AGRICULTURE
(Draft for Fremont)

Three years ago, in this self-same month, I visited the West. I need not tell you of what I saw and heard of the condition of agriculture at that unhappy time. The memory of it, to me, as to you, is all too vivid and too painful. The prices of farm products were falling lower and even lower, as markets dried and surpluses accumulated; farm buildings and equipment were deteriorating month by month; soil fertility was being sapped as farmers struggled to raise enough bushels and pounds to meet their debts and taxes. Country schools were open only part time or were closed altogether because the hard-pressed taxpayer was unable to furnish the money to pay the teachers and, most disheartening of all, thousands of farmers were losing their homes by foreclosure.

I am stopping today here at Fremont in the heart of the great Middle West, to offer to the people of these states my thanks for the splendid and courageous spirit with which you faced these trials and in the steadfast and heroic efforts which you made to overcome them. If ever Americans demonstrated that the pioneering spirit that originally settled this country still lives, unshaken and undiminished, you have demonstrated it in the years just past. After years of economic struggle against almost insuperable odds, the face of nature seemed to turn against you. Drought and dust swept over the land leaving acute suffering and desolation in their wake. Still you stood up like Americans, like pioneers, like heroes that you were. My thanks will be a meagre description of my respect and admiration for you, but I give them sincerely to the farmers of the nation.
More than three years ago when I was nominated for the office which I now hold, I felt profoundly that I should be poorly equipped indeed to serve my country in the office which I sought if I did not from the bottom of my heart pledge every effort and every resource to lift the intolerable economic burden that was then crushing agriculture. I set forth my proposals in an address in Topeka in September, 1932. I did not promise the millennium for agriculture. But I did promise that I should attempt to meet that intolerable situation in every way that human effort and ingenuity made possible. I said that I should do my best, and that if my efforts proved unsuccessful, I should tell the country frankly and try something else. But that, thank God, was not necessary.

I was not meeting a theory; I was meeting a condition, and so foremost among the efforts of my Administration when we came into office were practical means to improve the situation on the farms of this country. I recognized in my address at Topeka that efforts to improve agriculture should of necessity be two-fold. We should attempt, first, to lift the immediate burdens by raising prices and by lightening the burden of debt. Second, I pledged myself to long-term efforts extending beyond these immediate emergency measures to stabilize American agriculture by long-term planning.

Even before I went to the White House I put into practice a theory which older and more cynical persons told me was impossible. Up to that time the farmers of America had been unable to choose by any substantial majority between three or four plans aimed at restoring farm purchasing power and farm prosperity. People in Washington told me that you could never get farmers
as a whole to agree to anything. Nevertheless, at the famous conferences, representative of every section of the country, and of every farm organization, held in Washington in the spring of 1933, a very large majority of the farm leaders agreed on what you and I now know as the Adjustment or Allotment Plan. This plan has been in operation for only two years and a half. You know its general results. You know that there have been many imperfections in it and that we still have much to learn in providing better administration for it, in amending it from time to time, and in fitting it in to world conditions, which each year show tremendous changes.

The plan itself was, as you know, based on the cooperative efforts of the farmers themselves and on the broad economic theory that the industrial half of the population of the nation could not proper and return people to work unless the agricultural half of the nation was in a position to purchase the output of the industrial half. It was based on knowledge of the fact that for the farming half of the nation the long, downhill road to depression began not in 1929 but in 1920; that from that date on through the so-called boom days of the nineteen twenties the debts of the farms and farmers mounted while their assets and earnings slid down hill.

Coming back to you after three years, I experience the extreme pleasure of recognizing that the cooperative efforts in which the farmers themselves, the Congress and my Administration have engaged, have borne good fruit.

The problem of the early days of my administration was not only to raise crop values from starvation levels, but also to save farm families from actual loss of their homes and their chattels.
The burden of agricultural debt, it is true, has not been eliminated, but it has been decisively lightened. Loans have been made through the Farm Credit Administration to nearly half a million farmers since May, 1933. These loans amount to more than $1,000,000,000. 72% of this great sum was used to refinance existing farm mortgage indebtedness, 15% to refinance short term debts not secured by real estate, and 3% to pay taxes. The remainder was used to purchase stock in National Farm Loan Associations, provide working capital, redeem or repurchase land, pay loan fees, buy equipment and repair or construct buildings or make other improvements. The annual interest saving of farmers whose debts have been refinanced is about one-quarter of the interest previously paid. Over 850,000 farmers are making savings this year on interest alone of more than $55,000,000. The interest rate which farmers have to pay on the farm mortgage debts refinanced by the Farm Credit Administration is the lowest in history.

My second effort in the immediate improvement of the farmer's position was to get him not only an absolutely, but a relatively, better return for his products. In approaching this problem we moved on two fronts; first, to free our monetary system of bondage to a sufficient extent to permit money to serve the people rather than to force people to serve money. I deliberately chose to disregard those who said that before a balance could be produced in our economic life, practically universal bankruptcy would have to be forced through deflation. I held, as I now hold, that the appropriate measures to take were rather to improve prices, particularly in farm commodities, to such an extent that the things the farmer had to sell...
would enable him to buy the things that he needed to support life and to afford him a fair degree of security. From the summer of 1929 to the time when I took office in 1933, the prices of farm products, that is, the things that the farmer had to sell, had declined by 62%, while the prices of the things the farmer had to buy had fallen 28%. Thus, the farmer, on the average, had to use twice as many bushels of wheat, twice as many bushels of corn, twice as much of all of his products, in order to buy the same amount of things that he needed. The closing of that gap was the primary concern of my Administration. And it is the happiest moment of my life when I am able to say, as I now say, that the gap which was the measure of the farmer's despair and distress has, after two and a half years of effort, been substantially closed.

Many factors were involved in this readjustment. Our monetary policy was one. The drought was another. Increased demand for products caused by the economic revival was another, and the operations of our Agricultural Adjustment Administration were another.

I need not tell you of the origins and the purposes and the methods of the Agricultural Adjustment Act. That is history, and, I submit, honorable history. Moreover, the farmers know how the Act has worked. They know from the contents of their own pocketbooks that their income has been increased. The record is there to show the figures - an increase of $800,000,000 in farm cash income in 1933 over 1932; $2,000,000,000 increase in 1934 over 1932 and an estimated $2,400,000,000 increase in 1935 over 1932. That makes a
total increase of $3,200,000,000 over what the farmer's income would have been if the 1932 level had been continued. Is it surprising, in the light of this improved income, that the farm implement factories in Illinois and New York and the automobile factories of Michigan and the steel mills of Pennsylvania, are springing into activity? Is it any wonder that smoke is pouring once more from chimneys long smokeless? Is it any wonder that workers long without regular jobs are going back to work? Now, with production balanced with demand, and fair prices assured, farmers really have a chance for the first time in this generation to profit from improved methods. With agriculture restored to a condition of prosperity, it is possible now for the farmers of the country, in cooperation with their government, to look to the longer future.

Three years ago, in the desperate struggle to keep the wolf from the door, farmers, no matter how much they might have wished to adopt cropping practices that would conserve and build the fertility of their soil, were compelled to raise as many bushels of wheat and corn or pounds of cotton and tobacco as their land would permit. But with this compelling necessity now passed, they can put scientific crop rotation systems into effect and save their soil fertility. That, my friends, is of equal interest in Pennsylvania and in Kansas and in Rhode Island and in Georgia. The dust storms that a few months ago drifted from the western plains to the Atlantic Ocean were a warning to the whole nation of what will happen if we waste our heritage of soil fertility, the ultimate source of our wealth and of life itself.

(Resettlement, Reforestation, etc.)

I have not the time to talk with you in detail about what the government is trying to do to prevent soil erosion and floods, to encourage forestation,
to give people the opportunity voluntarily to move off submarginal land and on to adequate land where they can make both ends meet — in other words, to use every square mile of the United States for the purpose to which it is best adapted. That in its accomplishment is a dream of a hundred years. But for the first time in the history of the nation we have started towards that goal because for the first time we have begun to understand that we must harness nature in accordance with nature's laws, instead of despoiling nature in violation of her laws.

Perhaps the most important gain of all is the development of the farmer's ability, through cooperation with other farmers, to direct and control the conditions of his life. Programs now in effect under the Agricultural Adjustment Act are planned and operated by the farmers themselves through nearly 5,000 county production control associations which are manned by more than 100,000 committeemen and which number among their members more than 3,000,000 adjustment contract signers. The government's part in this program is merely to supply the centralizing element that the farmers themselves, in their past efforts, found so essential to success. That, it seems to me, is the true function of government under our Constitution — to promote the general welfare, not by interfering unduly with individual liberties, but by bringing to the aid of the individual those powers of government which are essential to assure the continuance of the inalienable rights which the Constitution is intended to guarantee. It is democracy in the good old American sense of the word.

The government's policy toward agriculture has been evolving ever since
the time of George Washington. I know it will continue to evolve and I hope no one thinks that the present machinery is perfect and can not be improved. What counts is not so much the methods of the moment as the pathways that are marked out down the years. I like to think of the Agricultural Adjustment Act, not merely as a temporary means of rescue for a great industry, but as the expression of an enduring principle carved in stone by a nation come to maturity - a nation which has forever left behind the old irresponsible and squandering ways of its youth, a nation facing the realities of today and prudently taking thought for the morrow. I like to think that never again will this nation let its agriculture fall back into decay, that instead the farmers of America will always be able to guard the principles of liberty and democracy for which their farmer ancestors fought. I like to think that the Agricultural Adjustment Act is an expression, in concrete form, of the human rights those farmer patriots sought to win when they proclaimed the Declaration of Independence, and to perpetuate when they adopted the Constitution. Methods and machinery change, but principles go on, and I have faith that, no matter what attempts may be made to tear it down, the principle of farm equality written into the Agricultural Adjustment Act will not die.

You who live in this section of Nebraska occupy what is very nearly the geographical center of the United States - as much land west of you as lies east of you, as much land north of you as lies south of you. It is, therefore, fitting that at this place I should again pay tribute once more through you to the great farming population of the United States and those dependent on them for the splendid courage through long years of adversity which you
have shown — to the pioneering spirit that would not quit, that made the
best of well nigh hopeless conditions — that had enough faith in yourselves
and in your country to keep your balance, your perspective, your good nature,
and your continuing hope. Today you are marching along with heads still
held high. Your hope has materialized, at least in part. Your faith has
been justified. Your courage has been rewarded. All that I can ask of
you in the days to come is that you maintain your fine spirit, that you
maintain the team work that has been so successful during the past two
years.