Farmer income and farm production costs

Strom Thurmond

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I would like to express my gratitude to the Times and Democrat for this opportunity to express my views on the most perplexing economic problem confronting our nation. This problem is to provide our farmers with a fair income for their labors. During the Congressional recess, I had the privilege of addressing a number of farm organizations and discussing farm problems with hundreds of farmers and farm leaders from border to border in South Carolina.

Every meeting and discussion led me to the inescapable conclusion that our farmers are dangling from the horns of a twin dilemma—rising production costs and falling agriculture prices. The farmer's livelihood is constantly endangered by this dilemma from which no escape has yet been found.

Our nation's agricultural leaders and experts are—I believe—earnestly trying to come to grips with these problems. The President has recommended a nine-point program as a possible solution. Senator Allen Ellender (D-La.), chairman of the Senate Agriculture Committee, has also offered several proposals. All these will be considered by the Senate Agriculture Committee during the next few weeks. Senator Ellender has said his committee expects to have a farm bill ready by mid-February.

President Eisenhower's main recommendations centered around establishment of a voluntary soil bank whereby farmers would be paid to plant some of their acreage in grass and trees instead of crops now in surplus, a continuation of flexible price supports on the basic crops, elimination of surplus stocks, more credit and research, and elimination of the gas tax for fuel used on the farm.
Senator Ellender's main proposals consisted of establishment of a mandatory soil bank, higher price supports on quality grade crops, and a trial of the two-price system on some crops.

Some of these proposals contain considerable merit and are worthy of earnest study by the Congress. I have expressed the hope that the members of the Agriculture Committees of both houses will make a strong bi-partisan effort to draw up a sound farm program which will meet the needs of our people.

My sincere hope is that both political parties will work together in the best interests of the farmer. Political gain cannot be considered when the welfare of the nation's farmers is at stake. Any man of any political party who is willing to capitalize on the suffering of our farmers for political gain is not worthy to be a public servant.

I have introduced a resolution in the Senate to establish a non-partisan commission to study farm problems and make legislative recommendations to remedy them. The commission would consist principally of farmers and it would be virtually free from politics. I know of no group better qualified to make recommendations for solving these problems than farmers themselves.

Recently I appeared before the Senate Agriculture Committee and advocated seven proposals which I believe will help the committee arrive at a program that should improve the welfare of our farm population.

I made the following recommendations:

1. Support of Basic Farm Crops at Not Less Than 90% of Parity. Even if this is done, our farmers still receive, on
the average, less that one half as much income as persons engaged in other lines of endeavor. If producers are willing to make an honest effort to adjust production to consumption, there appears no sound reason to refuse the farmers this consideration. Let it be said to the credit of the farmers of South Carolina, that they have voted overwhelmingly for the acreage reduction program--over 97% for it. We should continue to favor 90 per cent of parity on the basic crops until someone comes up with a better idea of insuring our farmers against price drops for their money crops such as cotton, tobacco, corn, wheat, peanuts, and rice. I have introduced legislation which would permanently restore 90% of parity on these crops.

2. Increase of Sales of Farm Produce On Foreign Markets.

As a result of our price support system and our continual loss of world markets, the Federal Government has accumulated huge stockpiles of farm surpluses in Commodity Credit Corporation warehouses. In approaching a solution to our farm problems, one of the first steps to be taken must be the establishment of an orderly program for disposing of government surpluses.

One of the most feasible plans for disposing of these surpluses is to be found through increased sales on the world markets, which in recent years we have been rapidly losing.

The cotton surplus is a good illustration of the problem. We have approximately 8 million bales of cotton in government warehouses and by the end of this year we may have 4 million or more additional bales. At the same time, our share of the world markets for this great money crop for South Carolina and many other Southern States, has dwindled from 60 per cent to less than 30 per cent of the world total. It is in danger of being lost
altogether. Cotton acreage in this country has been reduced 25\frac{1}{2} million acres in 1953 to 17 million acres in 1955. By reason of the drastic acreage cut in 1955 alone, 55,000 cotton farm families were put out of business. An additional 130,000 farmers already making less than $1,000 per year were reduced to an income of less than $900 per year.

Senator Eastland of Mississippi and I, with the support of 60 Senate colleagues, have introduced a bill which we believe will help the Government cope with this grave situation confronting our cotton farmers. It has two purposes: To assure cotton sales in the world market at competitive prices and to establish quotas on imported foreign-manufactured cotton goods.

3. Improvement of Domestic Marketing System For Farm Produce. I believe it is imperative to improve our domestic marketing system of farm produce throughout the United States. Last summer cantaloupes which sold at 3 cents each in South Carolina were sold in Washington for 35 cents each. This is a deplorable situation which should be remedied. Growers must get more of the profit out of the crops they produce.

4. Expansion of Agricultural Research to Enable the Farmer to Produce at a Lower Cost. I favor more expenditures for expanded research projects and extension services such as those at Clemson College to teach our farmers how to produce their crops for less money. Increased research is vital to secure greater knowledge on the use of fertilizer, methods for fighting insects, diseases, soil erosion, marketing, etc. Certainly one way to offset the problem of rising prices on farm implements and supplies is to find methods of reducing the costs of raising the crops. With the farmer paying more and getting less, he
must learn to produce at a lower cost.

5. **Study of Acreage Allotment System for a More Equitable Acreage Distribution.** We must arrive at a system for allocating acreage allotments on cotton and tobacco that will be most satisfactory to the greatest number of farmers. Much of the mail I have received has been on this subject. A study should be made of our family-size farms under the acreage allotment system. Under the present setup, acreage restrictions are driving some small-acreage farmers off the land. Others are being pushed into marginal operations.

6. **Improvement of Disaster Relief Program.** Recent natural disasters such as floods, droughts and freezes have cost farmers millions of dollars. We must improve our disaster relief programs. Drought aid should be extended to cover hogs, poultry, and farm workstock as well as cattle. Legislation should be enacted to provide assistance to cover farm animals affected by a shortage of feed grains as a result of natural disasters.

7. **Payments to Farmers for Retiring Acreage Growing Price-supported Crops.** If the diverted acreage is planted in legumes or other soil-conserving crops, a larger payment should be allowed than if this is not done. This proposal is not a complete solution, but it is believed the reduction in acreage would aid greatly in avoiding large surpluses, thereby relieving the government of the expense of disposing of the same. If such a plan is adopted, it would be preferable for it to be tried on a voluntary basis—a voluntary plan is more desirable than a mandatory one—however, if it should not function properly on a voluntary basis, then compulsion may have to be used, and the Secretary of Agriculture should be given the needed authority.
to make it work.

The farmers of South Carolina can be assured that I am fully aware of their many problems and that I shall give my most earnest attention and consideration to any proposal that I believe will raise farm income and reduce production costs. With unity of purpose, I am confident that adjustments can be made in our agricultural laws which will improve the lot of the farmer in this State and nation.

The End