

FOR IMMEDIATE RELEASE

February 4, 1963

HOUSE AGRICULTURE COMMITTEE REPUBLICANS COMMENT ON KENNEDY FARM MESSAGE

The Republican members of the House Committee on Agriculture today issued the following statement:

By formally dropping his plea for the complete control of American agriculture, the President's farm message is, to some extent, sweet music to the ears of the American farmer. Its general tone is in sharp contrast to the radical request he submitted in 1961 for Congress to delegate its constitutional and legislative responsibilities to the Department of Agriculture to write and enforce strict farm controls on every commodity produced in our nation. Fortunately, in regard to dairy products and feed grains, it is also a substantial reversal from the President's request of last year for stringent controls over producers of these vital commodities.

And finally, it represents the complete repudiation by the Democratic Party of the concept of farm price supports at 90 percent of parity. The record of Secretary Freeman has for some time been abundantly clear in this regard, for has he at no time supported, nor is he at the present time supporting any agricultural commodity at 90 percent of parity, even though on ~~so~~ many commodities (including rice, peanuts, cotton, and wheat, which are already under "supply management" programs) he could do so with the stroke of his pen.

We applaud the President's repudiation of marketing quotas on producers of livestock, feed grains, dairy products, and all our other farm commodities.

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We are happy to see no mention of criminal penalties and penitentiary terms as was proposed last year for dairy farmers.

We hope that now, at long last, the Administration will cooperate with Congress in the formulation of sound and workable Government farm programs.

We recognize the very serious situation facing the cotton industry. Under the present program, cotton farmers face a cut in income in 1963, U. S. textile mills face an inequitable 2-price cotton market structure, man-made fibers have taken and are continuing to take away cotton markets, many textile workers face the loss of their jobs, and taxpayers are now bearing the very heavy cost burden.

We submit, however, that the President's cotton recommendation for adding additional and costly subsidies through compensatory payments to farmers and mills is not justified, particularly in view of the fact that the Secretary of Agriculture already possesses the legal authority under the Agricultural Act of 1958 to take significant steps toward remedying the present inequitable 2-price cotton system, while at the same time protecting the income of the cotton farmers. The compensatory approach is unsound and dangerous to our entire economic system. Such programs would be fantastically expensive and, worst of all, would make our farmers dependent upon Congressional appropriations for an essential part of their income. Farmers do not want to be pawns of a beneficent federalized government in Washington. Compensatory payments for cotton would only be the forerunner for similar treatment for any other agricultural commodity that is facing increased

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competition from substitutes as a result of price support programs.

The President's recommendation on dairy products should be closely scrutinized in view of increasing signs that Commodity Credit Corporation purchases of dairy products are beginning to decline. The latest Dairy Situation published by the Department of Agriculture makes this appropriate comment:

"The milk equivalent of CCC purchases, after running ahead of a year earlier during April through July, slackened in August. From August through November CCC purchases have been about 3/4 billion pound of milk equivalent less than a year ago. This decline in milk equivalent of purchases (delivery basis) is the result of a drop in butter purchases, since cheese deliveries during August through November were about the same as a year earlier.

"From August through November of this year, CCC purchases of butter were around 36 million pounds compared with 73 million pounds a year before. This lower rate of purchase reflects: (1) About 16 million pounds less butter production in August-November of this year than last year; and (2) A net difference of 16.7 million pounds in the August-September movement of butter stocks compared with a year earlier."

It is, we feel, still too early to tell whether an adjustment in dairy production is coming that will preclude the need for drastically lowering dairy supports and making up the difference to dairy farmers through expensive compensatory payments.

We feel that the feed grain problem can be met within the framework of a voluntary program based on land conservation where program benefits are available only to cooperators operating in a market economy.

It is noteworthy that the President has already rejected this 1964 corn program calling for 80-cent corn, even before it is scheduled to become effective.

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We sincerely hope that the President will, in the spirit of this farm message, make every possible effort to control the spending of the Department of Agriculture.

We respectfully submit that the taxpayers of this nation cannot afford the alleged "savings" the President discussed much longer. As shown in the Budget Message, Secretary Freeman has spent more money, \$7.418 billion, in one fiscal year (FY1962) than has any previous Secretary of Agriculture spent in the history of the United States....and in fiscal year 1964, the Office of Budget and Finance of the Department of Agriculture estimates that total USDA spending will be some \$2,481,700,000. This is nearly five times the amount required to operate the Department of Agriculture ten years ago (FY 1954) and forty-nine times the amount needed when farm programs began in 1933.

At a time when the farm population is dwindling rapidly, the number of employees in the Department continues to grow. While it took ~~76,276~~ 76,276 employees to run the Department of Agriculture ten years ago, the Department has asked for 121,583 jobs in fiscal year 1964, an increase of 45,307. In the three-year period June 30, 1961, to June 30, 1964, this represents an increase of 19,026 people, the equivalent of a U. S. Army field division. Unless the President places some realistic restraints on the employment policies of the Department of Agriculture, we may indeed see the day that the number of employees in USDA exceeds the number of farmers in America.