.78
1962	26.45
1963	22.70
1964	22.21
1965	25.12
1966	25.69
1967	25.27
1968	26.83
1969	29.66
1970	29.33
1971	32.03
1972	35.83

  

Monthly average 1951	
January	33.63
February	35.34
March	35.34
April	35.78
May	35.12
June	34.58
July	34.67
August	35.13
September	35.95
October	35.17
November	34.95
December	33.86

  

Monthly average 1952	
January	33.95
February	33.65
March	33.46
April	33.12
May	32.80
June	31.50
July	32.10
August	32.25
September	32.06
October	31.77
November	31.41
December	29.52

  

Monthly average 1971	
January	28.83
February	31.80
March	31.42
April	31.96
May	32.35
June	31.91
July	31.90
August	32.77
September	32.21
October	32.11
November	33.30
December	33.92

  

Monthly average 1972	
January	35.74
February	36.19
March	35.13
April	34.53
May	35.66
June	37.88
July	38.21
August	35.66
September	34.85
October	34.85
November	33.56
December	36.79

EVERYTHING IS GOING UP, SO WHY PICK ON THE FARMER

(By James J. Kilpatrick)

SCRABBLE, VA.—The Black Angus cows move across our quiet meadows, here in the Blue Ridge Mountains as slowly as shadows, as softly as dark seaweed in some great gray-green rolling sea. Until this past year or so, local farmers might have been better off investing in seaweed or shadows than in cows and calves. They have known hard times. Now they're solvent, and they want to stay that way.

This is cattle country, and in some ways fairly typical cattle country. Virginia has a few large producers, dealing in thousands of animals a year, but most of our livestock men are small operators. This is the picture elsewhere. In the nation as a whole, an estimated 250,000 large producers account for 80 per cent of the beef, but another 1.7 million farm families also earn their living on livestock.

It has been, to put the matter mildly, a very poor living. A typical small rancher in the Southwest, according to a recent study, netted only \$327 in actual profits on his few head of cattle last year. A major producer in Idaho or Montana, according to the same report, netted \$30,000 on an investment of \$460,000—a return of less than 7 per cent without taking his years of labor into account.

In recent months, as meat prices have increased, livestock producers have begun to share in the general increase in disposable income that city dwellers have been enjoying right along. These farm families are getting a pleasant taste of new cars, color television, new furniture and electric appliances. Now they turn on the TV, and see that the wives of workers who make automobiles, furniture and electric appliances are mounting a boycott on meat in an effort to drive the price back down. My country friends are burned up, and justifiably so.

It is a curious notion, or so it seems to me, which holds that food costs should stay down while everything else goes up. No one has proposed a boycott on housing or clothing or automobiles. The housewives who are leading this movement would be angry and alarmed if their own husbands' salaries were subjected to organized assault. Why do they want to hurt the farm family whose average income last year was under \$6,800.

The Springfield News & Leader, out in Greene county, Mo., came up with a pointed editorial. Steers were then selling at around \$44 to \$45 per hundredweight. If beef prices had increased since 1950 at the same rate as postage stamps, the editor observed, beef would have been at \$77. If beef prices had merely kept pace with increases in hourly pay in industry, the figure would have been \$80. If the price on beef had followed the price of medical care, a producer would have been getting \$179 per hundredweight. Granted, meat prices are high today compared to meat prices a few years ago, but these are not the only comparisons that ought to be made.

Why does beef cost so much? The answer lies, at bottom, in the inexorable law of supply and demand. Meat production has remained relatively stable, but thousands of families who couldn't afford sirloin steak in the past are now able, willing and eager to put steak on the table. Their cumulative demand drives the price up. Other factors, of course, are involved—import controls, price controls on other goods, even the impact of the food-stamp program. The basic factor is old-fashioned demand.

The housewives' boycott may produce illusory benefits. Temporarily, meat prices may be driven down; over the long haul, organized consumer resistance is bound to be self-defeating. Instead of responding to increased demand by increasing their herds, livestock men will counter by keeping production stable. The farmer has to have some

incentive for increasing his investment and thus increasing his risk. The housewives, if they succeed, will take that incentive away.

If we will be patient, a satisfactory answer can be found in simply leaving the market alone. Even at today's prices, livestock producers are not getting rich. For a whole lot of hard work, they're earning a little more money. In simple justice, who can fairly object to that?

Mr. GRIFFIN. Mr. President, there is a great deal of criticism of President Nixon's order of last Thursday because he did not roll back the price of beef, pork, and lamb. Surely the action of the President was a balanced decision which took into account the fact that meat prices at the supermarkets have reached a point just about as high as the housewife can possibly tolerate. President Nixon's order says that prices shall not go higher.

I believe there are a number of things that can be done to fight the battle against inflation. One of the most important actions could be taken right here tomorrow when the Senate will decide, at 2 o'clock, whether to sustain the President's veto of the first major budget-busting bill of this session. At that time, we will see whether or not Congress—particularly this body—will play a responsible role in trying to hold a ceiling on Federal expenditures.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield to the distinguished majority leader.

Mr. MANSFIELD. The distinguished acting minority leader has used the word "balance." I do not think any balance is entailed when the farmer is singled out for specific action, as he was last Thursday.

So far as budget busting is concerned, I would point out that Congress will again, for the fifth time in a row under the present administration, reduce the President's budget request below the figure he requested.

I point out that in the last 4 years, the first 4 years of the Nixon administration, Congress did reduce the President's budget requests by \$20.2 billion, but that in that period, the administration accumulated an additional deficit of \$104.3 billion.

I am confident that again this year, Congress will reduce the overall spending requests proposed by the administration and it will add some of the savings to matters of higher priority. This is the issue at stake tomorrow, when the Senate confronts the question of whether to override the President's veto of the vocational rehabilitation measure. To this vital proposal, Congress has given a higher priority than has the administration. In turn, Congress will place in a lower priority status certain administration spending requests and will cut those items accordingly. In this fashion, I am confident Congress will reorder the Nation's priorities and will reduce overall spending in doing so.