

REMARKS OF HONORABLE JOHN E. FOGARTY, 2nd DISTRICT, RHODE ISLAND,
IN HOUSE OF REPRESENTATIVES, JULY 2, 1954, OPPOSING CONTINUANCE OF
THE 90 PERCENT PRICE SUPPORT PROGRAM ON BASIC COMMODITIES.

MR. FOGARTY.

Mr. Speaker: I have given much thought to the question of a proper price support program for agricultural commodities. As a result, I have come to the conclusion that I can best serve my constituents, the people of the State of Rhode Island, by opposing the Committee's recommendation for a continuance of the 90 percent price support program on basic commodities and by supporting a flexible program for such supports.

We have had a long and interesting experience with a program of rigid controls. I submit that from a cold analysis of its operation it has not produced the beneficial results intended. It has resulted in a piling up of fantastic surpluses which are costing the country more than \$700,000 per day for storage alone. The record reveals that under the 90 percent program, the income to the farmer has declined about 16 points in the past three years. At the same time, the retail price of the basic farm commodities has remained fairly stable. It would appear, therefore, that the greatest claim that can be made for the success of its operations is that it has stabilized, and in fact greatly increased, the middleman's profit. The consumer has had the burden of higher prices forced on him. The farmer has ended up with a reduced income. Each of these great segments of our economy - who

were supposed to be helped by the rigid price support program - appear to be on the short end of any benefits resulting.

President Eisenhower, in his State of the Union message, remarked:

"A farm program promoting stability and prosperity in all elements of our agriculture is urgently needed." I agree with that statement but would like to place additional emphasis on the word "all." In the State of Rhode Island, dairy farming and poultry raising are two of our most important agricultural industries. Because of the exceedingly high cost of feed, farmers in these lines have been hard pressed to make a decent living. This, I am informed, is directly attributable to the maintenance of a rigid price control system which has forced the cost of feed to its present level. Obviously, all segments of agriculture are not being adequately considered under the present program. In view of this situation, I intend to support the President's proposal and will vote against the continuance of a 90 percent rigid price control.