

October 28, 1935

[Statement: AAA]

FDR Speech File

Re. A.A.A. Oct 25-1935

In May, 1933, Congress enacted the Agricultural Adjustment Act, which was designed to relieve the distress then prevalent among farmers. Since that time several million producers have joined wholeheartedly with the Agricultural Adjustment Administration in far-reaching adjustment programs.

I wish to pay tribute to the courage and perseverance with which these farmers, using the facilities made available by Congress, have fought their way out of the acute depression which engulfed them in 1932. They have been patient in the face of delay, tolerant of a host of irritations and undeterred by opposition because they knew they could never win except through cooperation on a national scale. The first opportunity farmers ever had to work together on such a scale was afforded by the Adjustment Act.

The achievements of the A.A.A. for agriculture are apparent to millions of farmers. The improved demand for city-made goods resulting from increasing farm buying power is reflected in better business in towns and industrial centers everywhere. The Adjustment Act has served the national welfare.

There are people in this country who can see no room for further progress in agricultural adjustment. Of these, some would be content to continue the adjustment programs exactly as they are. There are even a few supporters of the A.A.A. so well satisfied with what has been done that they would like to call the job complete and finished.

But it never was the idea of the men who framed the Act, of those in Congress who revised it, nor of Henry Wallace nor Chester

Davis that the Agricultural Adjustment Administration should be either a mere emergency operation or a static agency.

It was their intention--as it is mine--to pass from the purely emergency phases necessitated by a grave national crisis to a long time, more permanent plan for American agriculture.

Such a long time program is developing naturally out of the present adjustment efforts. As I see it, this program has two principal objectives:

First, to carry out the declared policy of Congress to maintain and increase the gains thus far made, thereby avoiding the danger of a slump back into the conditions brought about by our national neglect of Agriculture.

Second, to broaden present adjustment operations so as to give farmers increasing incentives for conservation and efficient use of the nation's soil resources.

Simplification of present programs, with a view to increased flexibility, would readily lead itself to the broad objectives outlined. Decentralization of machinery to get more efficient administration closer to the farmers already has begun, and will be vigorously continued. To simplify administration, the AAA will work toward the objective of one contract per farm. The modifications planned, in addition to making administration easier, will facilitate production adjustment either upward or downward.

The time may come when the AAA will prove as important in stimulating certain kinds of production as it has been in removing recent burdensome surpluses. For example, an expanded production of hogs, to replace shortages caused by drought, is contemplated under the proposed new corn-hog program, which is put up to a decision of producers in a nation-wide referendum tomorrow.

Present and future production of supplies of food and fiber ample for this country's needs and for available export markets is a sound objective. However, there <sup>was</sup> ~~is~~ nothing sound in the situation in the past when, spurred by ruinously low prices, farmers have been compelled to mine their soil of its fertility by over-intensive cultivation in a race to make up in volume of units what they had lost in unit price. This has resulted in waste on a colossal scale. Dust storms and mud-laden streams have been symbols of this exploitation.

Tens of millions of acres have been abandoned because of erosion. This jeopardizes both consumer and producer. Real damage to the consumer does not result from moderate increases in food prices, but from collapse of farm income so drastic as to compel ruthless depletion of soil. That is the real menace to the nation's future food supply. That has caused farmers to lose their homes. It has hastened the spread of tenancy. It lies at the root of many serious economic and social problems besetting agriculture.

Already the adjustment programs have made important gains in conservation and restoration of soil fertility. Many millions of acres which farmers have signed contracts to divert from surplus production are being devoted to legumes, pastures, hay and other crops which fertilize the soil and protect it from blowing and washing.

The long-time and more permanent adjustment program will provide positive incentives for soil conservation. The benefit payments can be made on a basis that will encourage individual farmers to adopt sound farm management, crop rotation and soil conservation methods. The crop

insurance feature afforded by benefit payments will help farmers to maintain these beneficial systems of farming without interruption in poor crop years. Long-time adjustments can be adapted to natural soil advantages of regions and localities. Already the Adjustment Administration has under way local studies to help in working out farm programs on a county basis, so as to fit the best permanent use of the varying soil resources of the county, up to that county's share of available domestic and foreign markets. Thus, plans are being worked out that should encourage widespread cooperation of farmers in a permanent national soil maintenance program.

The simplified and more flexible adjustment program of the future can be made to serve the permanent advantage of producer and consumer. It can iron out the succession of extreme market gluts and extreme shortages which in the past have alternately wrecked farm income and penalized city people with too high prices. It can protect the nation's heritage of soil, help farmers to produce up to the full possibilities of profitable export, and give this country the safest possible assurance of abundant food in the years to come. I can think of nothing more important to the permanent welfare of the nation than long-time agricultural adjustment carried out along these lines.

## IMMEDIATE RELEASE

The President today issued the following statement:

"In May, 1933, Congress enacted the Agricultural Adjustment Act, which was designed to relieve the distress then prevalent among farmers. Since that time several million producers have joined wholeheartedly with the Agricultural Adjustment Administration in far-reaching adjustment programs.

"I wish to pay tribute to the courage and perseverance with which these farmers, using the facilities made available by Congress, have fought their way out of the acute depression which engulfed them in 1932. They have been patient in the face of delay, tolerant of a host of irritations and undeterred by opposition because they knew they could never win except through cooperation on a national scale. The first opportunity farmers ever had to work together on such a scale was afforded by the Adjustment Act.

"The achievements of the A.A.A. for agriculture are apparent to millions of farmers. The improved demand for city-made goods resulting from increasing farm buying power is reflected in better business in towns and industrial centers everywhere. The Adjustment Act has served the national welfare.

"There are people in this country who can see no room for further progress in agricultural adjustment. Of these, some would be content to continue the adjustment programs exactly as they are. There are even a few supporters of the A.A.A. so well satisfied with what has been done that they would like to call the job complete and finished.

"But it never was the idea of the man who framed the Act, of those in Congress who revised it, nor of Henry Wallace nor Chester Davis that the Agricultural Adjustment Administration should be either a mere emergency operation or a static agency.

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