

MAR 8 1967

~~Page four~~

## *Fifty Years of Farm Credit*

The fifty-year success of the Federal land banks has been concomitant with the remarkable accomplishments of our Nation's agriculture. Together with such other of its components as the production credit associations for short-term agricultural financing, and the thirteen Banks for Cooperatives, the Farm Credit System has catalyzed the efforts of agriculture, the investing public and the Government in achieving rates of farm production in this country unequaled elsewhere in the world. The system stands as a notable example of the partnership of private financing and agricultural endeavor under the guidance of the Government, which in this instance is the Farm Credit Administration.

An independent agency which operates at no expense to the taxpayers, the Farm Credit Administration maintains a continuous review of the fiscal, financial and credit activities of the banks and local associations, provides general uniformity in policies throughout the system and otherwise exercises supervisory authority. Its operating costs are paid by the banks and associations it supervises.

In retrospect, it was fortunate for the United States that this kind of credit and capital-formation mechanism existed when the Great Depression came close to paralyzing our agricultural economy. Emergency Federal loan funds were channeled to farmers through the Federal land banks. Thousands of farmers and ranchers not only were saved from foreclosure, but also were provided with the financial resources to cope with the vast production effort imposed by World War II.

We can deem it fortunate today that the United States possesses an agricultural industry capable of producing a tremendous volume and wide variety

MAR 8 1967

~~Page five~~

of foods at prices which a growing population can afford to pay, at prices which in fact represent the lowest relative expenditure of the consumer's earned income of any country on earth. We have good reason to be thankful that a sound methodology has been worked out for farmers to utilize capital so as to achieve this capability. The pioneering, innovative approaches made by the Federal land banks to solving farmers' credit needs have had, and continue to have, broad and beneficial influence on the entire credit structure for agriculture.

*Future Tasks for American Agriculture*  
And in conclusion, Mr. Speaker, let me submit that in the years immediately ahead, many other nations of the world may likewise deem it fortunate indeed that the United States possesses the agricultural efficiency and dynamism which have evolved from the past half-century of progress. Global developments keyed to the rapid growth of population are placing the American farmer on the center of the world stage.

It becomes increasingly evident that the hopes of free people everywhere for peace and survival itself are closely interrelated with their efforts to produce sufficient food. Only American-style technology, applied on a massive scale around the world, can provide food for the billions more people of the foreseeable future. Until such time as the developing nations become self-sufficient in their ability to produce food, it seems certain that extraordinary demands will be made on the genius, energies, and capacity of America's farmers.

The great farm organizations and our Government, including us in the Congress, now face the formidable task of formulating new policies and programs for increasing agricultural production, to meet the needs of an expanding population here at home and to guide hunger-haunted nations abroad towards self-sufficiency.

MAR 8 1967

~~Page 3~~

As we undertake this task, it will be well to keep in mind the essential role of agricultural credit and capital input. The Federal land banks have demonstrated, since starting their operations in Larned, Kansas, fifty years ago, that agricultural productivity and prosperity are best assured by factors beyond the seed, fertilizer, stock, soil, or sweat invested; of comparable importance in this modern age are such elements as credit tailored to the debt-repayment capacity of the borrower, the earning power of farm property, and the desirability of land offered as security for a productive loan. For these factors add up to economic growth through the creation of new assets, higher equity, and greater capability on the part of the farmer.

Hence the benchmark of whatever plans may lie ahead for America's agriculture must be the assurance of a fair share of the market dollar for farmers. It is only through maximizing their own worth, increasing their investment, and exploiting the use of capital inputs that farmers, whether of the United States or of friendly countries struggling to attain self-sufficiency, will be able in the final analysis to conquer the problem of food shortages.

The Federal land banks' fiftieth anniversary is dedicated to "America's Farmers: Providers of Plenty." There is no better time than the present to join in tribute to all who are engaged in the agricultural enterprises of our country, and to wish them success and Godspeed in the momentous years to come.

\*\*\*\*\*