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REPORT TO THE PEOPLE

by CONGRESSWOMAN

FLORENCE P. DWYER



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You - all of you - are paying out far more than you realize of your hard-earned dollars these days to support an antiquated farm price support program - a program which some people want to make even more expensive.

That is why, in a nut-shell, some of us here in the House are in revolt. We are getting awfully tired of hearing our colleagues from the South and Midwest, both Democrats and Republicans, howling about the "terrible job" Secretary of Agriculture Benson has been doing.

We strongly disagree.

In fact, when we do a little figuring and find that a person earning \$70 a week is forced to pay \$31.79 in taxes to support the high price of agricultural commodities in one year, and then has to turn around and pay \$20 a year more for bread than he would otherwise, we are tempted to feel that Secretary Benson isn't doing enough to reduce supports.

At any rate, the only alternative to Secretary Benson's flexible support program which farm-bloc Congressmen have so far offered seems to be just this: "Give the farmers more money. Raise the price supports higher."

But the high and rigid price support program has been in operation for many years. This program has failed. It has brought over-production, increasing surpluses, high domestic prices, and prices - even for surpluses - which most foreign countries can't afford to meet. And the program has even failed the farmers.

In the worst position, however, has been the food-buying, tax-paying public, especially in the eastern industrial states. That means you. You have been squeezed - as most of you know all too well - between the large share of your tax bill which goes to pay for the agricultural support program and the increasingly high prices you have to pay at your neighborhood stores for the very same farm products.

The seriousness of this situation was emphasized again just last week, when the Labor Department announced that consumer prices in January rose by another six-tenths of one percent to a new record high. Leading this increase was a substantial boost in the price of many food items.

Now, I believe I can speak for most of us when I say that we in New Jersey do not expect direct benefits for ourselves from every Federal program we support. We have proved our willingness to carry the burdens of many programs which promote the welfare of others in other parts of the country - on the sound premise, usually, that what benefits one section of America will in the long run help us all.

But we do insist on knowing whether the benefits received by one part of the country are proportionate to the burdens imposed on the rest of the country. In the case of farm price supports, we have a right to know whether there is substantial justification for the dual position in which we find ourselves - both as taxpayers who are expected to pay higher taxes and as consumers who must pay higher prices, in each case to support our agricultural economy.

Furthermore, this is happening at a time of business recession, with unemployment increasing and take-home pay decreasing - at a time, in other words, when everyone must be certain that every dollar spent gets full return.

Now - let's get down to cases, the case of wheat, for instance. The Department of Agriculture estimates, conservatively, that the cost of supporting the price of wheat during 1957 was \$827,300,000. That's a net figure; it doesn't include the repayment of loans, etc.

If you are a wage earner making \$3,500 a year before taxes, your share of this bill was \$6.49. If you earned \$6,000, your share was \$11.50. Or, if you are one of the fortunate few with an income of \$24,000, you paid \$122.42 - just to support the price of wheat in one year.

But that isn't all. Because the high support program has kept the price of bread high, also, you - as an average consumer of bread - paid \$20.00 more than your bread would have cost you otherwise. If you have a large family, the cost went up proportionately.

Again, these figures cover the cost of the wheat program only. If you add to them the cost of the corn, cotton, dairy and other Federal farm price support programs, the total tax bill comes to \$31.79 if you are the \$3,500 wage earner or \$600.00 if you're the \$24,000 a year man. The grand total, for all taxpayers, of the Government's price support activities last year was more than \$3 billion.

At first glance, it may seem that the higher one's income is the greater share of this burden he carries. This is only partially so; it's true only of the tax cost. But remember, you pay twice for these programs; first as a taxpayer, later as a consumer. And all consumers, regardless of income, have to eat bread and meat, drink milk and wear clothes. Since the cost of these basic products doesn't vary too greatly, the burden is relatively much heavier for the lower-income consumer and family man than it is for the higher salaried citizen.

We feel the heavy burden, then, but where are the benefits? Certainly there are no direct benefits outside the farm states. Consumers, as I've shown, pay twice. And the small farmers in the east, for instance, who grow little of the supported commodities, find themselves in a tight squeeze. Poultry farmers, one of the east's principal farm groups, must pay high prices for feed grains which are price-supported while they receive lower prices for their own unsupported eggs and poultry.

The only apparent benefit of the high-level support program is the lack of food shortages. But this is a two-edged sword. Rather than shortages we have surpluses - surpluses which depress the free market prices farmers receive and force them to sell at support prices to the government. Consequently, even though many farmers are not now receiving the prices they want - which is why they're after Secretary Benson's head - neither is the consuming public benefitting from the lower prices one should expect in a period of plenty. There is simply no relationship here between supply and demand. The price structure is completely artificial.

Here, as in so many other areas of government, there is no simple answer. Secretary Benson has been slowly putting into effect his flexible, lower-level support program, over the strong opposition of an often hostile Congress. We can't drop price supports altogether; neither can we afford to operate a rigid, high-support program. But we can have a little more patience and show a greater spirit of cooperation with an able, devoted Secretary of Agriculture.

No one has yet demonstrated a better or quicker way to solve the farm problem. And it's long past time for our farmer friends to realize that "more money" is not the answer to every question.