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Guest (s): Rep. Jamie Whitten (D-MS)

Title: Farm Problem

Note: Questions were paraphrased and/or shortened by the transcriber. For the exact question, please consult the audiotapes.

Morphew: Introduction...I would like to talk to you about the so-called farm problem...what's behind it?

Whitten: Dick, I, as you know, have served as chairman of the committee that handles all the Department of Agriculture's operations each year. I've been in that capacity about 12, 14 years. Each year we review the overall cost of the program and I think everyone does agree that there is a farm problem. I think most folks don't realize, or don't stop to recognize that it's a national problem. I think that any study of the history of our country will teach us that in the long run, there's got to be a balance between agriculture, industry, and labor. The underlying cause, and I have recently been preparing an argument, really, to be presented to one of the national organizations in September at the national convention, in which I try to analyze what's brought about the problem and to point out some of the dangers involved in it. You might be interested in what I attempted to make, or catch the opening, in which I will point out that it takes a few of us to provide food, clothing and shelter for all of us, for the rest of us, that it enables the rest of us to produce automobiles, television, and a thousand and one things that make for our high standard of living. Well, in the process of having so few, that is twelve percent of our people provide this for all of us, you don't find that anywhere else in the world, that it means that twelve percent have lost their influence in the legislative body and in governmental decisions; that it's endangering not only them, but in the process it's endangering this high standard of living. I believe I can prove that. For instance, anyone who analyzes our drop in farm income is bound to match against it the actions of the government. Now, this drop in farm income, down from fifty cents of the dollar to thirty-eight cents in the last eight years, it was helped along by actions of the Congress and of the president. For instance, during that period, the Congress raised minimum wages from seventy-five cents to a dollar and through the bargaining power of labor unions, given by law, income of the factory laborer increased from a dollar and forty-six cents to two dollars and twenty-nine cents per hour. The same Congress and the same government reduced price supports for agriculture twenty percent. Anyone who knows the least little bit about economics knows that if a group, as did happen, shifts that much of the income

dollar, twenty percent cut in agriculture prices, and a more than increase in labor income, that it of course would shift from one to the other that much of the income dollar. Now, the fallacy of those that helped bring that about or the fallacious arguments they make or that which they fail to recognize is the fact that fewer farmers does not mean that you can get by on less gross income. As the number of farmers gets smaller, the total investment required to farm has more than doubled. And as the amount of capital required as doubled, competition for capital has increased interest rates from three percent to more than six percent. And, anyone who knows agriculture, if your investment is more than double what it formerly was, your risks are more than doubled. So fewer farmers might easily require more gross income to offset increase capital and increase risk. Most folks overlook that.

Morphew: So nowadays only 12 percent of the population is engaged in raising the food that this country requires...the rest of the country is freed to manufacture things that raise the standard of living in other areas, but in order for the 12 percent to continue, they must use more mechanization than they have used in the past, which increases their net operating cost to the point where they must have higher income.

Whitten: And then, in order to farm with that high-priced equipment, you've got to own about twice as much land and land's worth about twice as much per acre. So, when you multiply that by the original investment you can just see where we are. But the point I make is that our free enterprise is free only under the laws that Congress and legislatures have passed. And if we check it, we've affected that free enterprise by minimum wages, the right to organize, the right to strike, the right of industry to make a mark-up based on total cost, so our enterprise is free only within the context or under those laws, and I say that in the Congress, where these are decided, that the farmers being down to twelve percent, his voice is getting weaker and weaker in the legislative bodies where these advantages are declared fair by law. And if you match the present farm situation with that that prevailed eight or ten years ago and then look and see, well, what did we do as a nation through law during that period, you find that by law, we shifted more of the income dollar to labor and reduced that going to agriculture. And if you look at that, I don't see how anybody could be surprised at agriculture now getting less and less and the other two elements getting more and more.

Morphew: It seems to place the farmers in quite a dilemma of rising costs and lower income. What can they do?

Whitten: Well, they're doing the best they can but if we could get the public to recognize the facts, to accept the facts that actually exist, so that the public could have some sympathy, I think that would help to correct it. Just like this statement that I make about the increase in the part going to labor of the national income dollar. Labor share, through these laws, is carried forward as part of the retail cost to the consumer. It's not identified as something resulting from law. Unfortunately, as through that means you give more and more of the income dollar to labor as a part of the retail price and not so identified and give the farmer less and less, you have somewhat replaced the farmer's loss with direct payments from the treasury, which really are to offset this that was taken away by other

laws but it's identified as something you give him. And yet, with all of that, the farm income has dropped from about 14 and 4/10 billion dollars in 1952, until last year it was something over 10 billion.

Morphew: Do you think there have been instances where the federal government has meddled in the affairs of the farmer by controlling the acreage he may plant with certain crops and where they encourage smaller plantings with larger surpluses, for example?

Whitten: In all this age, new generation, invites a depression and has oil because they won't learn the lessons of the past. With time, we have forgotten that there's a whole lot of different kinds of agriculture. There's a very sound reason for having firm price supports on basic commodities. A better word would be, say, storable commodities. You can't have price supports on storable commodities without having some limitation on production. For instance, if you make too much cotton this year, that cotton would last for fifty years and be in the way of 49 crops, so if you're going to have price supports, in my opinion, on storable commodities where one year's old production can affect you for years, you've got to tie to such supports a limitation on how much is produced. On the other hand if you had an overproduction of peaches this year they wouldn't necessarily be in the way of next year's markets, certainly not the market five years from now. So you have to draw distinctions between storable commodities and non-storable commodities. With time the public has forgotten that and we point out now that our big problem is in the area of storable commodities. It is wheat, corn and grain, but we overlook the fact that our government has been giving tremendous price supports without any limitations on corn acreage and with limitation on acreage rather than actual production and the other, so much of it comes because we've been trying to give one without requiring a restriction on the other.

Morphew: Is there a way out of this predicament?

Whitten: There certainly is, but they will have to have votes in the Congress which means you have to have an understanding of the 88% of the American people who are non-farmers. They've got to realize that they are in this thing along with the farmers. It just takes a few years for them to feel it and they will feel it if they don't realize what's happening.

Morphew: Because if the farmer is not offering his for a profit, he's unable to buy other products.

Whitten: That's true and he'll hold on to the point that he wears out his land and then we'll be drifting toward the eastern Asia and Far East section where it takes about 50 to 75 percent of the people just to produce food and fiber.

Morphew: Are there other areas that you feel the political influence has shifted in recent years?

Whitten: I don't think anyone can study the Congress without realizing that organized labor is getting to be a bigger and bigger factor in the decisions that are being made by the Congress and by the administrative or the executive departments. That comes from organization, comes from numbers, and comes from prosperity. It is a fact, however a person might stand, or whether it should be or not.

Morphew: Don't you feel that too many of us are identifying ourselves as members of one group or another when it comes time to vote on issues or on candidates? Are people now regarding themselves as part of certain pressure blocs rather than Americans?

Whitten: Well, I think that's to a great degree true, but on the other hand, in any particular area, the average person in that area, including a Congressman, when he usually comes here, reflecting to start with the feelings of his people because he's one of them and if we've got more of that kind of people engaged in that, they'll have more representatives in Congress, and usually a man reflects the feelings of his people because he is one of them.