

## Benson Calls Committee Report 'Argumentive, Misleading' in Letter

Following is the text of a letter from Secretary of Agriculture Ezra Taft Benson to the Hon. Jamie L. Whitten, Chairman, Agriculture Subcommittee, House Committee on Appropriations, regarding a report on the 1958 Agricultural Appropriations Bill:

I have read with interest and disappointment the report issued by you on May 10 in behalf of the Committee on Appropriations of the House of Representatives regarding the 1958 appropriation for the Department of Agriculture and the Farm Credit Administration.

I am sorry to see that what might be expected to be a factual document contains so much argumentative and sometimes misleading material. It is both disturbing and confusing also to observe the amalgamation of the appropriative and legislative processes within the report of the

Appropriation Committee. The establishment of limitations on the Soil Bank in future years is an attempt to legislate on farm policy before the program has been given a fair opportunity to succeed.

With two of the statements in the Committee Report I fully agree.

First, I am glad to note that the Committee states that changes in the farm program are needed. My letter of May 2 and the accompany document which was submitted to Senator Ellender provide a detailed analysis and discussion of the inadequacies of the old basic features of present legislation which has acreage restrictions as one of its foundation stones.

Second, I agree that acreage allotments have not controlled production.

It is true that acreage controls can, to a degree, restrict the output of a particular crop. But controls have had little effect on total farm production.

Last year, we had acreage controls in operation on all the basic crops. Yet total output reached an all-time record. Generally, when a farmer is restricted on acreage, he picks his best land, fertilizes heavily, uses modern methods, and increases the yield per acre. And he uses the acres taken out of one crop for the production of other crops.

With modern technology, acres are no longer an effective limit on agricultural production. The technological revolution is the new dimension in farm policy. This process is irreversible. A hundred years ago, one farm worker in the U. S. fed himself and three others. Today he feeds

himself and 20 others. The upward pressure of productivity has been going on for a long time but the revolutionary effects became explosive during World War II and have continued ever since.

It might be possible to work out regulations which would be stiff enough to really control production. But the evidence of 25 years is that farmers do not want such controls and the Congress will not enact them.

Controls have been watered down by law to such a point that they do not really control production. Even a cursory examination of the legal minimum acreage provisions for most of the basic crops reveals that these allotments will not overcome the effects of increasing production efficiency.

Even if controls worked properly for the allotment crops, which they do not, these allotment crops bring in only one fourth of our farm income. Obviously we cannot control total production by controlling one-fourth of our output. This is particularly true since the law allows resources which are shifted out of the controlled crops to be used for the production of other crops.

I am glad to see in the report such fundamentally true statements as:

"The farmer, too, must have fair return for his investment and his labor. However, he should have a fair return for his investment and his labor. However, he should have such a return from the market place instead of the Treasury."

"an entirely new legislative approach must be developed if the present conditions are to be corrected"

"any new program which is finally adopted should let the farmer farm"

I was grateful also for the kind words of approval for the efforts of the Department in several fields.

There are a number of points in the Committee Reports, however, which I strongly disagree

First, I cannot agree with the report when it attempts to attribute the lack of effectiveness of the 1956 Soil Bank to an inherent weakness of the program. It should be noted that the Secretary of Agriculture is required to administer laws as they are passed by the Congress. The Secretary of Agriculture does not write the legislation. Therefore, when this report states that there were very little results from the expenditures for the 1956 program, it must be borne in mind that the implementation of the Soil Bank Program for 1956 was contrary to my expressed wishes.

I pointed out in correspondence available to your Committee that the passage of the Agricultural Act of 1956 was too late to result in any accomplishments in 1956. It was at the insistence of the House conferees that provisions were inserted in the Agricultural Act of 1956 requiring that the Secretary operate to the best of his ability a Soil Bank Program for 1956. The conferees' report recognized that very little in the way of results was expected for 1956. Any criticism of the operation of the Soil Bank Act for the 1956 year should be considered in the light of available history. The record on this matter is so clear that the failure of the Committee on Appropriations to recognize these facts is difficult to understand.

Second, the Committee implies that farmers increased production as farm prices have fallen. This is directly contrary to the best economic thinking and to an analysis by the Congress, as reflected in the Agricultural Act of 1938, as amended. Under the legislative findings covering peanuts in Section 357 of the above Act, the following statements appears:

"As the quantity of peanuts marketed in the channels of interstate and foreign commerce increases above the quantity of peanuts needed for cleaning and shelling, the prices at which all peanuts are marketed are depressed to low levels. These low prices tend to cause the quantity of peanuts available for marketing in later years to be less than normal, which in turn tends to cause relatively high prices."

Available statistical evidence does not support the concept that if prices fall, farmers gen-

erally will increase their production. While we can agree that production has increased in recent years, we have every reason to believe that it would have increased even more if supports had been higher. In fact, increasing efficiency resulting in large part from advancing technology would have been further stimulated by higher prices.

It has been demonstrated that individual commodities respond more readily to the stimulus of price than does aggregate agricultural production. Certainly, during the war, higher price supports were designed to induce greater production. We know of no country in the world which has ever adopted a policy of reduced price support levels in order to stimulate production.

Third, the Soil Bank acreage reserve was recommended to the Congress as a temporary measure designed to reduce extremely burdensome carry-over stocks of basic commodities. These tremendous carryovers had been developed through the operation of acreage allotments and previous rigid price support programs.

The House Committee report says that they "have serious doubts that the program will reach its basic objective of reducing production - and would question it further if it did." This sounds like the Committee is condemning it because they think it didn't work, but if it is successful, they will condemn it anyway. The Department cannot agree with this position. The Soil Bank program has received bipartisan support from all those who recognize that no program or group of programs can work effectively with tremendously burdensome surpluses bearing down on the entire structure. It

will be effective in reducing acreage and production of the designated basic crops in 1957, below what production would be in the absence of the program. The law makes a Soil Bank commitment to farmers through 1959. This commitment should be carried out.

In the second paragraph on page 26, the Committee Report says, "Since it is felt that complete elimination of the Soil Bank Program is a major policy decision which should be handled through regular legislative channels, the Committee has moved in the direction of a gradual elimination of the program by reducing the appropriation for 1958 to \$600 million and by reducing the size of the next year's program to \$500 million." We believe this approach to be inconsistent.

The Department originally re-

(Continued on page 15)

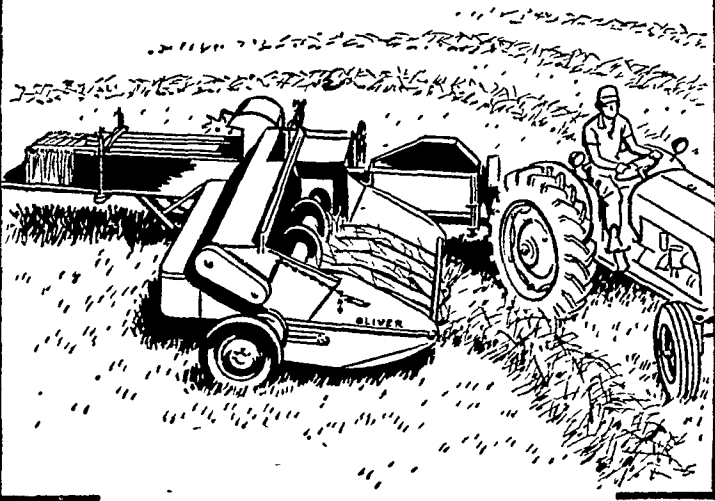
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