

# Veteran Farm Reporter Analyzes Current National 'Farm Situation'

**EDITORS:** How bad off is the American farmer? The following dispatch, by the veteran United Press reporter who covers the Agriculture Department in Washington, gives fact and figures on both sides of the hot political battle over the farm situation.

By GAYLORD P. GODWIN  
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WASHINGTON (UP)—Just how serious is the "farm situation" that the politicians are talking about?

Democratic critics of the administration's farm policies say the farmer is really hurting in the pocketbook. But Secretary of Agriculture Ezra T. Benson says American agriculture is basically "in a sound financial condition."

Both sides have ample arsenals of statistics to amply support their position. Those who picture the farm situation as pretty desperate cite the farm income figure. This is the figure that shows what the farmers in the country have left over

each year, as net earnings, after deducting their production costs from their crop and livestock sales.

This figure has dropped from more than 14-billion dollars in 1952 to a rate of 10.2 billion dollars for 1955. That's a decrease of 27 per cent. And it has come at a time when the rest of the nation's economy is enjoying boom-time prosperity.

The Agriculture Department reported Friday that further decline in farm earnings is in prospect for 1956.

Benson and his supporters note that the number of people living on farms also has decreased since 1952. If you look at farm income on a per capita basis—that is, total income divided by the total farm population of men, women, and children—you find that it hasn't dropped so sharply after all.

Per capita farm income, from all sources, was \$949 in 1952, and \$913 in 1954. That's a drop of less than four per cent. The 1955 figure won't be available until the year ends, but doubtless it will be a little lower.

Politicians and economists who take a grim view of the farm situation point to the "cost-price squeeze" on the farmer.

What they mean is that the prices of farm-produced goods have been going down fairly steadily, while the farmer's costs have held steady or gone up. For example, a bushel of corn brought \$1.51 in 1952, but only \$1.14 last month. Whereas a tractor that sold for \$980 in 1952 was tagged at \$2020 last month.

The government has a complicated formula for measuring the prices a farmer receives against the costs he has to pay. It's called "parity." When costs and prices are in the same balance they were in the period 1910-1914, the parity ratio is 100. It so happens that in 1952, the parity level also was exactly 100.

It's been sliding downward ever since and so far this year the av-

erage is 85 per cent. Considering last month, alone, it was 82 per cent.

Economist Don Parriberg, an assistant to Benson, says present farm price relationships are "about midway" between the post-war boom (when parity shot up to 115 per cent) and the depression of the thirties (when it sank to 58 per cent).

"Present price relationships for agriculture may be somewhere near normal" for modern day periods of peacetime full employment, taking into account our heavy government stocks," Parriberg says.

In discussing farm finances, Benson often quotes the old saying that "Price times volume equals income." He's calling attention to the fact that, even if prices are down, production is high. Farmers may be getting less per bushel for their corn, but they're growing an awful lot of it. This year's total harvest of all crops is expected to equal—and many surpass—the all-time record of 1948.

The dark side of the production picture is that huge surpluses are piling up in government warehouses, and these exert a depressing effect on farm markets. The hoard of surplus commodities, which the government has taken in under price support operations has passed the seven billion dollar mark, and is still growing despite stringent controls on planting.

Here are some other facts and figures which might be added to the debit and credit sides of the farm balance sheet:

Debit: American farms are mortgaged for \$8,200,000,000. That's a seven per cent rise in farm mortgages since last year.

Credit: Farm real estate values are up five per cent since 1954. Farmers seem reluctant to sell

their land, and those farms that are sold are usually snapped up at a good price.

Debit: The farmer's share of every dollar that a housewife spends for food has shrunk from 47 cents in 1952 to 41 cents this year, and is still going down. Middlemen—processors, haulers, retailers and the like—get the rest.

Credit: The continuing rise in the U.S. population is steadily enlarging the demand for farm products. Research and new sales techniques also are opening up new markets for farm goods.

## Mt. Laki Plans Cemetery Voting

The Mt. Laki Cemetery Maintenance District will hold an election on December 5 for the purpose of electing one director for the district to serve at term of three years.

W. W. Williams and William Cheyne are candidates for the post. The election will be held at the Henley Grand Hall with the polls open from 2 to 7 p.m.

## Lakeview Court Schedules Trial

LAKEVIEW — James Dederick Edwards will go on trial at 9:30 a.m., Tuesday, December 13, on a charge of contributing to the delinquency of a minor. Trial date was set by Circuit Judge Charles Foster.

The court has appointed T. S. McKinney as attorney for the defendant.

## Chemult Dance Said Success

CHEMULT — The Chemult Civic Improvement Club's Harvest Dance in the clubhouse Saturday night was a success despite bad weather. Mrs. Cap Jessup took home the turkey.

A party with a Christmas gift exchange will be held at the home of Mrs. Grady Gooch at Beaver Marsh on Thursday, December 7. Mrs. John Herman and Mrs. Lloyd Hauptman will be co-hostesses.

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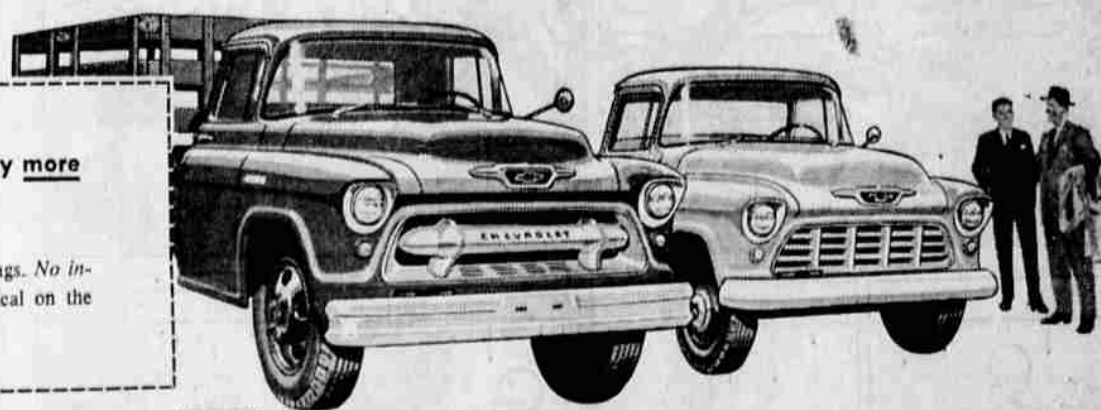
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