Franklin D. Roosevelt — “The Great Communicator”
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Message to Congress re Food Program
THE OBJECTIVES OF OUR FOOD PROGRAM

Food is as important as any other weapon in the successful prosecution of the war. It will be equally important in rehabilitation and in making the terms of peace after the war is won.

The first major objective of our food program is to raise in the most efficient manner enough food and the right kinds of foods to meet our needs. That includes: first, the needs of our armed forces; second, the needs of our civilians at home; and, third, the amount required for our shipments abroad for the essential needs of our allies.

The second major objective is to see that the food for our civilians at home is divided as fairly as possible among all of the people in all sections of the country, and that it is obtainable at reasonable prices.

I have not been content merely with a program for 1943. I am thinking also about the balance of this year, and about the early part of 1944 before the crops are harvested. While the question of production for 1944 is an essential one, we must not lose sight of the necessity for keeping the prices of our present food supply at reasonable levels. We must see to it not only that the cost of food already raised does not go up, but that the cost of some foods which have gotten out of line actually goes down.

One of the great difficulties is that the steps necessary to attain these two major objectives sometimes become inconsistent with each other. For example, one of the inducements for increased production of food by farmers is to see that they get an adequate price for their products. Such a price is necessary in order to get production. However, if these prices are too high the result will be that by the time the food reaches the grocery store or butcher shop, the housewife will have to pay too high a price for it. This in turn may force a rise in wages and an increase in the prices which farmers have to pay for what they buy. On the other hand, if
the butcher shop or grocery store gets too low a price from the consumer for its meat or groceries, then the farmer in turn will get too low a price to encourage him to raise as much of that particular product as we need. In both of these cases, our production and price objectives are not likely to be achieved unless the Government assists with equalization payments or other aid.

The efforts of this Administration have consistently been directed at this double target of raising as much food as possible without placing too great a burden on the American housewife in her efforts to feed her family.

In the main our efforts have been successful. In the case of some foods, however, the objectives have not yet been attained. New measures are being taken in an effort to attain them.

**FOOD PRODUCTION 1943**

The increase of food production during this war has been far greater than the comparable increase in production during the last war. If, for example, we take the 1935-39 average as the base of 100, the production in 1939 was 106, in 1942 it was 165, and in 1943 it was 188. If we use the same base of 100, the production in 1914 was 81; in 1918 it was 90, and in 1919 it was also 90. In other words, by the fourth year of this War -- 1942 -- our food production has increased twice as much as in the same period of the last war.

The 1942 crop was the largest in the history of the United States. But the production for the current year 1943, in spite of less favorable weather, will exceed the 1942 production.

Crop production will be slightly lower this year than in 1942; but livestock will be so much higher than in 1942 that the total of all food is expected to exceed the 1942 record output by about 5%. This will mean that our total farm production -- crops and livestock -- will be 30% larger than the average annual production for the five years preceding the outbreak
of the war in 1939.

Most of us do not realize how much food actually is being raised in 1943. Here are some illustrative figures:

- 50 billion quarts of milk, an increase of 14% over the 1931-1939 average.
- 30 million cattle and calves.
- 10 billion pounds of beef and veal (dressed weight), an increase of 27%.
- 20 million sheep and lambs.
- 1 billion pounds of lamb and mutton (dressed weight), an increase of 13%.
- 60 billion eggs (including non-farm), an increase of 50%.
- 4 billion pounds of chicken (dressed weight), an increase of 63%.
- 1.3 billion pounds of pork (dressed weight), an increase of 74%.
- 3 billion pounds of lard, an increase of 73%.
- 3.4 billion pounds of peanuts, an increase of 125%.

This record was established in the face of three major handicaps: shortage of manpower, shortage of farm machinery, and shortage of fertilizer. This record production for 1943 is an amazing tribute to the patriotism, resourcefulness, and ability of the American farmer.

Much credit is also due to the twenty million victory gardens which were planted in the United States by the patriotic men and women who spent so much time and energy in helping to meet the food requirements. It is estimated that from eight to ten million tons of food were produced in 1943 in these victory gardens.

The increase in our farm output since Pearl Harbor has been the largest of any similar period in history. It called for hard work, ingenuity, cooperation and teamwork on the part of farmers, processors and distributors, as well as all the state and federal officials concerned with the food problem. They all deserve the thanks of the American people.

Due to the shortage of regular farm labor, heroic and successful efforts have been made to obtain help from the adult residents of villages and cities -- both men and women, on a part time as well as a full time basis. High school boys and girls have also been enrolled to help in critical areas during the vacation period and after school hours. They too deserve

Ann Themke
The record for 1943 in getting additional farm help in places where they were needed is very impressive. For example, during May, June, July and August of this year, nine hundred thousand workers registered for farm work and one million six hundred thousand placements were made, and one hundred thousand workers were moved from one state to another and placed on farms. Forty-three thousand five hundred workers were imported this year from Mexico, four thousand four hundred from the Bahamas, and eight thousand eight hundred from Jamaica. This additional help was used on farms in shortage areas all over the United States. We have also made use of prisoners of war for the raising and harvesting of crops. Essential farm labor has been deferred from the draft. Where emergencies have developed, the Army has assigned soldiers to assist in saving crops that otherwise would be lost.

One of the great difficulties -- the shortage of farm machinery and of spare parts -- developed, of course, because of the need for steel for other essential elements of the war program. There was only a fixed amount of steel available; and it had to be divided as efficiently as possible among the critical needs for war -- ships, big guns and small weapons, tanks, new war factories and new additions to war factories, railroad cars, and a number of other vital items. It was necessary to use our best judgment in determining just where we should use the available supply of steel. Obviously, only a limited amount could be put into farm machinery. It may be that not enough steel was used for that purpose for 1943. The production of farm machinery for 1943 was only 40% of the 1940 production.

But our farms were more extensively and better equipped with farm machinery in 1940 than they had ever been. Some time ago the allotment of steel for farm machinery for use in 1944 was increased by doubling the amount available for use this year. It will bring the amount of new farm machinery for use in 1944 up to eighty percent of the 1940 level -- doubling that of last year.
This new farm equipment, however, while it will be available for the 1944 production, was not available for 1943. However, the farmers kept their own machinery in better order. They clubbed together in the making of repairs. They joined hands in the use of farm machinery by more than one farm family. The ingenious and resourceful farmers of America, by this cooperative use of machinery, were able to turn out this record crop of 1943.

DEMANDS ON OUR FOOD SUPPLY

Even with this all-time high food production for 1943 there were still shortages in certain parts of the country in our food supply. This was not due to lack of production but rather to the extraordinary demands for food - demands never before made in history.

The increased demands for food came from three principal sources. The largest increase in demand has come from our own civilians here at home. Many of our workers in war factories, in the mines, on the farms, and in other essential pursuits are eating more and better food than they had before the war began. Many of them for the first time are approaching an adequate diet - so essential for the well-being of our people and to get maximum war production. The average American family is spending about $700 per year for food this year. In 1939, the average family spent about $400 per year for food. Making adjustments for the rise in the cost of food since 1939, the American family is spending more for food and eating more food than in pre-war years. This marked increase in the amount of money which the American family has available and spends for food has been one of the predominant factors in the greatly increased demand on our food supply.

The second increased demand for food has come from our nine million soldiers, sailors and marines - who had, and, of course, always will have first call on all articles of food. These service men naturally consume much more food in the Army and Navy than they did in civilian life.
The third great demand was for our lend-lease shipments of food to our allies.

There has been a lot of loose talk about impending “meat famine” and “meat shortages” for the coming winter.

During the October–March period this winter’s estimated total meat production, excluding poultry, will amount to 14.4 billion pounds, dressed weight as compared with 12.5 billion pounds during the same period of last year, and 12.3 billion pounds two years ago. As a matter of fact, this winter’s estimated meat production will be by far the largest on record. On the basis of Federally inspected slaughter it will be 46 percent above the 1937–41 period.

Estimated poultry meat production during the October–March period this winter will amount to 2.3 billion pounds, as compared with 1.9 billion pounds last winter and 1.7 billion pounds two years ago. The production of chicken meat has increased about 60 percent since 1939.

During the next 6 months we will also produce an estimated 2.2 billion dozen of eggs, as compared with 2.1 billion dozen a year ago and 1.8 billion dozen two years ago. Egg production has increased about 40 percent since 1939.

Also, even though our animal numbers will be at an all-time high this winter, the 1943–44 total supply of feed grains will, except for last year, be the largest supply on record and approximately 20 percent above the 1937–41 average. On a per animal basis, the feed supply will not be as large as in either of the last two years, but it will be somewhat above the 1928–29 average, and also the 1937–41 period.

From the standpoint both of increased production and of price control, the food effort in this war is a far greater success than that of the first World War. Facts bear out this statement, but I suppose that facts are not going to deter those who want to create
- 7 -

dissatisfaction or those who spread scares such as "food shortage" and "meat famine."

FOOD PRODUCTION 1944

Our food plans for the future are, of course, predicated on the assumption that we must not only continue our shipments overseas but actually increase them. The war is by no means won, and the global effort must be continued and accelerated. The requirements for our armed forces will be increased not only because there will be a larger number of men than in 1943, but because they will be more actively engaged in fighting all over the world.

The average soldier or sailor eats approximately five and one-quarter pounds of food as purchased per day whereas the average civilian eats only three and three-quarters pounds. The greater the number of men in the armed forces the larger are the demands on our food supply.

In the last war we only had to feed four million people in uniform -- largely concentrated in the United States and in France. In this war by the end of 1943 we will have almost eleven million men in uniform, and they will be scattered in all parts of the world. At the beginning of this year our armed forces totaled about seven million; at the end of this year the estimated strength will be 54 percent higher.

That is the reason why in 1942 approximately only seven and five-tenths percent of our food production was allotted to our armed forces whereas in 1943 the figure will be about fourteen percent. As our army grows, as more men are sent overseas, larger food reserves will have to be accumulated, and civilian belts will have to be tightened. Furthermore our armed forces require more of the so-called "protective"/foods such as meat, fats and oils, milk and canned goods -- foods which are, therefore, bound to run short for the increased civilian demands.
Our armed forces are now eaten in each month 328 million pounds of meat, 16 million dozen of eggs, 28 million pounds of butter, 205 million pounds of potatoes — and staggering amounts of other food-stuffs. And the quality of this food is the best that we can give them.

The armed forces of our allies will also increase in 1944 and they will have to receive food assistance from us.

The amount of food going to Lend-lease is gradually increasing. In 1941 it was two percent of our food production; in 1942, six percent. This year because of increasing Russian shortages and other needs it will probably reach ten percent. In 1941 and 1942 England was the largest recipient of Lend-lease food, but owing to the German invasion of the Ukraine in 1942 more food has had to be sent since then to the Soviet Union. In fact Russia, in the first nine months of 1943, received one-third of all our Lend-lease food shipments, and probably during 1943 will receive more food than the United Kingdom.

All these war uses will require about one-fourth of our total food supply for the year beginning October 1, 1943, leaving about three-fourths for our civilian population. This three-fourths, however, because of our increased production will amount to as much, per capita, as was used during the 1935-39 period.

I am sure that the American people realize that every pound of food which we send to our fighting allies is helping our own soldiers in their battles and is speeding the day when all our fighting men and women will come home.

The food that is sent to Russia is almost all for the use of the Russian Army.

Although British farmers, by strenuous efforts, have succeeded in increasing their production from forty percent of Britain's needs to sixty percent, she still has to rely upon imports in order to avoid starvation. American food provides only ten percent of the entire British food supply — and yet it has been a great help in feeding Montgomery's army and the R.A.F., and in sustaining the millions of workers in vital British factories, shipyards and mines. I think it is safe to say that England could
not have continued in the war without the help she gave in American and Canadian food,

When the Ukraine was overrun, forty percent of Russia’s usual food production was lost. Emergency food shipments were sent from Great Britain and the Middle East, but we also had to step up our own shipments. I am sure that no one will disagree with the wisdom — to say nothing of the need and obligation — of sustaining the gallant Russian fighters with American food.

The fact is that with all our shipments, civilian diets in England and in Russia — particularly in Russia — are far below our worst shortage periods. In fact, in Russia food for civilians has been cut to the barest minimum. A certain small percentage of food will have to be used as the United Nations liberate presently occupied countries, until such time as the populations of these countries can have a chance to become self-supporting.

For example, a very small percentage of our food now goes to feed the liberated people of North Africa and Sicily and Italy. This includes only the bare necessities of life. Feeding people in this area is not only a military necessity, it provides strength and energy for the hard work that has to be done by them in order to produce new supplies of food and other goods. Already the people of French Africa, with some assistance from us in expanding their agricultural production, have been able to produce a sufficiently good harvest in 1943 so that they can now even supply food to our forces there. This not only saves shipping, but augments our own supply. The people of French Africa, without payment, and under reverse lend-lease arrangements have also supplied the Allied Forces with substantial quantities of flour for use in the Italian campaign. This, too, has helped our food, as well as our shipping, situation.
Through Lend-Lease, the United States seeks to put a share of its food resources to the most effective use against the enemy. Conversely, through reverse lend-lease, the striking power of our own armed forces abroad has been greatly augmented by substantial quantities of food provided by our allies. The United Kingdom, Australia and New Zealand have provided the largest amount of food, but we have also received food under reverse lend-lease from other parts of the British Empire and are receiving increasing quantities of foodstuffs from the French in North Africa.

Some illustrative figures may indicate the importance to our war effort and to our national economy of the food which we obtain without payment from our allies as reverse lend-lease aid.

Although we did not start receiving food under reverse lend-lease from Australia and New Zealand until a year or more after the lend-lease program started, the amounts received - in comparison to what we have lend-leased - are relatively large. Thus, for example, the United States has received from Australia and New Zealand more than 23-million pounds of beef and veal through August of this year, compared to a total of 99-million pounds of beef and veal which the United States has provided under outgoing lend-lease to all lend-lease countries combined.
We have received, through August 1943 under reverse lend-lease from Australia and New Zealand alone, 26% of the amount of beef and veal, 55% of the amount of butter and 16% of the amount of lamb and mutton which we have exported under lend-lease to all the lend-lease countries.

During the year 1943, the United Kingdom is providing under reverse lend-lease and without charge to the United States forces stationed in England approximately:

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<thead>
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<th>Commodity</th>
<th>Pounds</th>
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<tr>
<td>Bread</td>
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<td>Potatoes</td>
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<td>Sugar</td>
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<td>Vegetables</td>
<td>51,000,000</td>
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<td>(Green) Coffee</td>
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<td>Cocoa</td>
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and substantial quantities of many other foodstuffs from her sharply curtailed supply to supplement the food our forces receive from the United States. One of the important features of the foodstuffs received from the United Kingdom under reverse lend-lease is that these supplement rations for our armed forces which cannot be shipped from the United States or which would occupy considerable shipping space.

Most of the rations of the American armed forces in the South were supplied from the land and factories of the local area.

The United States is supplying much of the pork that England consumes. The delivery of beef to our Army from the Southern Dominions and the shipment of pork to England from the United States is a good example of sharing among the United Nations on the basis of what each has to contribute to total war.
In the month of August of several representative foodstuffs, we have received, through August 1943 under reverse land-lease from Australia and New Zealand alone, 55% of the amount of butter and 16% of the amount of lamb and mutton which we have exported under land-lease to all the land-lease countries.

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Most of the rations of the American armed forces in the South and Southwest Pacific come from the land and factories of that area. The rations received from Australia include fresh and dried products, and canned products in some cases ranging up to 100% of the total local
production. New Zealand is the granary of the American forces stationed throughout the South Pacific area. In order better to provide for the needs of our troops in remote Pacific islands, New Zealand has greatly increased her capacity for the packing, canning and dehydration of meats, vegetables and dairy products. American food requirements under reverse lend-lease have occasioned shortages in many phases of New Zealand's civilian life. Nevertheless, New Zealand continues greatly to expand the scope and volume of her reverse lend-lease to the United States and during the year 1943 will supply the United States, as reverse lend-lease and without charge, with more than 260,000,000 pounds of foodstuffs.

10/29/43
Agreements have just been concluded to provide our forces with more than 100,000 tons of fruit and vegetables without payment and as reverse lend-lease. The 1944 harvests in North Africa, aided by American agricultural supplies and a year of peaceful cultivation, should ease the strain on the food supply of the United States still further. In North Africa, we and the other United Nations, have truly beaten our swords into ploughshares.

Food supplied to the liberated peoples also pays other dividends. It prevents epidemics. It is a potent psychological and morale weapon for those starving people whose countries are still overrun by the Axis. While starvation has been the weapon used by the Axis resulting in disease, misery, and death, the United Nations are using food as one of their most potent weapons to shorten the war and win a lasting peace.

The War Food Administration has accordingly raised its sights for 1944. A preliminary calculation calls for the planting of over three hundred and eighty million acres of crops, as compared with three hundred and sixty-four million acres in 1943. That will be the largest farm planting in history and will require the breaking of food production records for the eighth successive year.

The War Food Administration, with my approval, has requested the Congress to extend the life of the Commodity Credit Corporation. I regard this extension as vital to the War Food Program.
Of course the goals set by the War Food Administration will be meaningless unless the farmers themselves are willing to adopt them as their own goals, and are able to fulfill them. Therefore, the War Food Administration is discussing the national needs with the State War Board of each state, and with representative farmer groups and leaders and public officials in each state interested in agriculture. In this way determination will be made by consultation with the farmers themselves and with federal and state officials as to what parts of the national requirements can be contributed by each state.

The County War Boards and local committees of farmers will also be consulted as to how the state quotas should be apportioned among the various counties of the respective states.

The state and local people will also be consulted about the extent of government support prices and government loans and government purchases that will be necessary to attain the goals of production set. In other words, the farm program of production and prices for 1943 is going to be formulated finally, only after consultation with the farmers of the Nation and those who are interested in farming. Upon the basis of this collective judgment the final goals for the year's production and the schedule of prices will be formulated well in advance of the production season, so that each farmer and indeed each consumer may know what to count upon.

In order to obtain the great production level of 1943, it was necessary to assure the farmers that their return would be sufficiently high to encourage them to plant and at the same time it was necessary to insure the consumer against prices for food which would be too high for him to purchase. This could be done only with the use of government funds, and in order to bring about the proposed increased production for 1943 it will be necessary to use additional government funds.
All of the restrictions on acreage which were imposed by the AAA program in former years have been removed for 1944, as they were for 1945 with few exceptions. Only tobacco marketing quotas will be maintained -- in order to encourage tobacco farmers to put more of their land into food products.

There are some people, who for political reasons, now maintain that these early acreage restrictions which were put into effect in 1933 and subsequent years are partially responsible for the present shortage. Of course the facts are otherwise. When these restrictions were imposed the farmers' income had dwindled away to practically nothing; they were unable to get decent prices for their crops because they raised so much more than people were able to buy, and also because the foreign market for their products had practically disappeared. As a result of this glut, this stifling excess of supply over demand, farm prices faded away to almost nothing; and it was necessary to restrict production by taking inferior land out of production in order to save agriculture from the complete bankruptcy which was threatening it in 1932.

The farmers themselves voted to do this, because of conditions which consumers well understood and appreciated, for they knew that that was the only road to salvation for agriculture and for the country as a whole.

Since the present war began, however, and the demand for food has outstripped the supply, these restrictions have been lifted and there are now no limitations on the production of food.

Another fact which is often overlooked by the critics of our acreage adjustment program is that more acres were put into soil-improving crops and legumes and that many conservation practices were instituted -- such as terracing, cover cropping, and contour farming -- which actually
improved the soil so much, that although less acreage was in production, more food per acre was produced. In fact the great improvement in our soil which resulted from our agricultural programs has made possible the record food production of recent years.

In planting for 1944, we are determined not to repeat the blunder of plowing, and planting crops, without regard to the fitness of the land, and without regard to proper soil conservation, as was done during the First World War. The "dust bowl" which was created by these practices has caused too much sorrow and suffering and financial loss in recent years to let us forget the lesson.

The increased production goals for 1944 involve not only an increase in the total food production but also shifting production from one kind of food to other kinds which are more necessary. The plan calls for the right amount of the right things in the right places — and the objective will be to stretch our food supply as far as possible. Accordingly, the largest increases in production will be for those crops which furnish food for direct human consumption.

Plans are also under way to increase our food supply by the development and procurement of food abroad. I have already mentioned how our assistance in developing food production in North Africa has made and will make available food for our armed forces abroad under reverse lend-lease. Other sources of foreign food may be available to us. The functions of handling foreign food development are being centralized in the Foreign Economic Administration so that our food supply can be augmented in the most effective way.
SUPPORT PRICES AND EQUALIZATION PAYMENTS

In order to induce farmers to increase production to these new goals and at the same time keep the cost of food down, it will be necessary to increase the amount of government funds which were used for these purposes in 1943.

Government funds have been used in various different ways in order to see that the farmer got a fair price for his product — a price high enough to encourage him to raise more crops — without raising the price to the consumer. All of these administrative methods of guaranteeing a minimum price to the farmer for his products — whether they take the form of non-recourse loans, or guaranteed prices, or subsidy payments, or actual purchase and resale — are generically called price supports, and are included in the price support program. The purpose of the price support program is primarily to encourage the farmer to grow a crop with the assurance that, no matter what happens, he is going to get a certain definite return for it. If the price which the ultimate consumer pays as fixed by the price regulations is less than an amount which will pay the farmer this return, then the government absorbs the loss and sees to it that the farmer gets what was guaranteed to him. The farmer also enjoys this guarantee when prices in the market fall below the support level. If the price which the consumer has to pay as fixed by the price regulations is high enough to pay the farmer his support price, then of course there is no loss to the government.

In certain commodities the War Food Administration knows in advance that it will have to bear part of the cost. Nevertheless, the charge will be a necessary part of the program to produce enough food, without having the consumer pay too much for it.

We cannot and should not expect the farmers of the nation to increase their production all over the United States if they face the
definite risk of loss by reason of such production. We do not expect industrial war plants to take such risks and there is no reason why the farmers should.

I am attaching herewith a statement of the commodities for which support prices were in effect during 1913. The Congress will notice that in some of the commodities such as cotton, corn, wheat, tobacco and rice these support prices have been in effect for several years.

I am also attaching a statement showing the cost to the Government of this support price program for 1913. The Congress will notice that production of only a fraction of the commodities required any outlay by the government. In other words, in the majority of the products, the price which the consumer paid was high enough to cover the support price; whereas in a small percentage of the crops the price which the consumer paid was not high enough to pay the farmer the price which was promised.

For these comparatively few items there was a loss — which the government absorbed. The entire program for 1913 resulted in a loss of three hundred and thirty-five million dollars. (NOTE: This does not include R.P.R. Roll-Back Program. With this program it comes to about 450 million.)

I am sure that the Congress and the people feel that this is a very small amount of money to pay in order to help accomplish the objectives which we have in mind — greater production and lower consumer prices — for a whole year. In fact it is only about equal to the cost to us of waging this war for one day and a half.

It is very small compared with the amount of money which has been spent by the government in helping the production of other war commodities other than food — such as copper, aluminum, imported metals
This does not include the Reconstruction Finance Corporation program for reducing the prices of meat and butter, which will cost an additional 350 million dollars per year.
We are only applying here the same principle which has proved so effective in the production of other war materials -- such as copper, lead, zinc, aluminum, and others.
and others. I am attaching hereto schedules showing a comparison between
the amount of subsidies paid for food production as compared with other
products during 1943.

Every nation now in the war [without exception] has used
some form of government equalization payments in order to hold down the
cost of living and at the same time to allow a fair return to the farmers.
A good part of the great success of the stabilization program in both
Canada and Britain is due to the effective use of government funds in
this way.

Although this program cannot hold the line without the enforce-
ment of a firm price control and without an adequate tax and savings
program to absorb excess purchasing power, nevertheless it is equally
true that the firmest price control and the wisest fiscal policy cannot
do the job themselves without the use of the subsidy instrument.

Subsidies when properly used have three important advantages:
First, by preventing price increases, they eliminate inflationary
tendencies. Secondly, they stimulate production of certain necessary
and select crops. Third, they encourage the distribution of food through
normal legitimate channels instead of black market operators, who are
willing to pay higher prices to farmers with the expectation of selling
above ceiling prices.

When effectively used, this program not only performs this
necessary function in stabilization of the cost of living, but it also
results in great savings to the government and to consumers. The
expenditure of very small sums makes it possible to avoid price increases
all down the line — from the producer through the processors, wholesalers,
jobbers and retailers — the cost of which runs to extremely large amounts.
In the case of copper for example every dollar paid by the government to subsidize and increase production has saved the government twenty-eight dollars. In the case of the coal and oil transportation subsidy, very moderate payments have avoided major increases in prices. If there had been increases in the prices of these basic items, they would have increased the cost of producing practically every commodity manufactured on the East Coast.

In the case of food subsidies, every dollar spent has saved the government and consumers five dollars.

The agencies charged with responsibility for stabilizing the cost of living will from time to time place before the Congress the programs necessary to hold the line. These will require money. I strongly urge the Congress to give serious consideration to their requests. I am confident that the Executive and Legislative branches of the Government can pull in harness to get the job done. There is no other way in which it can be done as effectively.

FARMERS' INCOME

The administration of the food program has certainly resulted in a great benefit to farmers. Farm income last year reached an all-time peak — and this year it will be higher still. The prices that farmers pay on the other hand, have been held to about the increase in the prices they receive for their farm products.

In consequence, the net income of farm operators — income after expenses — has risen to the highest level ever enjoyed by farmers. Last year, this income stood one hundred and twenty-eight percent above the level of 1939. This year, it will be twenty to twenty-five percent.
higher still. During the last war, the net income of farmers rose only 11 percent from 1914 to 1916. This shows that the present program of management of farm prices—prices received and prices paid—has not injured the American farmer in the past. I am sure that it will not in the future.

In addition to these favorable prices and incomes, the farmer has been guaranteed government support of the prices he receives for war crops, not only during the war, but for two years afterward—a guarantee against disaster afforded to no other group. The farmer has been assured that the bottom will not fall out of his market—as it did after the last war. This guarantee has made it possible for him to increase his investment in plant and equipment with the certainty that the investment would continue to pay dividends. It has also assured to the Nation a farm production large enough to meet our war requirements. There is no valid reason why the present consumer subsidies should not be continued as well as the support prices to farmers, so long as they

The support price program, coupled with the program to meet special farming costs without raising prices to consumers, is an essential part of winning the war. The subsidies that are used are not producer subsidies. They are not consumer subsidies. They are war subsidies. The costs which they cover—the costs which they prevent from pushing through to the cost of living—are war costs. On the farm as in industry the war has pushed costs above the levels that prevailed before the outbreak of war, and above the levels that will prevail when victory has been won. These are costs of war, and it is entirely appropriate that they should be met out of the public treasury, just as are the costs of producing tanks and planes and ships and guns. I think that the whole issue of subsidies becomes vastly clearer when this fundamental fact about them is borne in mind.
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**CONSUMER FOOD PRICES**

In the Stabilization Act of October 2, 1942, the Congress directed that the cost of living be stabilized as far as practicable at the level of September 15, 1942. By May fifteenth, 1943, however, the cost of living had risen 6.2 percent. This was a serious increase, constituting a grave threat to the entire stabilization program. It was particularly serious because wages were being generally stabilized on the basis of the cost of living as of May 15, 1942 which was lower than the level of September 15, 1942.
The average net income of the farmers of the nation during the five pre-war years 1935 to 1939 was $5,336,000,000 million dollars. The net income for 1939 was $5,233,000,000 million dollars. The net income for 1943 will be $14,185,000,000 million dollars.

The net income for 1942 was $11,288,000,000 million dollars.
Obviously, wages cannot be stabilised at a certain level unless there is also a stable cost of living. Obviously, too, the millions of people with incomes fixed long before the war — salaried white-collar workers, school teachers, clergymen, other state, county, and city officials, policemen, firemen, clerks, old-age pensioners, those living on insurance policies, dependents of men at the front — all had to be protected against the rise in the cost of living which was eating steadily into the buying power of their unchanged incomes. So much public attention has been directed at the increased income of workers in war plants, that it has been diverted from this great mass of our population whose incomes have remained fixed all during the war.

It is essential that we keep prices down also in order to prevent the spiral of inflation from beginning. As soon as the price of food goes up materially, workers have a right to demand higher wages in order to meet those prices. This in turn will cause even higher prices for food — and no one can tell where the end will be.

An increase in the price of food brings a demand for higher wages which will in turn boost all production costs — for civilian and military items both — far out of proportion to the small increase in the food cost. In this way a higher cost of food can increase the total cost of the war in high geometrical progression.

In the face of this situation, I issued an order in April 1943 to hold the line; and, at the time it was issued, I said:

"To hold the line we cannot tolerate further increases in prices affecting the cost of living or further increases in general wage or salary rates ——. The only way to hold the line is to stop trying to find justifications for not holding it here or not holding it there."

Although last May, the cost of living did stand 6.2 percent above the September level, not all the items in the family budget showed this increase—or anything like it. On the contrary, the greater part of the budget was firmly stabilized. Thus, rent had increased not at all over the 8-month period; housefurnishings had increased by only 1/4 percent; clothing by 3/4 percent; fuel, electricity, and ice by 1/6 percent; and miscellaneous items, such as laundry services and drug supplies by 3/5 percent.

The major portion of the increase in the cost of living—to be precise, four-fifths—was attributable to the failure to stabilize one sector of the economy—food prices. These prices rose by 2/3 percent. Even with regard to the foods themselves, however, the record was not all so black. Three-quarters of the family food budget—in fact the whole range of foods except only fresh fruits and vegetables—was held to an increase of only 4 percent. It was the remaining one-quarter of the food budget—the fresh fruits and vegetables—that did the real damage. Fresh fruits and vegetables rose 58 percent between September 1942 and May 1943, and accounted for over three-fifths of the increase in the entire cost of living during that period.

"The "easy" way out of this situation would have been to let wages rise above the base date level in the same degree that the cost of living had risen. That is what some did urge. That would have been a serious, a cataclysmic blunder. For if the line had been relaxed on the wage front, we may rest assured that the resulting pressure of costs would have forced all prices and the cost of living up once more, thus calling for still another rise of wages. Just as the Stabilization Act is to the everlasting credit of the Congress, so the wholehearted support which responsible organized labor gave to the hold-the-line policy stands to the everlasting credit of labor in the United States. The responsible labor leadership saw that the easy way out was no way out at all, and they rejected it. Instead they threw their full energies into making effective the program to reduce the cost of living, the program to bring the cost of living back into balance with wages."
Although last May, the cost of living did stand 6.2 percent above the September level, not all the items in the family budget showed this increase—or anything like it. On the contrary, the greater part of the budget was firmly stabilized. Thus, rent had increased not at all over the 8-month period; housefurnishings had increased by only 9/10 of 1 percent; clothing by 3/10 percent; fuel, electricity, and ice by 3/10 percent; and miscellaneous items, such as laundry services and drug supplies by 3/10 percent.

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To put this somewhat differently, 90 percent of the cost of living had been effectively stabilized. Ten percent of the cost of living had been permitted to get out of hand. That was the situation which confronted us last May.
The "hold-the-line" order was designed to undo the damage that had been done, and to prevent any further damage. The rise in the cost of living having resulted almost entirely from the increase in certain food prices, the program was quite properly designed to bring those food prices back to their September levels as far as possible. During the summer of 1943, for example, the prices of meats and butter were reduced by 10 percent, the price of fresh fish by 20 percent, and the prices of cabbage and lettuce by 50 and 25 percent, respectively.

These striking reductions in the case of fresh fish, cabbage, and lettuce were made possible by squeezing the water out of the price structure, by reducing excessive margins of distributors wherever they were found to exist. In the case of meat and butter, the situation was different. The prices received by farmers and distributors did not permit reduction without bringing returns to unreasonably low levels. Accordingly, an equalisation payment — a subsidy — was paid by the Government to the processor to enable him to reduce the price of these products without loss to himself and without reducing the price he paid the farmer.

The Reconstruction Finance Corporation undertook to make these payments to processors of meat and butter, so that retail costs of these foods may be held down while the producers receive large enough returns to encourage output. The cost of these operations for 1943 will total 200 million dollars.

The public treasury has been using, as food production aids, other forms of payments under the Agricultural Adjustment Act and so-called Section 32 operations for supporting prices.

Additional or subsidy payments have been made to industry in order to secure wartime production of many essentials, including copper, zinc, aluminum, and other critical materials. We have paid premiums to speed
up construction of ships and other war materials.

In consequence of these programs, the rise in the cost of living, which had proceeded without interruption from the early months of 1941, was brought to an abrupt halt. In June, the cost of living fell to 5.9 percent above the September level, in July to 5.1 percent, and in August to 4.6 percent.

This demonstrates that the cost of living can be reduced. Steady progress has been made, and the program must be extended until the job is done.

There is now being put into effect a program, recently announced, to reduce the retail prices to consumers of other items: apples, onions, oranges, potatoes and sweet potatoes, peanut butter, lard, and vegetable shortening, to something near the levels which prevailed in September 1942. It is estimated that these reductions, taken together, will bring the cost of living down to a level of 3 percent above the level prevailing in September 1942, the date which the Congress set for stabilization.

Furthermore, preparations are being made to establish ceilings at levels substantially below current retail prices on other winter vegetables. When the prices of the fruits and vegetables, which accounted for the major part of the increase in the cost of living since last September, have been brought back to reasonable levels, the cost of living will remain only about 2 percent above the level at which the Congress directed it to be held.

A major part of these decreases will be made possible, as in the case of cabbage and lettuce, without the use of subsidies and by means of a reduction of margins and returns which are excessively high. In some cases, however, it will be necessary, in order to hold the retail price at reasonable levels, for the Government to absorb part of the cost of transportation,
to take a moderate loss on purchase operations, and to make direct payments. The cost of the program covering fresh fruits, fresh vegetables, lard, peanut butter, and shortening, and to maintain at present levels the price of potatoes, is estimated at less than $100 million per annum.

This program will substantially effectuate the directive of the Congress. We are confronted, however, by acute pressures elsewhere, which threaten to break through the line. There are two situations which require immediate action. These are milk and bread — basic items in every family's diet. In the case of milk, increases in feed costs and other costs have brought the dairyman's returns down to a level far below that of producers of other farm commodities. Adequate production of this vitally important food is threatened.

To permit higher prices for milk and bread is unthinkable.

With respect to milk, a program has just been announced by the War Food Administration to help meet the situation. This is discussed hereafter in connection with the problem of supplying feed to dairy farmers.

The rises in the price of food during this war compare most favorably with the rises in the first World War. Between September 1, 1919, when this war began and December 1941 when we got into the war, the price of food had risen 15 percent. From December 1941 to date the price of food has risen 21 percent. The comparable rises in the last war were as follows: Between August 1914, when the war began and April 1917 when we entered the war, food prices had risen 36 percent and between April 1917 and December 1918 the prices of food had risen 29 percent.

FEED FOR DAIRY CATTLE

The price of grains used as feed for cattle has also advanced to a greater degree than the price of dairy products. Grain prices have advanced nearly sixty percent since 1941, while the price of dairy products has advanced only about forty percent.

To those who recognize the importance of milk, butter and cheese in maintaining a healthy, vigorous civilian population, this increased cost has given real concern about the supply of dairy products.
In order to enable dairy producers to obtain feed for their cattle without raising the price of their milk and other dairy products to the consumer, the War Food Administration has adopted a program of making payments to dairy farmers based on the increased cost of their purchased feed since September 1942. The payments will be made directly to the dairy farmer, except in those cases where it may be desirable to make the payment to him through the Cooperative Association or other marketing agency.

While the program as announced is for a three months' period, some form of equalization payment will probably be necessary as long as the margin between feed costs and dairy prices remains unfavorable.

In order to reduce this margin between livestock and feed, the War Food Administration has announced a reduction in the support price for hogs effective on October 1, 1944, and has removed certain slaughter quotas. The purpose of this is to encourage hog raisers to market their hogs earlier and at lighter weights.

In addition to this program, the War Food Administration is bringing in large quantities of grain from Canada for feeding purposes. This movement has been hampered by a series of transportation difficulties, including the late blocking of Buffalo Harbor with ice and the unusual fog during this summer on the Great Lakes involving the loss of several of the largest carriers and the laying up of a number of others for repair.

In spite of these difficulties there have been imported from Canada during 1943 up to October first, one hundred and eleven million bushels of feed of all kinds. As much additional grain will be brought in as transportation facilities will permit.

Furthermore, the supply of feeds will be distributed equitably throughout the country, the War Food Administration taking such steps and absorbing such transportation costs as may be necessary to assure this objective.

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RATIONING AND DISTRIBUTION

The greatest difficulty in the food program has been to bring about a fair and equitable distribution of the available food supplies. It is obvious that there is not enough to furnish all civilians with
all the food they want. As I have said, this is the result, to a great extent, of the fact that so many civilians have so much more money to spend than there are civilian supplies of all kinds, including food, to go around.

There are some who advocate taking off all restrictions on food because of the vast food production which the American farmers have raised. But with the great excess of purchasing power now in the pockets of the American people, the supply would never last. We might have a feast for a few months, but then there would be a real shortage—not only for civilians at home but for our own fighting men and those of our allies.

I am confident that the civilian population of the United States is ready to give up certain eating habits and accept certain shortages. They know that they must, if the war is to be won. A sharp line will have to be drawn between the luxuries of life and the necessities of life. A shortage in sirloin steaks or in choice fruits does not mean that the war food program has failed.

In view of the fact that more food is wanted than actually exists, it is necessary to have regulations and rationing which are sometimes very burdensome. But they are the only way to insure that everybody gets a fair share irrespective of his economic or social or political standing.

Some of them are needed to hold back from commercial channels a portion of the supply which was produced during months of high production so that the civilian supply can be kept on a fairly even keel month in and month out. This is particularly true of perishable foods and vegetables where the supply conditions change sharply from season to season. For example last year there was a good crop of potatoes but the American people ate up the entire year's supply in ten months so that in the last two months there were few potatoes available in many parts of the country. This kind of situation must be avoided. We cannot afford to eat up a year's supply in ten months or in eight or
even six months as purchasing power constantly increases and do without for the balance of the year. We must find a way to husband all of these supplies spacing consumption evenly through the year. Fortunately we have an abundant supply of potatoes this year.

One of the difficulties has been the uneven geographical distribution of food supplies. Certain parts of the country have had abundance, while others have gone without. Part of this is caused by transportation difficulties; part is caused by the fact that excessive demand has made it profitable to sell within the area in which the crops are grown rather than to ship to other markets. This makes it necessary for the government to develop programs to insure orderly geographic distribution of all important foods. National interest requires that every part of the country obtain a fair share. Also, the supply must be stretched to cover the requirements of the entire year.

More equal geographic distribution and a more even distribution through the year could be accomplished by the extension of rationing to some of the important foods which are not today rationed. However, for the perishable items, this would entail especially serious administrative difficulties. Therefore, it is planned that the government itself either purchase or otherwise control certain foods, or absorb the transportation costs—in order to stretch consumption through the year, and to insure distribution that is fair to all parts of the country. Such operations would also go a long way toward stamping out black markets. These devices will be used selectively and only to the extent necessary to achieve the objective of year-round, orderly distribution.

Control and distribution by rationing has involved many difficult administrative problems, most of which have been solved by experience. No one would contend that mistakes were not made. Nevertheless there has been steady improvement. A recent survey has shown that 93 percent of American housewives agree that a good job—a job fair to all—has been done.

Unfortunately only the seven percent who are not satisfied are more vocal than the 93%. Many reasons explain this.
Although civilians with their greatly increased purchasing power will not be able to purchase all the food for which they have the money, there will be a sufficient amount of good wholesome food for the people of the United States.

From a nutrition standpoint the civilian per capita food supply during this year of 1943 will compare favorably with the average for the pre-war period 1935 to 1939.

There have been inconveniences to the American dining table—even shortages of certain foods. But no American has gone hungry—in fact the American people as a whole are eating more now than they did before Pearl Harbor.

The American people realize that unless every farmer does his share to get full production and unless every civilian plays fair and does not seek to get more than his proper share of the limited supply, they may be depriving some of our soldiers or fighting allies of needed food to sustain them in their struggle.

**ADMINISTRATION OF THE FOOD PROGRAM**

There has been loose talk in some quarters about the need for a food "czar" to have full control of food—including not only production and distribution but prices, rationing and transportation. The fact is that the production and allocation and distribution of food of all kinds are all now under the control of one man—the War Food Administrator.

The War Food Administration is the agency which allocates available supply of food to civilian, military, and lend-lease needs.

That part of the food supply which is allocated to civilians, insofar as rationing and ceiling prices are concerned, comes under the supervision of the Office of Price Administration. The Office of Price Administration does not ration food on its own initiative, but only on
the recommendation of the War Food Administration. In other words, the
War Food Administration determines when the demand for food of a certain
kind so exceeds the supply of that food that rationing is required.
When such determination is made, the Office of Price Administration takes
charge of the actual mechanics of rationing.

This is the most logical procedure, because it places the actual
administration of rationing—the ration coupons, the ration boards,
the ration regulations—in the same body of citizens that rations
gasoline, fuel oil, shoes and the other products, and it leaves the
determination of the necessity for rationing food in the War Food Ad-
ministration. There can be no reason, in logic or necessity, for
setting up a new ration board in all the localities in the United States
for each different product.

With respect to prices, it is true that the War Food Administration
should be concerned with the fixing of price ceilings. It is. No
price ceiling on agricultural commodities is fixed by the Office of
Price Administration without the concurrence of the War Food Administra-
tion. In other words, the Office of Price Administration and the War
Food Administration either agree on a price or any disagreement is settled
by the Director of Economic Stabilization. In this way the Food Adminis-
trator has a great deal to say about the price of food—but not all,
For the price of food should be kept in proper relationship to the
prices of other commodities; and therefore it has been deemed advisable
to put all price fixing and enforcement in one agency. There is no
reason why the War Food Administration should have its own corps of
price enforcement officials to duplicate the work of the other price
enforcement officials in the Office of Price Administration.

With respect to transportation it would be impossible to give
the War Food Administrator complete control over the transportation
of food because every car used to transport food is a car which is
also greatly in demand for the transportation of other war products.

Obviously there must be an agency which apportions the transportation facilities among the various war needs and it would disrupt prosecution of the war and result in chaos if the War Food Administrator were able to take a car needed for steel or weapons or chemicals or equipment and use it for food transportation.

The fact is that the administration of food is now properly

The case is exactly the same for prices as for transportation. We cannot permit any part of the program, food or rubber, or any other, to have a free hand in bidding materials and manpower away from other equally essential parts of the war effort. If in transportation chaos would result, how shall we characterize the consequences on the price front where the relationships are even more complex and delicate than in transportation?

We shall maintain our fighting men as the best fed in all the world.

We shall guarantee that every individual of our civilian population will have an ample and healthful diet, consistent with our high standards of living. Everyone may be assured that there will be enough food to go around. No one need fear that only a comparatively few people will be able to afford an adequate and varied diet.

We shall assist in fulfilling the requirements of our fighting allies for food and shall also assist in assuring that the liberated peoples will be given sufficient food to regain their physical and economic strength.

Our farmers will receive a return over and above their costs of production that will compensate them decently and adequately for their long and arduous work. At the same time, the consumers of the nation will be protected against rising costs which are properly chargeable to the war effort itself.

With the same determination that has led our fighting men to conquer their military objectives, we at home shall reach the objectives of our food program. We will get the production that we have set as our goal. We will see that the supplies of food are distributed fairly and equitably and at stable prices that are fair to the consumer. To do this we shall have to draw upon that basic characteristic of a democracy—a characteristic that has its roots in the American farm community. We shall draw on our teamwork, teamwork of the farmer, and the consumer, and the distributor, and the Government in both its legislative and executive branches.

The accomplishments of the past year have been great. We shall demonstrate to the Axis how the teamwork of a free people can make even those records fall. We shall demonstrate that freedom and teamwork make the people of a democracy the most efficient producers in the world—whether it be of battleships, tanks, planes, guns, or of the produce of the soil. [End]
also greatly in demand for the transportation of other war products. Obviously there must be an agency which apportions the transportation facilities among the various war needs and it would disrupt prosecution of the war and result in chaos if the War Food Administrator were able to take a car needed for steel or weapons or chemicals or equipment and use it for food transportation.

The fact is that the administration of food is now properly centered in one man and one agency, except only where such administration might encroach upon other war agencies.

The objectives of our food program will, as in the past, be to grow and raise as much foodstuffs as is humanly possible.

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October 29, 1917

It is a fact that many individuals who complain of "black markets" are themselves individually encouraging them by their patronage.

Some "black markets" exist in all nations which have rationing. The managers of these black markets are unpatriotic -- and when they are caught, they should be punished. But we should all attach as much blame to those of our citizens who hurt their neighbors and their nation by paying exorbitant prices in black markets.
The price support program is proving reasonably successful on both fronts: increasing production and maintaining fair food prices for the consumer. I am convinced now that a change in policy will increase the cost of living, will bring about demands for increased wages which would then be justifiable, and might well start a serious and dangerous cycle of inflation -- without any net benefit to anyone.

Some people say "a little inflation will not hurt anyone". They are like the man who takes opium for the sensation he thinks it will give him. He likes it, although he knows that he will not make it a habit. Soon he is taking two -- and then more and more.

Inflation is like that. More leads to more. I am unanimously opposed to taking the "first shot" by Congressional, or by any other action. The nation cannot afford to acquire the habit. We have children to think of.

Those who are advocating an inflation course will have to be ready to accept the responsibility for the results. We have so far been following a tried path, and are getting along fairly well. This is no time to start wandering into an untried field of uncontrolled and uncontrollable prices and wages.
TO THE CONGRESS OF THE UNITED STATES:

THE OBJECTIVES OF OUR FOOD PROGRAM

Food is as important as any other weapon in the successful prosecution of the war. It will be equally important in rehabilitation and in making the terms of peace after the war as well.

The first major objective of our food program is to raise in the most efficient manner enough food and the right kinds of foods to meet our needs. That includes: first, the needs of our armed forces; second, the needs of our civilians at home; and, third, the amount required for our shipments abroad for the essential needs of our fighting allies.

The second major objective is to see that the food for our civilians at home is divided as fairly as possible among all of the people in all sections of the country, and that it is obtainable at reasonable prices.

I have not been content merely with a program for 1944 crops. I am thinking also about the balance of this year, and about the earlier months of 1944 before the crops are harvested. While the question of production for 1944 is an essential one, we must not lose sight of the necessity for keeping the prices of our present food supply at reasonable levels. We must see to it not only that the cost of food already raised does not go up, but that the cost of some foods which have gotten out of line actually goes down.

One of the great difficulties is that the steps necessary to attain these two major objectives sometimes become inconsistent.
with each other. For example, one of the inducements for increased production of food by farmers is to see that they get an adequate price for their products. Such a price is necessary in order to get production. However, if these prices are too high the result will be that by the time the food reaches the grocery store or butcher shop, the housewife will have to pay too high a price for it. This in turn may force a rise in wages and an increase in the prices which farmers have to pay for what they buy. On the other hand, if the butcher shop or grocery store gets too low a price from the consumer for the meat or groceries, then the farmer in turn will get too low a price to encourage him to raise as much of that particular product as we need. In both of these cases, our production and price objectives are not likely to be achieved unless the Government assists with equalization payments or other aid.

The efforts of this Administration have consistently been directed at this double target of raising as much food as possible without placing too great a burden on the American housewife in her efforts to feed her family.

In the main our efforts have been successful. In the case of some foods, however, the objectives have not yet been attained. New measures are being taken in an effort to attain them.

FOOD PRODUCTION 1943

The increase of food production during this war has been far greater than the comparable increase in production during the last war. If, for example, we take the 1935-39 average as the
base of 100, the production in 1959 was 106, in 1942 it was 128, and in 1943 it was 132. If we use the same base of 100, the production in 1914 was 81; in 1918 it was 90, and in 1919 it was also 90. \(^{1}\) In other words, by the fourth year of this War — more than 1942 — our food production has increased twice as much as it did in the same period of the last war.

The 1942 crop was the largest in the history of the United States.

But food production for the current year 1943, in spite of less favorable weather, will exceed the 1942 production.

Crop production will be slightly lower this year than in 1942; but livestock will be so much higher than in 1942 that the total of all food is expected to exceed the 1942 record output by about 5%. This will mean that our total farm production — crops and livestock — will be 50% larger than the average annual production for the five years preceding the outbreak of the war in 1939.

Most of us do not realize how much food actually is being raised in 1943. Here are some illustrative figures:

55 billion quarts of milk, an increase of 14\% over the 1935–1939 average

10 billion pounds of beef and veal (dressed weight), an increase of 27\%

1 billion pounds of lamb and mutton (dressed weight), an increase of 13\%

60 billion eggs (including non-farm), an increase of 50\%

4 billion pounds of chicken (dressed weight), an increase of 63\%
15 billion pounds of pork (dressed weight), an increase of 78%
5 billion pounds of lard, an increase of 75%
5 billion pounds of peanuts, an increase of 125%

This record was established in the face of three major handicaps: shortage of manpower, shortage of farm machinery, and shortage of fertilizer. This record production for 1943 is an amazing tribute to the patriotism, resourcefulness, and ability of the American farmer.

Much is also due to the twenty million victory gardens in the United States by the patriotic men and women who spent so much time and energy in growing to meet the food requirements. It is estimated that about eight million tons of food were produced in 1943 in these victory gardens.

The increase in our farm output since Pearl Harbor has been the largest of any similar period in history. It called for hard work, ingenuity, cooperation and teamwork on the part of farmers, processors and distributors, as well as all the state and federal officials concerned with the food problem. They all deserve the thanks of the American people.

Due to the shortage of regular farm labor, heroic and successful efforts have been made to obtain help from the adult residents of villages and cities — both men and women, on a part-time as well as a full-time basis. High school boys and girls have also been enrolled to help in critical areas during the vacation period and after school hours. They too deserve our thanks.

The record for 1943 in getting additional farm help in places where they were needed is very impressive. For example,
during May, June, July and August of this year, nine hundred thousand workers registered for farm work and one million seven hundred and fifty thousand placements on farms were made, and one hundred thousand workers were moved from one state to another and placed on farms. Forty-eight thousand five hundred workers were brought in this year from Mexico, four thousand seven hundred from the Bahamas, and eight thousand eight hundred from Jamaica. This additional help was used on farms in shortage areas all over the United States. We have also made use of prisoners of war for the raising and harvesting of crops. Essential farm labor has been deferred from the draft. Where emergencies have developed, the Army has assigned soldiers to assist in saving crops that otherwise would be lost.

One of the great difficulties — the shortage of farm machinery and of spare parts — developed, of course, because of the need for steel for other essential elements of the war program. There was only a fixed amount of steel available; and it had to be divided as efficiently as possible among the critical needs for war — ships, big guns and small weapons, tanks, new war factories and new additions to war factories, railroad cars, and a number of other vital items. It was necessary to use our best judgment in determining just where we should use the available supply of steel. Obviously, only a limited amount could be put into farm machinery. It may be that not enough steel was used for that purpose for 1943. The production of farm machinery for 1943 was only 40% of the 1940 production. But our farms were more extensively and better equipped.
This new farm equipment, however, while it will be available for the 1944 production, was not available for 1943. However, the farmers kept their own machinery in better order. They clubbed together in the making of repairs. They joined hands in the use of farm machinery by more than one farm family. The ingenious and resourceful farmers of America, by this cooperative use of machinery, were able to turn out this record crop of 1945.

DEMANDS ON OUR FOOD SUPPLY

Even with this all-time high food production for 1943 there were still shortages in certain parts of the country in our food supply. This was not due to lack of production but rather to the extraordinary demands for food — demands never before made in history.

The increased demands for food came from three principal sources. The largest increase in demand has come from our own civilians here at home. Many of our workers in war factories, in the mines, on the farms, and in other essential pursuits are eating more and better food than they had before the war began. Many of them for the first time are approaching an adequate diet — so essential to the well-being of our people and to maximum war production. The average American family is spending about $700 per year for food this year. In 1939, the average family spent
about $700 per year for food. Even after making allowances for the rise in the cost of food since 1939, the American family is not only spending more for food but eating more food than in pre-war years. This marked increase in the amount of money which the American family has available and spends for food has been one of the predominant factors in the greatly increased demand on our food supply.

The second increased demand for food has come from our nine million soldiers, sailors and marines — who had, and, of course, always will have first call on all articles of food. These service men naturally consume much more food in the Army and Navy than they did in civilian life; and they are getting better food on the average.

The third great demand was for our lend-lease shipments of food to our allies.

There has been a lot of loose talk about impending "meat famine" and "meat shortages" for the coming winter.

During the October-March period this winter's estimated total meat production, excluding poultry, will amount to 14.4 billion pounds, dressed weight, as compared with 12.5 billion pounds during the same period last year, and 11.4 billion pounds two years ago. As a matter of fact, this winter's estimated meat production will be by far the largest on record. [On the basis of Federally-inspected slaughter it will be 46 percent above Nov. 1942-43 period.]
Estimated poultry production during the October-March period this winter will amount to 2.5 billion pounds, as compared with 1.8 billion pounds last winter and 1.7 billion pounds two years ago. The production of chicken meat has increased about 60 percent since 1939.

During the next 6 months we will also produce an estimated 2.2 billion dozens of eggs, as compared with 2.1 billion dozens a year ago and 1.8 billion dozens two years ago. Egg production has increased about 40 percent since 1939.

Also, even though our animal numbers will be at an all-time high this winter, the 1943-44 total supply of feed grains will, except for last year, be the largest supply on record and approximately 20 percent above the 1937-38 average. On a per animal basis, the feed supply will not be as large as in 1937-38 but it will be somewhat above the 1929-30 average.

From the standpoint both of increased production and of price control, the food effort in this war is a far greater success than that of the first World War. Facts bear out this statement, but I suppose that facts are not going to deter those who want to create dissatisfaction or those who spread scares such as "food shortage" and "meat famine."
FOOD PRODUCTION 1944

Our food plans for the future are, of course, predicated on the assumption that we must not only continue our shipments overseas but actually increase them. The war is by no means won, and the global effort must be continued and accelerated. The requirements for our armed forces will be increased not only because there will be a larger number of men and women than in 1943, but because they will be more actively engaged in fighting all over the world.

The average soldier or sailor eats approximately five and one-quarter pounds of food [as purchased] per day — almost half as much again as the average civilian who eats only three and three-quarters pounds per day. The greater the number of men in the armed forces the larger are the demands on our food supply.

In the last war we [only had to feed] four million people in uniform — largely concentrated in the United States and in France. In this war by the end of 1943 we will have almost eleven million men in uniform, and they will be scattered in all parts of the world. At the beginning of this year our armed forces totaled about seven million; at the end of this year the estimated 50 percent strength will be 38 percent higher. That is the reason why in 1942 approximately only seven and five-tenths percent of our food production was allotted to our armed forces whereas in 1943 the figure will be about fourteen percent. As our army grows, as more men are sent overseas, larger food reserves will have to be accumulated, and civilian belts will have to be tightened. Furthermore our armed forces require more of the so-called "protective"
foods such as meat, fats and oils, milk and canned goods — foods which are, therefore, bound to run short for the increased civilian demands.

Our armed forces are now eating in each month 328 million pounds of meat, 28 million dozens of eggs, 28 million pounds of butter, 946 million pounds of potatoes — and staggering amounts of other foodstuffs. And the quality of this food is the best that we can give them.

The armed forces of our allies will also increase in 1944 and they will have to receive food assistance from us.

The amount of food going to Lend-lease is gradually increasing. In 1941 it was two percent of our food production; in 1942, six percent. This year because of increasing Russian shortages and other needs it will probably reach ten percent.

In 1941 and 1942 England was the largest recipient of Lend-lease food, but owing to the German invasion of the Ukraine in 1942 more food has had to be sent since then to the Soviet Union.

In fact Russia, in the first six months of 1945, received one-third of all our Lend-lease food shipments. And probably during 1945 will receive more food than the United Kingdom.

All these war uses will require about one-fourth of our total food supply for the year beginning October 1, 1943, leaving about three-fourths for our civilian population. This three-fourths, however, because of our increased production will amount to as much, per capita, as was used during the 1935-39 period.

I am sure that the American people realise that every pound of food which we send to our fighting allies is helping our own soldiers in their battles and is speeding the day when all our
fighting men and women will come home.

The food that is sent to Russia is almost all for the use of the Russian Army.

Although British farmers, by strenuous efforts, have succeeded in increasing their production from forty percent of Britain's needs to sixty percent, she still has to rely upon imports in order to avoid starvation. American food provides only ten percent of the entire British food supply — and yet it has been a great help in feeding Montgomery's army and the R.A.F. and in sustaining the millions of workers in vital British factories, shipyards and mines. I think it is safe to say that England could not have continued in the war without the help she received in American and Canadian food.

When the Ukraine was invaded, forty percent of Russia's usual food production was lost. Emergency food shipments were sent from Great Britain and the Middle East, but we also had to step up our own shipments. I am sure that no one will disagree with the wisdom — to say nothing of the need and obligation — of sustaining the gallant Russian fighters with American food.

The fact is that with all our shipments, civilian diets in England and in Russia — particularly in Russia — are far below our worst shortage periods. In fact, in Russia food for civilians has been cut to the barest minimum.

Through lend-lease, the United States seeks to put a share of its food resources to the most effective use against the enemy. Conversely, through reverse lend-lease, the striking power of our own armed forces abroad has been greatly augmented by substantial quantities of food provided by our allies. The United
Kingdom, Australia and New Zealand have provided the largest amount of food, but we have also received food under reverse lend-lease from other parts of the British Empire and are receiving increasing quantities of foodstuffs from the French in North Africa.

Some illustrative figures may indicate the importance to our war effort and to our national economy of the food which we obtain from our allies as reverse lend-lease aid without payment.

Although we did not start receiving food under reverse lend-lease from Australia and New Zealand until a year or more after our lend-lease program started, the amounts received - in comparison to what we have lend-leased - are relatively large.

Thus, for example, the United States has received from Australia and New Zealand more than 90-million pounds of beef and veal through August of this year, compared to a total of 99-million pounds of beef and veal which the United States has provided under outgoing lend-lease to all lend-lease countries combined.

We have received, through August 1943, from Australia and New Zealand alone, 55 percent of the amount of butter and 16 percent of the amount of lamb and mutton which we have exported under lend-lease to all lend-lease countries.

During the year 1943, the United Kingdom is providing under reverse lend-lease and without charge to the United States forces stationed in England substantial quantities of many foodstuffs to supplement the food our forces receive from the United States. One of the important features of the foodstuffs received from the United Kingdom under reverse lend-lease is that these are supplemental rations for our armed forces which cannot be shipped from the...
The United States is supplying much of the pork that England consumes. The delivery of beef to our Army from the Southern Dominions and the shipment of pork to England from the United States is a good example of sharing among the United Nations, on the basis of what each has to contribute to total war.

Most of the food for the American armed forces in the South and Southwest Pacific comes from the land and factories of that area. In order to provide for our troops, Australia and New Zealand have expanded their food production and processing facilities. Despite this, however, the large food requirements of our forces have caused shortages of many foods for the Australians and New Zealanders. Nevertheless, these two countries continue to supply our food requirements as reverse lend-lease without payment by us.

and dehydration of meats, vegetables and dairy products. American food requirements under reverse lend-lease have occasioned shortages in many phases of New Zealand's civilian life. Nevertheless, New Zealand continues greatly to expand the scope and volume of her reverse lend-lease to the United States.

A certain small percentage of food will have to be used as the United Nations liberate presently occupied countries, until such time as the populations of these countries can have a chance to become self-supporting.

For example, a very small percentage of our food now goes to feed the liberated people of North Africa and Sicily and Italy. This includes only the bare necessities of life. Feeding people in this area is not only a military necessity, it provides
United States without loss of considerable shipping space.

The United States is supplying much of the pork that England consumes. The delivery of beef to our Army from the Southern Dominions and the shipment of pork to England from the United States is a good example of sharing among the United Nations, on the basis of what each has to contribute to total war.

Most of the rations of the American armed forces in the South and Southwest Pacific come from the land and factories of that area. The rations received from Australia include fresh and dried products, and canned products in some cases ranging up to 100 percent of the total local production.

New Zealand is the granary of the American forces stationed throughout the South Pacific area. In order better to provide for the needs of our troops in remote Pacific islands, New Zealand has greatly increased her capacity for the packing, canning and dehydration of meats, vegetables and dairy products. American food requirements under reverse lend-lease have occasioned shortages in many phases of New Zealand’s civilian life. Nevertheless, New Zealand continues greatly to expand the scope and volume of her reverse lend-lease to the United States.

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For example, a very small percentage of our food now goes to feed the liberated people of North Africa and Sicily and Italy. This includes only the bare necessities of life. Feeding people in this area is not only a military necessity, it provides
strength for the hard work that has to be done by them in order
to produce new supplies of food and other goods. Already the peo-
ples of French Africa, with some assistance from us in expanding
their agricultural production, have been able to produce a suf-
ciently good harvest in 1943 so that they can now even supply
food to our forces there. This not only saves shipping but aug-
ments our own food supply. The people of French Africa, without
payment, and under reverse lend-lease arrangements have also sup-
plied the Allied Forces with substantial quantities of flour for
use in the Italian campaign. This, too, has helped our food, as
well as our shipping situation.

Agreements have just been concluded to provide our forces
with more than 100,000 tons of fruit and vegetables. The 1944 harvests in North Africa,
 aided by American agricultural supplies and a year of peaceful
cultivation, should ease the strain on the food supply of the United
States still further. In North Africa, we and the other United
Nations, have truly beaten our swords into ploughshares.

Food supplied to the liberated peoples also pays other
dividends. It prevents epidemics. It is a potent psychological
and morale weapon for those starving people whose countries are
still overrun by the Axis. While starvation has been the weapon
used by the Axis resulting in disease, misery, and death, the
United Nations are using food as one of their most potent weapons
to shorten the war and win a lasting peace.

The War Food Administration has accordingly raised its
sights for 1944. A preliminary calculation calls for the planting
of three hundred and eighty million acres of crops, as com-
pared with three hundred and sixty-four million acres in 1943.
That will be the largest farm planting in history and will-sequel
the breaking of food production records for the eighth successive
year.

the United Nations
The War Food Administration, with my approval, has requested the Congress to extend the life of the Commodity Credit Corporation. I regard this extension as vital to the War Food Program. It will also enable me to carry out our pledge.

Of course the goals set by the War Food Administration will be meaningless unless the farmers themselves are willing to adopt them as their own goals, and are able to fulfill them. Therefore, the War Food Administration is discussing the national needs with the State War Board of each state, and with representative farmer groups and leaders and public officials in each state interested in agriculture. In this way determination will be made by consultation with the farmers themselves and with federal and state officials as to what parts of the national requirements can be contributed by each state.

The County War Boards and local committees of farmers will also be consulted as to how the state quotas should be apportioned among the various counties of the respective states.

The state and local people will also be consulted about the extent of government support prices and government loans and government purchases that will be necessary to attain the goals of production set. In other words, the farm program of production and prices for 1944 is going to be formulated finally, only after consultation with the farmers of the Nation and those who are interested in farming. Upon the basis of this collective judgment, the final goals for the year's production and the schedule of prices will be formulated well in advance of the production season, so that each farmer and indeed each consumer may know what to count upon.
In order to obtain the great production level of 1943, it was necessary to assure the farmers that their return would be sufficiently high to encourage them to plant and at the same time it was necessary to insure the consumer against prices for food which would be too high for him to purchase. This could be done only with the use of government funds, and in order to bring about the proposed increased production for 1944 it will be necessary to use additional government funds.

All of the restrictions on acreage which were imposed by the AAA program in former years have been removed for 1944, as they were for 1943 with few exceptions. Only tobacco marketing quotas will be maintained -- in order to encourage tobacco farmers to put more of their land into food products.

There are some people, who for political reasons, now maintain that these early acreage restrictions which were put into effect in 1933 and subsequent years are partially responsible for the present shortage. Of course the facts are otherwise. When these restrictions were imposed the farmers' income had dwindled away to practically nothing; they were unable to get decent prices for their crops because they raised so much more than people were able to buy, and also because the foreign market for their products had practically disappeared. As a result of this glut, this stifling excess of supply over demand, farm prices faded away to almost nothing; and it was necessary to restrict production by taking inferior land out of production in order to save agriculture from the complete bankruptcy which was threatening it in 1932.
The farmers themselves voted to do this, because of conditions which consumers well understood and appreciated, for they knew that that was the only road to salvation for agriculture and for the country as a whole.

Since the present war began, however, and the demand for food has outstripped the supply, these restrictions have been lifted and there are now no limitations on the production of food.

Another fact which is often overlooked by the critics of our acreage adjustment program is that more acres were put into soil-improving crops and legumes and that many conservation practices were instituted — such as terracing, cover cropping, and contour farming — which actually improved the soil so much, that although less acreage was in production, more food per acre was produced. In fact the great improvement in our soil which resulted from our agricultural programs has made possible the record food production of recent years.

In planning for 1944, we are determined not to repeat the blunder of the First World War — plowing, and planting crops without regard to the fitness of the land, and without regard to proper soil conservation. The "dust bowl" which was created by these practices has caused too much sorrow and suffering and financial loss in recent years to let us forget the lesson.

The increased production goals for 1944 involve not only an increase in the total food production but also shifting production from one kind of food to other kinds which are more
necessary. The plan calls for the right amount of the right things in the right places -- and the objective will be to stretch our food supply as far as possible. Accordingly, the largest increases in production will be for those crops which furnish food for direct human consumption.

Plans are also under way to increase our food supply by the development and procurement of food abroad. I have already mentioned how our assistance in developing food production in North Africa has made and will make available food for our armed forces abroad under reverse lend-lease. Other sources of foreign food may be available to us. The functions of handling foreign food development are being centralized in the Foreign Economic Administration so that our food supply can be augmented in the most effective way.

**SUPPORT PRICES AND EQUALIZATION PAYMENTS**

In order to induce farmers to increase production to these new goals and at the same time keep the cost of food down, it will be necessary to increase the amount of government funds which were used for these purposes in 1943.

Government funds have been used in various different ways in order to see that the farmer got a fair price for his product -- a price high enough to encourage him to raise more crops -- without raising the price to the consumer. All of these administrative methods of guaranteeing a minimum price to the farmer for his products -- whether they take the form of non-recourse loans, or guaranteed prices, or subsidy payments, or
actual purchase and resale -- are generically called price supports, and are included in the price support programs. The purpose of the price support program is primarily to encourage the farmer to grow a crop with the assurance that, no matter what happens, he is going to get a certain definite return for it. If the price which the ultimate consumer pays as fixed by the price regulations is less than an amount which will pay the farmer this return, then the government absorbs the loss and sees to it that the farmer gets what was guaranteed to him. The farmer also enjoys this guarantee when prices in the market fall below the support level. If the price which the consumer has to pay as fixed by the price regulations is high enough to pay the farmer his support price, then of course there is no loss to the government.

In certain commodities the War Food Administration knows in advance that it will have to bear part of the cost. Nevertheless, the charge will be a necessary part of the program to produce enough food, without having the consumer pay too much for it.

We cannot and should not expect the farmers of the nation to increase their production all over the United States if they face the definite risk of loss by reason of such production. We do not expect industrial war plants to take such risks and there is no reason why the farmers should.

I am attaching herewith a statement of the commodities for which Commodity Credit Corporation support prices were in effect during 1942. The Congress will notice that in some of the commodities such as cotton, corn, wheat, tobacco and rice these support prices have been in effect for several years.
I am also attaching a statement showing the cost to the 
Government of this support price program for 1943. The Congress 
will notice that production of only a fraction of the commodities 
required any outlay by the government. In other words, in the 
majority of the products, the price which the consumer paid was 
high enough to cover the support price; whereas in a small per-
centage of the crops the price which the consumer paid was not 
high enough to pay the farmer the price which was promised. For 
these items, the 
resulted in a loss of three hundred and fifty million dollars. 

This does not include the Reconstruction Finance Corporation 
program for reducing the prices of meat and butter, which will amount to 
over an additional four hundred and fifty million dollars per year. 

I am sure that the Congress and the people feel that 
this expenditure of seven hundred million dollars per year is 
a moderate sum to pay in order to help accomplish the objectives 
which we have in mind -- greater production and lower consumer 
prices -- for a whole year. In fact it is less than the cost 
to us of waging this war for three days. 

We are only applying here the same principle which has 
proved so effective in the production of other war materials -- 
such as copper, lead, zinc, aluminum, and others. 

Every nation now in the war has used some form of 
government equalization payments in order to hold down the cost 
of living and at the same time to allow a fair return to the 
farmers. A good part of the great success of the stabilization 
program in both Canada and Britain is due to the effective use 
of government funds in this way.
Although this program cannot hold the line without the enforcement of a firm price control and without an adequate tax and savings program to absorb excess purchasing power, nevertheless it is equally true that the firmest price control and the wisest fiscal policy cannot do the job themselves without the use of price supports. Subsidies, when properly used, have three important advantages: First, by preventing price increases, they eliminate inflationary tendencies. Second, they stimulate production of certain necessary and select crops. Third, they encourage the distribution of food through normal legitimate channels instead of black market operators, who are willing to pay higher prices to farmers with the expectation of selling above ceiling prices.

When effectively used, this program not only performs this necessary function in stabilization of the cost of living, but it also results in great savings to the government and to consumers. The expenditure of very small sums makes it possible to avoid pyramiding price increases all down the line — from the producer through the processors, wholesalers, jobbers and retailers — the cost of which runs to extremely large amounts.

In the case of copper, for example, every dollar paid by the government to subsidize and increase production has saved the government twenty-eight dollars.

In the case of the coal and oil transportation subsidy, very moderate payments have avoided major increases in prices. If there had been increases in the prices of these basic items, they would have increased the cost of producing practically every commodity manufactured on the East Coast.
In the case of food, the money spent by the government has not only assured us increased production, but, directly and indirectly, has saved the government and consumers billions of dollars.

the increase in the prices they receive for their farm products.

In consequence, the net income of farm operators — income after all expenses — has risen to the highest level ever enjoyed by farmers. Last year, this income stood one hundred

In consequence, the net income of farm operators — income after all expenses — has risen to the highest level ever enjoyed by farmers. The average realized net income of the farm operators of the nation during the five pre-war years, 1935 to 1939, was $4,668,000,000. The was estimated $12,475,000,000. For 1943, it was $9,500,000,000.
In the case of food, substituting, every dollar spent has saved the government and consumers on the average of five dollars.

The agencies charged with responsibility for stabilizing the cost of living will, from time to time, place before the Congress the programs necessary to hold the line. These will require money. I strongly urge the Congress to give serious consideration to their requests. I am confident that the Executive and Legislative branches of the Government can pull in harness to get the job done. [There is no other way in which it can be done as effectively.]

FARMERS' INCOME

The administration of the food program has certainly resulted in a great benefit to farmers. Farm income last year reached an all-time peak — and this year it will be higher still. The increase in the prices that farmers pay for the commodities they buy, on the other hand, has been held to very much less than the increase in the prices they receive for their farm products.

In consequence, the net income of farm operators — income after all expenses — has risen to the highest level ever enjoyed by farmers. Last year, this income stood one hundred and sixteen percent above the level of 1929. This year, it will be about twenty-five percent higher still. During the last war, the net income of farmers rose only 114 percent from 1914 to 1918.

The average net income of the farmers of the Nation during the five post-war years 1935 to 1939 was $5,336,000,000. The net income for 1939 was $5,238,000,000. The net income for 1942 was $11,286,000,000. The net income for 1943 will be $34,185,000,000.
We cannot, however, look at the total income of farm operators by itself. We must also look at the income of the farmer in relation to the income of the rest of the country.

The average income per farmer since the outbreak of the war in 1939 has risen more than the average income of other parts of the population.

This is true also with regard to the period 1910 to 1914, which is the base of the parity calculation. In 1942, the increase in the average income per farmer has increased from this base period by 38 percent more than the average income of other peoples in the country. In 1943, it was 50 percent greater. The farmer, and in 1942 by 50 percent more. In plain language, the farmer this year, not only better off in relation to others in the population, non-farmer than he was before the war broke out; he is better off than he was in the base period 1910 to 1914, and better off than he has been in any year since that time.

This is just and desirable.

All through the twenties and the early years of the thirties, per capita farm incomes were far below fair levels. The nation has profited from the fact that this injustice has been corrected.

It has been true that the farm has been receiving a decreased proportion of the national income. This
It is true, [is wholly consistent with the proposition that the farmer is better off today as compared with the non-farmer than he has been in thirty years.] Any seeming contradiction is resolved by the fact that the proportion of our people working on farms has decreased steadily.

While the proportion of the national income going to the farm population as a whole has declined, the income per farmer has increased more than the per capita income of all others.

But it does not deny the fact that the farmer is more prosperous today, as compared with the rest of the population, than he has been in thirty years.

Non-farm population has increased during this thirty year period by more than fifty percent, while the farm population has remained virtually unchanged.
This is important. The present program of management of farm prices — prices received and prices paid — had not injured the American farmer in the past. I am sure that it will not in the future.

In addition to these favorable prices and incomes, the farmer has been guaranteed government support of the prices he receives for war crops, not only during the war, but for two years afterward — a guarantee against disaster afforded to no other group. The farmer has been assured that the bottom will not fall out of his market — as it did after the last war. This guarantee has made it possible for him to increase his investment in plant and equipment with the certainty that the investment would continue to pay dividends. It has also assured to the Nation a farm production large enough to meet our war requirements.

The support price program, coupled with the program to meet special farming costs without raising prices to consumers, is an essential part of winning the war. The subsidies that are used are war producer subsidies. They are war subsidies. The costs which they cover are war costs. On the farm as in industry the war has pushed costs above the levels that prevailed before the outbreak of war, and above the levels that will prevail when victory has been won. These are costs of war, and it is entirely appropriate that they should be met out of the public treasury, just as are the costs of producing tanks and planes and ships and guns. There is no valid reason why the present consumer subsidies should not be continued as well as the support prices to farmers, so long as
they are clearly in our national interest — as they are in stabilizing the cost of living in time of war.

CONSUMER FOOD PRICES

In the Stabilization Act of October 2, 1942, the Congress directed that the cost of living be stabilized as far as practicable at the level of September 15, 1942. By May 15, 1943, however, the cost of living had risen 6.2 percent. This was a serious increase, constituting a grave threat to the entire stabilization program. It was particularly serious because [wages were being generally stabilized on the basis of the cost of living as of May 15, 1942, which was lower than the level of September 15, 1942.]

Obviously, wages cannot be stabilized at a certain level unless there is also a stable cost of living. Obviously, too, the millions of people with incomes fixed long before the war — salaried white-collar workers, school teachers, clergyman, other state, county, and city officials, policemen, firemen, clerks, old-age pensioners, those living on insurance policies, dependents of men at the front — all had to be protected against the rise in the cost of living which was eating steadily into the buying power of their unchanged incomes. So much public attention has been directed at the increased income of workers in war plants, that it has been diverted from this great mass of our population whose incomes have remained fixed all during the war.

It is essential that we keep prices down also in order to prevent the spiral of inflation from beginning. As soon as the price of food goes up materially, workers [have a right to] naturally
demand higher wages in order to meet those prices. And this in turn will cause even higher prices for food. No one can tell where the end will be.

An increase in the price of food brings a demand for higher wages which will, in turn, boost all production costs for civilian and military items both, far out of proportion to the small increase in the food cost. In this way a higher cost of food can increase the total cost of the war in geometrical progression.

In the face of this situation, I issued an order in April 1943 to hold the line; and, at the time it was issued, I said:

"To hold the line we cannot tolerate further increases in prices affecting the cost of living or further increases in general wage or salary rates — . The only way to hold the line is to stop trying to find justifications for not holding it here or not holding it there."

Although last May, the cost of living did stand 6.2 percent above the September level, not all the items in the family budget showed this increase — or anything like it. On the contrary, the greater part of the budget was firmly stabilized. Thus, rent had increased not at all over the 8-month period; housefurnishings had increased by only a little over 1 percent; clothing by 1.7 percent; fuel, electricity, and ice by 1.5 percent; and miscellaneous items, such as laundry
services and drug supplies by 5.5 percent.

The major portion of the increase in the cost of living — to be precise, four-fifths — was attributable to the failure to stabilize one sector of the economy — food prices. These prices rose by 13 percent. Even with regard to the foods themselves, however, the record was not all so black. Three-quarters of the family food budget — in fact the whole range of foods except only fresh fruits and vegetables — was held to an increase of less than 4 percent. It was the remaining one-quarter of the food budget — the fresh fruits and vegetables — that did the real damage. Fresh fruits and vegetables rose 58 percent between September 1942 and May 1943, and accounted for over three-fifths of the increase in the entire cost of living during that period.

To put this somewhat differently, 90 percent of the cost of living had been effectively stabilized. Ten percent of the cost of living had been permitted to get out of hand. That was the situation which confronted us last May.
The "easy" way out of this situation would have been to let wages rise above the base date level in the same degree that the cost of living had risen. That is what some did urge. That would have been a serious blunder. For if the line had been relaxed on the wage front, we may rest assured that the resulting pressure of costs would have forced prices and the cost of living up once more, thus calling for still another rise of wages. Just as the Stabilization Act is to the everlasting credit of the Congress, so the wholehearted support which responsible organized labor gave to the hold-the-line policy stands to the everlasting credit of labor in the United States. The responsible labor leadership saw that the easy way out was no way out at all, and they rejected it. Instead they threw their full energies into making effective the program to reduce the cost of living, the program to bring the cost of living back into balance with wages.

The "hold-the-line" order was designed to undo the damage that had been done, and to prevent any further damage. The rise in the cost of living having resulted almost entirely from the increase in certain food prices, the program was quite properly designed to bring those food prices back to their September levels as far as possible. [During the summer of 1943, for example, the retail prices of meats and butter were reduced by 10 percent, the price of fresh fish by about 20 percent, and the prices of cabbage and lettuce by 50 and 25 percent, respectively.]
These breathing reductions in the case of fresh fruits, cabbage, and lettuce, were made possible by squeezing the water out of the price structure by reducing excessive margins of distributors wherever they were found to exist. In the case of meat and butter, the situation was different. The prices received by farmers and distributors did not permit reduction without bringing returns to unreasonably low levels. Accordingly, an equalization payment—a subsidy—was paid by the Government to the processor to enable him to reduce the price of these products without loss to himself and without reducing the price he paid the farmer.

The Reconstruction Finance Corporation undertook to make these payments to processors of meat and butter, so that retail costs of these foods may be held down while the producers received large enough returns to encourage output.

The public treasury has been using, as food production aids, other forms of payments under the Agricultural Adjustment Act and so-called Section 32 operations for supporting prices.

Additional or subsidy payments have been made to industry in order to secure wartime production of many essentials, including copper, zinc, aluminum, and other critical materials. We have paid premiums to speed up construction of ships and other war materials.

In consequence of these programs, the rise in the cost of living, which had proceeded without interruption from the early months of 1941, was brought to an abrupt halt. In June, the cost
of living fell to 5.9 percent above the September level, in July to 4.8 percent, and in August to 3.0 percent. This demonstrates that the cost of living can be reduced. Steady progress has been made, and the program must be extended until the job is done.

There is now being put into effect a program, recently announced, to reduce retail prices to consumers of other items: apples, onions, potatoes and sweet potatoes, peanut butter, lard, and vegetable shortening, to something near the levels which prevailed in September, 1942. It is estimated that these reductions, taken together, will bring the cost of living down to a level of 3 percent above the level prevailing in September 1942, the date which the Congress set for stabilization.

Furthermore, preparations are being made to establish ceilings at levels substantially below current retail prices on other winter vegetables. The prices of the fruits and vegetables, which accounted for the major part of the increase in the cost of living since last September, have been brought back to reasonable levels, the cost of living will remain only about 2 percent above the level at which the Congress directed it be held.

A major part of these decreases will be made possible, as in the case of cabbage and lettuce, without the use of subsidies and by means of a reduction of margins and returns which are excessively high. In some cases, however, it will be necessary, in order to hold the retail price at reasonable levels, for the

This time that in September 1943, the cost of living rose by less than one-half percent. This increase was not due to food but mainly to the cost of clothing.
Government to absorb part of the cost of transportation, to take a moderate loss on purchase operations, and to make direct payments. The cost of the program covering fresh fruits, fresh vegetables, lard, peanut butter, and shortening, and to maintain at present levels the price of potatoes, is estimated at less than one hundred million dollars per annum.

This program would substantially affectuate the directive of the Congress. We are confronted, however, by acute pressures elsewhere, which threaten to break through the line. There are two situations which require immediate action. These are milk and bread -- basic items in every family's diet. In the case of milk, increases in feed costs and other costs have brought the dairyman's returns down to a level far below that of producers of other farm commodities. Adequate production of this vitally important food is threatened.

With respect to milk, a program has just been announced by the War Food Administration to help meet the situation. This is discussed hereafter in connection with the problem of supplying feed to dairy farmers.

The rises in the price of food during this war compare most favorably with the rises in the First World War. Between September 1, 1914, when this war began and December 1941 when we got into the war, the price of food had risen 15 percent. From December 1941 to date the price of food has risen 21 percent. The comparable rises in the last war were as follows: Between August 1914 when the war began and April 1917 when we entered
In the four years following July 1914, the advance in food prices was 67 percent as compared with an increase of 47 percent in the four years following August 1939. In the four years of the last war, the greatest rise in the costs of the average family occurred in prices for clothing and housefurnishings. Housefurnishings costs rose 82 percent, and clothing costs 90 percent.

The General Maximum Price Regulation of May 1942, prevented such an extreme increase in this war. From August 1939 to September 1943, the increase in clothing and housefurnishings costs were only one-third as much as in the same period of the last war.

From August 1939, the month before the war broke out in Europe, the total cost of living in the United States increased not quite 26 percent, as compared with an advance of 53 percent in the same period in the last war.
Gentlemen:

You have agreed, under the terms of your contract which is financed from Federal funds, to furnish monthly to the Bureau of Labor Statistics the number of wage earners, the amount of pay rolls, the number of man-hours of labor worked, and the cost of materials purchased for the job.

We would appreciate your furnishing the following needed information as indicated by check mark.

We appreciate your cooperation and trust that we shall have an opportunity to serve you in the future.

Very truly yours,

Isador Lubin
Commissioner of Labor Statistics.

PLEASE DISREGARD ALL INQUIRIES NOT CHECKED

☐ 1. Has work on your contract started? Yes ☐ No ☐ If “yes,” please give starting date: ..................................................

☐ 2. Has work on your contract been completed? Yes ☐ No ☐ If “yes,” give date of completion: ..................................................

☐ 3. Our records indicate that we have received no reports of employment and material in connection with this contract during period shown on the enclosed form. Will you please supply the data desired on the blank?

☐ 4. Please furnish information called for in inquiry 3 and on reverse side of the enclosed form covering period from ............................................... to ..................................................

☐ 5. Does your contract include installation of products which you supply or manufacture? Yes ☐ No ☐ If “yes,” give date of installation: ..................................................
The price of grains used as feed for cattle has also advanced to a greater degree than the price of dairy products. Grain prices have advanced more than 60 percent since 1941, while the price of dairy products has advanced only about 40 percent.

To those who recognize the importance of milk, butter and cheese in maintaining a healthy, vigorous civilian population, this increased cost has given real concern about the supply of dairy products.

In order to enable dairy producers to obtain feed for their cattle without raising the price of their milk and other dairy products to the consumer, the War Food Administration has adopted a program of making payments to dairy farmers based on the increased cost of their purchased feed since September 1942. The payments will be made directly to the dairy farmer, except in those cases where it may be desirable to make the payment to him through the cooperative association or other marketing agency.

While the program as announced is for a three months' period, some form of equalization payment will probably be necessary as long as the margin between feed costs and dairy prices remains unfavorable.

In order to reduce this margin betweenlivestock and feed, the War Food Administration has announced a reduction in the support price for hogs effective on October 1, 1944, and has removed certain slaughter quotas. The purpose of this is to...
encourage hog raisers to market their hogs earlier and at lighter weights.

In addition to this program, the War Food Administration is bringing in large quantities of grain from Canada for feeding purposes. This movement has been hampered by a series of transportation difficulties, including the late blocking of Buffalo Harbor with ice and the unusual fog during this summer on the Great Lakes, involving the loss of several of the largest sawdriers and the laying up of a number of others for repair.

In spite of these difficulties, there have been imported from Canada, during 1943 up to October 30, one hundred and twenty-five million bushels of feed of all kinds. As much additional grain will be brought in as transportation facilities will permit. Furthermore, the supply of feed will be distributed equitably throughout the country, the War Food Administration taking such steps and absorbing such transportation costs as may be necessary to secure this objective.

RATIONING AND DISTRIBUTION

The greatest difficulty in the food program has been to bring about a fair and equitable distribution of the available food supplies. It is obvious that there is not enough to furnish all civilians with all the food they want. As I have said, this is the result, to a great extent, of the fact that so many civilians have so much more money to spend than there are civilian supplies of all kinds, including food, to go around.

There are some who advocate taking off all restrictions on food because of the vast food production which the American
farmers have raised. But with the great excess of purchasing power now in the pockets of the American people, the supply would never last. We might have a feast for a few months, but then there would be a real shortage -- not only for civilians at home but for our own fighting men and those of our allies.

I am confident that the civilian population of the United States is ready to give up certain eating habits and accept certain shortages. They know that they must, if the war is to be won. A sharp line will have to be drawn between the luxuries of life and the necessities of life. A shortage in sirloin steaks or in choice fruits does not mean that the war food program has failed.

In view of the fact that more food is wanted than actually exists, it is necessary to have regulations and rationing which are sometimes very burdensome. But they are the only way to insure that everybody gets a fair share irrespective of his economic or social or political standing.

Some of them are needed to hold back from commercial channels a portion of the supply which was produced during months of high production so that the civilian supply can be kept on a fairly even keel month in and month out. This is particularly true of perishable foods and vegetables where the supply conditions change sharply from season to season. For example last year there was a good crop of potatoes but the American people ate up the entire year's supply in ten months so that in the last two months there were few potatoes available in many parts of the country. This kind of situation must be avoided. We cannot afford to eat up a year's supply in ten months or in eight or even six months.
and do without for the balance of the year. We must find a way to husband all of these supplies spacing consumption evenly through the year. Fortunately we have an abundant supply of potatoes this year.

One of the difficulties has been the uneven geographical distribution of food supplies. Certain parts of the country have had abundance, while others have gone without. Part of this is caused by transportation difficulties; part is caused by the fact that excessive demand has made it profitable to sell within the area in which the crops are grown rather than to ship to other markets. This makes it necessary for the government to develop programs to insure orderly geographic distribution of all important foods. National interest requires that every part of the country obtain a fair share. Also, the supply must be stretched to cover the requirements of the entire year.

More equal geographic distribution and a more even distribution through the year could be accomplished by the extension of rationing to some of the important foods which are not today rationed. However, for the perishable items, this would entail especially serious administrative difficulties. Therefore, it is planned that the government itself either purchase or otherwise control certain foods, or absorb the transportation costs in order to stretch consumption through the year, and to insure distribution that is fair to all parts of the country. Such operations would also go a long way toward stamping out black markets. These devices will be used selectively and only to the extent necessary to achieve the objective of year-round, orderly distribution.
Control and distribution by rationing has involved many difficult administrative problems, most of which have been solved by experience. No one would contend that mistakes were not made. Nevertheless there has been steady improvement. A recent survey has shown that 93 percent of American housewives agree that a good job -- a job fair to all -- has been done.

Unfortunately the 7 percent who are not satisfied are more vocal than the 93 percent. Many reasons explain this.

Although civilians with their greatly increased purchasing power will not be able to purchase all the food for which they have the money, there will be a sufficient amount of good wholesome food for the people of the United States.

From a nutrition standpoint the civilian per capita food supply during this year of 1943 will compare favorably with the average for the pre-war period 1935 to 1939.

There have been inconveniences to the American dining table -- even shortages of certain foods. But no American has been hungry -- in fact the American people as a whole are eating more now than they did before Pearl Harbor.

The American people realize that unless every farmer does his share to get full production and unless every civilian plays fair and does not seek to get more than his proper share of the limited supply, they may be depriving some of our soldiers or fighting allies of needed food to sustain them in their struggle.

ADMINISTRATION OF THE FOOD PROGRAM

There has been loose talk in some quarters about the need for a food "czar" to have full control of food -- including
not only production and distribution but prices, rationing and transportation. The fact is that the production and allocation and distribution of food of all kinds are all now under the control of one man -- the War Food Administrator.

The War Food Administration is the agency which allocates available supply of food to civilian, military, and lend-lease needs.

That part of the food supply which is allocated to civilians, insofar as rationing and ceiling prices are concerned, comes under the supervision of the Office of Price Administration. The Office of Price Administration does not ration food on its own initiative, but only on the recommendation of the War Food Administration. In other words, the War Food Administration determines when the demand for food of a certain kind so exceeds the supply of that food that rationing is required. When such determination is made, the Office of Price Administration takes charge of the actual mechanics of rationing.

This is the most logical procedure, because it places the actual administration of rationing -- the ration coupons, the ration boards, the ration regulations -- in the same body of citizens that rations gasoline, fuel oil, shoes and the other products, and it leaves the determination of the necessity for rationing food in the War Food Administration. There can be no reason, in logic or necessity, for setting up a new ration board in all the localities in the United States for each different product.
With respect to prices, it is true that the War Food Administration should be concerned with the fixing of price ceilings. It is. No price ceiling on agricultural commodities is fixed by the Office of Price Administration without the concurrence of the War Food Administration. In other words, the Office of Price Administration and the War Food Administration either agree on a price or any disagreement is settled by the Director of Economic Stabilization. In this way the Food Administrator has a great deal to say about the price of food -- but not all. For the price of food should be kept in proper relationship to the prices of other commodities; and therefore it has been deemed advisable to put all price fixing and enforcement in one agency. There is no reason why the War Food Administration should have its own corps of price enforcement officials to duplicate the work of the other price enforcement officials in the Office of Price Administration.

With respect to transportation it would be impossible to give the War Food Administrator complete control over the transportation of food because every car used to transport food is a car which is also greatly in demand for the transportation of other war products. Obviously there must be an agency which apportions the transportation facilities among the various war needs and it would disrupt prosecution of the war and result in chaos if the War Food Administrator were able to take a car needed for steel or weapons or chemicals or equipment and use it for food transportation.
The case is exactly the same for prices as for transportation. We cannot permit any part of the program, food or rubber or any other, to have a free hand in bidding materials and manpower away from other equally essential parts of the war effort. If in transportation chaos would result, how shall we characterize the consequences on the price front where the relationships are even more complex and delicate than in transportation?

The fact is that the administration of food is now properly centered in one man and one agency, except only where such administration might encroach upon other war agencies which deal with such separate but relevant subjects as price control, transportation, etc.

The objectives of our food program will, as in the past, be to grow and raise as much foodstuffs as is humanly possible.

We shall maintain our fighting men as the best fed in all the world.

We shall guarantee that every individual of our civilian population will have an ample and healthful diet. Everyone may be assured that there will be enough food to go around. No one need fear that only a comparatively few people will be able to afford an adequate and varied diet.

It is an unfortunate fact that many individuals who complain of "black markets" are themselves individually encouraging them by their patronage.

Some "black markets" exist in all nations which have rationing. The purchasers of these black markets are unpatriotic —
and when they are caught, they should be punished. But we should
all attach as much blame to those of our citizens who hurt their
neighbors and their nation by paying exorbitant prices in black
markets. Vigorous efforts are being made by the appropriate government
agencies to combat black markets.
We shall assist in fulfilling the requirements of our
fighting allies for food and shall also assist in assuring that
the liberated peoples will be given sufficient food to regain
their physical and economic strength.

Our farmers will receive a return over and above their
costs of production that will compensate them decently and
adequately for their long and arduous work. At the same time,
the consumers of the nation will be protected against rising
costs which are properly chargeable to the war effort itself.

The price support program is proving reasonably success-
ful on both fronts: increasing production and maintaining fair
food prices for the consumer. I am convinced that a change in
policy would bring about

Some people say "a little inflation will not hurt any-
one." They are like the man who takes the first shot of opium
for the sensation he thinks it will give him. He likes it,
although he swears that he will not make it a habit. Soon he is
taking two -- and then more and more -- and then he loses all
control of himself.
Inflation is like that. A little leads to more. I am
unalterably opposed to taking the "first shot" by Congressional,
or by any other, action. The nation cannot afford to acquire
the habit. We have children to think of.

Those who are advocating an inflation course will have
to be ready to accept responsibility for the results. We have
so far been following a tried path, and are getting along fairly
well. This is no time to start wandering into an untried field
of uncontrolled and uncontrollable prices and wages.

With the same determination that has led our fighting
men to conquer their military objectives, we at home shall reach
the objectives of our food program. We will get the production
that we have set as our goal. We will see that the supplies of
food are distributed fairly and equitably and at stable prices
that are fair to the consumer. To do this we shall have to draw
upon that basic characteristic of a democracy — a characteristic
that has its roots in the American farm community. We shall draw
on our teamwork, teamwork of the farmer, and the consumer, and
the distributor, and the Government in both its legislative and
executive branches.

The accomplishments of the past year have been great.
We shall demonstrate to the Axis how the teamwork of a free people
can make even those records fall. We shall demonstrate that
freedom and teamwork make the people of a democracy the most
efficient producers in the world — whether it be of battleships,
tanks, planes, guns, or of the produce of the soil.

THE WHITE HOUSE,
**Schedule A**

**CURRENT SUPPORT PRICES OF THE WAR FOOD ADMINISTRATION**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Price Support</th>
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<tbody>
<tr>
<td>Hogs</td>
<td>Average for good-to-choice butcher hogs at Chicago: 113.75 per cwt. for hogs weighing 200-270 pounds, through September 30, 1944; 12.50 per cwt. for hogs weighing 200-210 pounds, October 1, 1944-March 31, 1945. (USDA unnumbered release, 11-67.)</td>
</tr>
<tr>
<td>Eggs</td>
<td>Purchased on offer-and-acceptance basis equivalent to not less than 30 cents per hundred in spring and early summer, and an average average price of 37 cents, basis U.S. average farm price, effective through June 30, 1944. (USDA unnumbered release, 11-67.)</td>
</tr>
<tr>
<td>Butter</td>
<td>46 cents per pound for 92 score, Chicago basis, effective through June 30, 1944. (USDA unnumbered release, 11-67.)</td>
</tr>
<tr>
<td>Cheese</td>
<td>Equivalent of 27 cents per pound, including subsidy for U.S. No. 1 American cheese, Plymouth basis, effective through June 30, 1944. (USDA unnumbered release, 11-67.)</td>
</tr>
<tr>
<td>Dry milk and evaporated milk</td>
<td>12.5 cents per pound for roller and 13.5 for spray processes, extra grade, f.o.b. plant, mid-Central basis, with support prices for evaporated milk about in line with prices for butter and dry skin milk, effective through June 30, 1944. (USDA unnumbered release, 11-67.)</td>
</tr>
<tr>
<td>Chickens</td>
<td>90 percent of parity, excluding broilers or chickens weighing less than 3 pounds, effective through June 30, 1944. (USDA unnumbered release, 11-67.)</td>
</tr>
<tr>
<td>Turkeys</td>
<td>90 percent of parity, effective through June 30, 1944. (USDA unnumbered release, 11-67.)</td>
</tr>
<tr>
<td>Soybeans for oil</td>
<td>For 1943 crop: 31.86-31.86 per bushel, U.S. average farm price, for yellow or green soybeans of high oil content, with price of 31.80 for No. 2 yellow, 16 percent moisture content, and storage allowance of 7 cents per bushel, on farm-stored seed under CCC loan. (USDA 1769-I, 1946-I, 1946-13.)</td>
</tr>
<tr>
<td>Flaxseed for oil</td>
<td>For 1943 crop: 92.85 per bushel, basis No. 1 at Minneapolis, with storage allowance of 7 cents per bushel on farm-stored seed under CCC loan. (USDA 1769-I, 1946-I, 1946-13.)</td>
</tr>
<tr>
<td>Cottonseed</td>
<td>For 1943 crop: 855 per ton, f.o.b. shipping point, Oklahoma, Texas, and New Mexico; 856, other States. (USDA 1769-I, 1946-I, 1946-13.)</td>
</tr>
<tr>
<td>Peanuts</td>
<td>For 1943 crop: Support prices Virginia and Spanish types all uses average 94.00 per ton; runner type, 9130. Adjustments for grade. Uniform price to all farmers for peanuts of like type or grade within each area or region. (USDA 1769-I, 1946-I, 1946-13.)</td>
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<tr>
<td>Commodity</td>
<td>Price Support</td>
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<tr>
<td>Dry beans</td>
<td>For 1943 crop: 36.50 per cwt. for U.S. No. 1; 36.35, U.S. No. 2; in bags, f.o.b. country shipping points, except 37.50 per cwt. for U.S. No. 1 and 37.35 for U.S. No. 2 lime; baby lime; light, dark, and western red kidney. Loan on thresher-run dry edible beans, all classes except topary and mixed, at 35.50 per cwt. for U.S. No. 1; 35.35, U.S. No. 2; and 35.10 U.S. No. 3. (USDA 10-27-43)</td>
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<tr>
<td>Dry peas:</td>
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<tr>
<td>wrinkled types</td>
<td>For 1943 crop: 31.85 per cwt. for U.S. No. 1; 31.80 for U.S. No. 2; in bags, f.o.b. carrier at country shipping points. For peas grown for canning purposes under contracts approved by State War Boards but which, for various reasons, will not be canned. (USDA 10-27-43)</td>
</tr>
<tr>
<td>Blackeyes (South)</td>
<td>For 1943 crop: 25.75 per cwt. for U.S. No. 1, cleaned, bagged, and delivered to designated points; 35.60, U.S. No. 2; and 35.35, U.S. No. 3. (USDA 10-27-43)</td>
</tr>
<tr>
<td>American-Egyptian and Sea Island cotton</td>
<td>For 1943 crop: American-Egyptian, 40 cents per pound net weight for No. 2 1/2-inch cotton. (USDA 10-27-43) Sea Island 56-70 cents per pound (Porto Rican) and 48-59 cents (Mainland). (USDA 10-27-43)</td>
</tr>
<tr>
<td>Cotton, corn, wheat, tobacco, and rice</td>
<td>Farmers cooperating in the agricultural conservation program will be eligible for loans equivalent to 90 percent of parity (or 85 percent in the case of corn and wheat) as of the 15th of the month preceding the beginning of the marketing year as provided in the Agricultural Act of 1938, as amended. (USDA unnumbered release, 11-27-43) Loan rate for 1943 cotton, 19.26 cents per pound for middling 15/16-inch, gross weight. (USDA 272-43) Loan rate for 1943 wheat, average of 11.23 per bushel at the farm. (USDA 272-43)</td>
</tr>
<tr>
<td>White potatoes</td>
<td>For 1943 crop: 90 percent of parity as calculated at the beginning of the marketing year, but not less than specified prices for certain grades of potatoes in specified commercial areas, and 50 cents per bushel on normal yield of acreage planted to potatoes in excess of 90 percent of the farm goal, up to 110 percent of the goal, effective on acreage planted after February 1, 1943. (USDA unnumbered release, 11-27-43)</td>
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<tr>
<td>Commodity</td>
<td>Price Support</td>
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<tr>
<td>Sweetpotatoes</td>
<td>For 10(\frac{1}{2}) crop: 91.15 per bushel, August-November; 91.30, December-January; 91.45, February-April; for U.S. No. 1 packed in bushel crates, baskets or hampers, U.S. No. 2 containing at least 75 percent U.S. No. 1, 15 cents under price for U.S. No. 1. For U.S. No. 1 or better, cured, properly packed in bushel crates, baskets or hampers, 91.50 during Jan. 10(\frac{1}{2}); 91.65, February. (USDA-101-1-40)</td>
</tr>
<tr>
<td>Vegetables for fresh consumption</td>
<td>For 10(\frac{1}{2}) crop: $500 per acre for each acre over 50 percent of the farm goal (for carrots, snap beans, limes, beans, beets, tomatoes, cabbage, onions, and green peas as a group) up to 110 percent of goal. (USDA-206-1-19)</td>
</tr>
<tr>
<td>Canning crops</td>
<td>For 10(\frac{1}{2}) crop: Minimum support prices will be paid on acreage contracted with certified canners at following levels (prices on national basis; will vary by States): tomatoes, 32(\frac{1}{2}),25 per ton; green peas, 61(\frac{1}{2}), 50; sweet corn, 115; snap beans, 71; limes, beans, 90-115; beets, 310-321; carrots, 220-22; cabbage for kraut, 12. (USDA-101-1-19)</td>
</tr>
<tr>
<td>Canned vegetables</td>
<td>For 10(\frac{1}{2}) packs: 95 percent of canners' net ceiling prices until mid-10(\frac{1}{2}), for canned tomatoes, tomato juice, tomato pulp, tomato paste, sweet corn, snap beans, green peas, limes, beans, beets, and carrots. (USDA-201-1-19)</td>
</tr>
<tr>
<td>Apples, for processing</td>
<td>For 10(\frac{1}{2}) crop: Apple products will be purchased from certified processors paying the following prices per hundred pounds for apples: U.S. No. 1 canny grade, 2(\frac{1}{2})-inch and up (and &quot;C&quot; grade, Washington and Oregon), $4.10 for Class A and $2.50 for Class B; U.S. No. 2 canny grade, 2(\frac{1}{2})-inch and up, $1.65 for Class A and $1.50 for Class B; cider, $1.00. (USDA-351-1-19)</td>
</tr>
<tr>
<td>Apricots, for canning</td>
<td>For 10(\frac{1}{2}) crop: 795 per ton, roadside. (USDA-216-1-19)</td>
</tr>
<tr>
<td>Figs, for processing</td>
<td>For 10(\frac{1}{2}) crop: For canning: Kadota, 125 per ton; For drying: Calimyrnas (basis 75 percent test), 6350 per ton; Adriatic (basis 80 percent test), 250; Kadota, tree-picked (basis 90 percent test), 215; Kadota, natural (basis 75 percent test), 230; Black Mission (basis 85 percent test), 200. (USDA-256-1-19)</td>
</tr>
<tr>
<td>Dried fruits</td>
<td>Apricots, Natural-condition, 10(\frac{1}{2}) crop: Average of 32 cents per pound. (USDA-126-1-19)</td>
</tr>
<tr>
<td>Peaches</td>
<td>Natural-condition, 10(\frac{1}{2}) crop: Freestone, 340 per ton; clingstone, 3330. (USDA-176-1-19)</td>
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<tr>
<td>Commodity</td>
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<td>Dried fruits, continued:</td>
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</tr>
<tr>
<td>Pears</td>
<td>For 10/13 crop: Lake County quality, $560 per ton; others, $330. (USDA 17/5-47)</td>
</tr>
<tr>
<td>Prunes</td>
<td>Natural-condition, 10/13 crop: California, 3-district, 81/2 cents per lb. basis (80 prunes a lb); California &quot;outside&quot; district, Washington, and Oregon, 81/2 cents. (USDA-216-48)</td>
</tr>
<tr>
<td>Raisins</td>
<td>Natural-condition, 19/13 crop: Thompson seedless, $155 per ton; Muscats, $165; Sultanas, $150. (USDA 216-48). Dehydrated: golden-bleached, sulphur-bleached, and soda-dipped Thompson seedless, $195 per ton; Valencia or dehydrated Muscats, $205; so-called Zante currants, $215; tray slip Muscats, $180. (USDA-353-44)</td>
</tr>
<tr>
<td>Grain sorghums</td>
<td>For 10/13 crop: U.S. No. 2 or better, 85 cents per bushel; U.S. No. 3, 80 cents; U.S. No. 4, 70 cents; except Arizona and California 5 cents higher. (USDA 2775-33)</td>
</tr>
<tr>
<td>Hemp</td>
<td>Prices will be supported for hemp and hemp seed grown under contract, 10/13 crop. (USDA-167-47, 1935-43)</td>
</tr>
<tr>
<td>Castor beans</td>
<td>For a small acreage: 6 cents per pound for beans in the hull that shell 70 percent, 10/13 crop. (USDA 167-47)</td>
</tr>
<tr>
<td>Wool</td>
<td>10/13 clip will be purchased at ceiling prices. (USDA 2000-43)</td>
</tr>
<tr>
<td>Barley</td>
<td>For 10/13 crop: From 60 cents per bushel for U.S. No. 5 to 75 cents for U.S. No. 1, with rates 5 cents higher on Pacific Coast. (USDA 2775-43)</td>
</tr>
<tr>
<td>Sugar beets</td>
<td>For 10/13 crop: Producers assured $1.50 per ton more than they received for 10/12 beets of standard quality (16.5% sucrose). Returns should average around 511 per ton. (USDA 1571-43)</td>
</tr>
<tr>
<td>Gum naval stores</td>
<td>For 10/13 season: Loan and purchase rates for turpentine. 61, and 68 cents per gallon, respectively. For resin, loan rates from 53.70 per cwt. net for X grade to $3.25 for 0 grade, average of $3.50; purchase rates same grades 54.01-6.57 with an average of 83.93. (USDA 5729-43)</td>
</tr>
<tr>
<td>Hay and pasture seeds</td>
<td>For 10/13 crop, support loans or purchases are offered for 30 hay and pasture seeds, including alfalfa; several varieties of clover and lespedeza; timothy; smooth bromegrass; crested, western, and slender wheatgrass; blue and side oats grass; orchard, buffalo, bermuda, dallis, and bahia grass, reed fescue; blue lupin; and wild winter peas. (USDA 1933-43, 1814-43, 1691-43)</td>
</tr>
</tbody>
</table>
## Schedule B

Estimated losses resulting from price support commitments and operations due to increased costs are as follows (in million dollars):

<table>
<thead>
<tr>
<th>Program</th>
<th>Period Covered</th>
<th>Estimated Loss (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry Beans</td>
<td>1943 Crop</td>
<td>$8</td>
</tr>
<tr>
<td>Potatoes</td>
<td>1943 Crop</td>
<td>$20</td>
</tr>
<tr>
<td>Prunes</td>
<td>1943 Crop</td>
<td>$7</td>
</tr>
<tr>
<td>Raisins</td>
<td>1943 Crop</td>
<td>$7</td>
</tr>
<tr>
<td>Canning Vegetables</td>
<td>1943 Crop</td>
<td>$30</td>
</tr>
<tr>
<td>Sugar</td>
<td>1943 Crop</td>
<td>$50</td>
</tr>
<tr>
<td>Cheddar Cheese</td>
<td>1943</td>
<td>$25</td>
</tr>
<tr>
<td>Fluid Milk</td>
<td>1943</td>
<td>$5</td>
</tr>
<tr>
<td>Oilseeds &amp; Products</td>
<td>1943 Crops</td>
<td>$60</td>
</tr>
<tr>
<td>Feed Wheat</td>
<td>Fiscal year 1944</td>
<td>$70</td>
</tr>
<tr>
<td>Dairy Feed Payments</td>
<td>1943</td>
<td>$60</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1943</td>
<td>$8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$350</strong></td>
</tr>
</tbody>
</table>
TO THE CONGRESS OF THE UNITED STATES:

Food is as important as any other weapon in the successful prosecution of the war. It will be equally important in rehabilitation and relief in the liberated areas, and in the shaping of the peace that is to come.

THE OBJECTIVE OF OUR FOOD PROGRAM

The first major objective of our food program is to raise in the most efficient manner enough food and the right kinds of foods to meet our needs. That includes: first, the needs of our armed forces; second, the needs of our civilians at home; and, third, the amount required for our shipments abroad for the essential needs of our fighting allies.

The second major objective is to see that the food for our civilians at home is divided as fairly as possible among all of the people in all sections of the country, and that it is obtainable at reasonable prices.

I have not been content merely with a program for 1944 crops. I am thinking also about the balance of this year, and about the earlier months of 1944 before the crops are harvested. While the question of production for 1944 is an essential one, we must not lose sight of the necessity for keeping the prices of our present food supply at reasonable levels. We must see to it not only that the prices of food do not go up any further, but that the prices of those foods which have gotten out of the line are actually reduced.

One of the great difficulties is that the steps necessary
to attain these two major objectives sometimes become inconsistent with each other. For example, one of the inducements for increased production of food by farmers is to see that they get an adequate price for their products. Such a price is necessary in order to get production. However, if these prices are too high the result will be that by the time the food reaches the grocery store or butcher shop, the housewife will have to pay too high a price for it. This in turn may force a rise in wages and an increase in the prices which farmers have to pay for what they buy. On the other hand, if the butcher shop or grocery store gets an insufficient price from the consumer for meat or groceries, then the farmer in turn will get too low a price to encourage him to raise as much food as we need. In both of these cases, our production and price objectives are not likely to be achieved unless the Government assists with equalization payments or other aid.

The efforts of this Administration have consistently been directed at this double target of raising as much food as possible without placing too great a burden on the American housewife in her efforts to feed her family.

In the main our efforts have been successful. In the case of some foods, however, the objectives have not yet been attained. New measures are being taken in an effort to attain them.

FOOD PRODUCTION 1945

The increase of food production during this war has been far greater than the comparable increase in production during the last war. If, for example, we take the 1930-39 average as the base of 100, the production in 1939 was 106, in 1942 it was 126,
and in 1943 it will be 132. If we use the same base of 100, the production in 1914 was 81; in 1918 it was 90, and in 1919 it was also 90.

In other words, by the fourth year of this War -- 1942 -- our food production has increased more than twice as much as it did in the same period of the last war.

The 1942 crop was the largest in the history of the United States. But food production for the current year 1943, in spite of less favorable weather, will exceed the 1942 production.

Crops will be slightly lower this year than in 1942; but livestock will be so much higher than in 1943 that the total of all food is expected to exceed the 1942 record output by about 5%. This will mean that our total farm production -- crops and livestock -- will be more than 30% larger than the average annual production for the five years preceding the outbreak of the war in 1939.

Most of us do not realize how much food actually is being raised in 1943. Here are some illustrative figures:

55 billion quarts of milk, an increase of 16% over the 1935-1939 average.

10 billion pounds of beef and veal (dressed weight), an increase of 37%.

1 billion pounds of lamb and mutton (dressed weight), an increase of 13%.

60 billion eggs (including non-farm), an increase of 50%.

4 billion pounds of chicken (dressed weight) an increase of 63%
13 billion pounds of pork (dressed weight), an increase of 78%

3 billion pounds of lard, an increase of 72%

3 billion pounds of peanuts, an increase of 180%

This record was established in the face of three major handicaps: shortage of manpower, shortage of farm machinery, and shortage of fertilizer. This record production for 1945 is an amazing tribute to the patriotism, resourcefulness, and ability of the American farmer.

Much credit is also due to the patriotic men and women who spent so much time and energy in planting twenty million victory gardens in the United States, and helped to meet the food requirements. It is estimated that about eight million tons of food were produced in 1943 in these victory gardens.

The increase in our farm output since Pearl Harbor has been the largest of any similar period in history. It called for hard work, ingenuity, cooperation and teamwork on the part of farmers, processors and distributors, as well as all the state and federal officials concerned with the food problem. They all deserve the thanks of the American people.

Due to the shortage of regular farm labor, heroic and successful efforts have been made to obtain help from the adult residents of villages and cities — both men and women, on a part-time as well as a full-time basis. High school boys and girls have also been enrolled to help in critical areas during the vacation period and after school hours. They too deserve our thanks.

The record for 1943 in getting additional farm help in places where it was needed, is very impressive. For example,
during May, June, July and August of this year, nine hundred thousand workers registered for farm work. Forty-eight thousand five hundred workers were brought in this year from Mexico, four thousand seven hundred from the Bahamas, and eight thousand eight hundred from Jamaica. This additional help was used on farms in shortage areas all over the United States. Altogether one million seven hundred and fifty thousand placements on farms were made.

We have also made use of prisoners of war for the raising and harvesting of crops. Essential farm labor has been deferred from the draft. Where emergencies have developed, the Army has assigned soldiers to assist in saving crops that otherwise would be lost.

One of the great difficulties — the shortage of farm machinery and of spare parts — developed, of course, because of the imperative need for steel for the war program. There was only a fixed amount of steel available; and it had to be divided as efficiently as possible among the critical needs for war — ships, big guns and small weapons, tanks, new war factories and new additions to war factories, railroad cars, and a number of other vital products. It was necessary to use our best judgment in determining just where we should use the available supply of steel.

The allotment of steel for farm machinery for use in 1944 has been increased by doubling the amount available for use this year. Furthermore, no limit has been placed on the production of repair parts.
This new farm equipment, however, while it will be available for the 1944 production, was not available for 1943. However, the farmers kept their own machinery in better order. They clubbed together in the making of repairs. They joined hands in the use of farm machinery by more than one farm family. The ingenious and resourceful farmers of America, by their cooperative use of machinery, were able to turn out this record crop of 1943.

DEMANDS ON OUR FOOD SUPPLY

Even with this all-time high food production for 1943 there were still shortages in certain parts of the country in our food supply. This was not due to lack of production but rather to the extraordinary demands for food — demands never before made in history.

The increased demands for food came from three principal sources. The largest increase in demand has come from our own civilians here at home. Many of our workers in war factories, in the mines, on the farms, and in other essential pursuits are eating more and better food than they ate before the war began. Many of them for the first time are approaching an adequate diet — so essential to the well-being of our people and to maximum war production. Even after making allowances for the rise in the cost of food since 1939, the average American family is not only spending more for food but eating more food than before the outbreak of the war. This has been one of the predominant factors in the greatly increased demand on our food supply.

The second increased demand for food has come from our nine million soldiers, sailors and marines — who had, and, of
course, always will have first call on all articles of food. These service men naturally consume much more food in the Army and Navy on the average — than they did in civilian life — and they are getting better food.

The third great demand was for our lend-lease shipments of food to our allies.

There has been a lot of loose talk about impending 'meat famine' and 'meat shortages' for the coming winter.

During the October-March period, this winter's estimated total meat production, excluding poultry, will amount to 14.6 billion pounds, dressed weight, as compared with 12.6 billion pounds during the same period last year, and 11.4 billion pounds two years ago. As a matter of fact, this winter's estimated meat production will be by far the largest on record.

Estimated poultry production during the October-March period this winter will amount to 3.3 billion pounds, as compared with 1.9 billion pounds last winter and 1.7 billion pounds two years ago. The production of poultry has increased about 60 percent since 1939.

During the next 6 months we will also produce an estimated 2.2 billion dozen of eggs, as compared with 2.1 billion dozen a year ago and 1.8 billion dozen two years ago. Egg production has increased about 40 percent since 1939.

Also, even though our animal numbers will be at an all-time high this winter, the 1943-44 total supply of feed grains will, except for last year, be the largest supply on record and approximately 80 percent above the 1937-41 average. On a per animal basis, the feed supply will not be as large as in the last
several years, but it will be about equal to the average of the
ten years ending in 1932.

From the standpoint both of increased production and
of price control, the food effort in this war is a far greater
success than that of the first World War. Facts bear out this
statement, but I suppose that facts are not going to deter those
who want to create dissatisfaction or those who spread scares
such as "food shortage" and "meat famine."

FOOD PRODUCTION 1944

Our food plans for the future are, of course, predicated
on the assumption that we must not only continue our shipments
overseas but actually increase them. The war is by no means won,
and the global effort must be continued and accelerated. The re-
quirements for our armed forces will be increased, not only because
they will have a larger number of men and women than in 1943, but
because more of them will be stationed in distant parts of the
world.

The average soldier or sailor eats approximately five
and one-quarter pounds of food per day — almost half as much again
as the average civilian who eats only three and three-quarters
pounds per day. The greater the number of men in the armed forces
the larger are the demands on our food supply.

In the last war we fed four million people in uniform —
largely concentrated in the United States and in France. In this
war by the end of 1945 we will have almost eleven million men in
uniform, and they will be scattered in all parts of the world.
At the beginning of this year our armed forces totaled about seven
million; at the end of this year the estimated strength will be 50 percent higher. That is the reason why in 1942 approximately only seven and a half percent of our food production was allotted to our armed forces whereas in 1943 the figure will be about fourteen percent. As our army grows, as more men are sent overseas, larger food reserves will have to be accumulated, and civilian belts will have to be tightened. Furthermore our armed forces require more of the so-called "protective" foods such as meat, fats and oils, milk and canned goods — foods which are, therefore, bound to run short for the increased civilian demands.

Our armed forces are now eating in each month 320 million pounds of meat, 314 million dozens of eggs, 29 million pounds of butter, 281 million pounds of potatoes — and staggering amounts of other foodstuffs. And the quality of this food is the best that we can give them.

The armed forces of our allies will also increase in 1944 and they will have to receive food assistance from us.

The amount of food going to lend-lease is gradually increasing. In 1941 it was two percent of our food production; in 1942, approximately six percent. This year because of increasing Russian shortages and other needs it will probably reach ten percent. In 1941 and 1942 England was the largest recipient of lend-lease food, but owing to the German invasion of the Ukraine in 1943 more food has had to be sent since then to the Soviet Union. In fact Russia, in the first six months of 1943, received one-third of all our lend-lease food shipments.

All these war uses will require about one-fourth of our total food supply for the year beginning October 1, 1943, leaving
about three-fourths for our civilian population. This three-fourths, however, because of our increased production will amount approximately to as much, per capita, as was used during the 1935-39 period.

I am sure that the American people realize that every pound of food which we send to our fighting allies is helping our own soldiers in their battles and is speeding the day when all our fighting men and women will come home.

The food that is sent to Russia is almost all for the use of the Russian Army.

Although British farmers, by strenuous efforts, have succeeded in increasing their production from forty percent of Britain's needs to sixty percent, she still has to rely upon imports in order to avoid starvation. American food provides only ten percent of the entire British food supply — and yet it has been a great help in feeding Montgomery's army and the R.A.F. and in sustaining the millions of workers in vital British factories, shipyards and mines. I think it is safe to say that England could not have continued in the war without the help she received in American and Canadian food.

When Russia was invaded, forty percent of her usual food production was lost. Emergency food shipments were sent from Great Britain and the Middle East, but we also had to step up our own shipments. I am sure that no one will disagree with the wisdom — to say nothing of the need and obligation — of sustaining the gallant Russian fighters with American food.

The fact is that with all our shipments, civilian diets in England and in Russia — particularly in Russia — are far below
our worst shortage periods. In fact, in Russia food for
civilians has been cut to the barest minimum.

Through lend-lease, the United States seeks to put a
share of its food resources to the most effective use against
the enemy. Conversely, through reverse lend-lease, the strik-
ing power of our own armed forces abroad has been greatly aug-
mented by substantial quantities of food provided by our allies.
The United Kingdom, Australia and New Zealand have provided the
largest amount of food, but we have also received food under re-
verse lend-lease from other parts of the British Empire and are
receiving increasing quantities of foodstuffs from the French
in North Africa.

Some illustrative figures may indicate the importance
to our war effort and to our national economy of the food which
we obtain from our allies as reverse lend-lease aid without pay-
ment.

Although we did not start receiving food under reverse
lend-lease from Australia and New Zealand until a year or more
after our lend-lease program started, the amounts received — in
comparison to what we have land-leased — are relatively large.

Thus, for example, through August of this year, the
United States has received from Australia and New Zealand more
than 90-million pounds of beef and veal compared to a total of
99-million pounds of beef and veal which the United States has
provided under outgoing lend-lease to all lend-lease countries
combined. In July and August 1943, Australia and New Zealand
supplied us roughly the same amount of beef and veal under re-
verse lend-lease as we land-leased to all countries.
We have received from Australia and New Zealand alone, 50 percent of the amount of butter and 16 percent of the amount of lamb and mutton which we have exported under lend-lease to all countries.

During the year 1943, the United Kingdom is providing under reverse lend-lease substantial quantities of many foodstuffs — such as flour, bread, potatoes, sugar, vegetables, coffee, and cocoa — in order to supplement the food our forces receive from the United States. The foodstuffs received from the United Kingdom under reverse lend-lease save valuable shipping space, and include such commodities as fresh vegetables which cannot readily be shipped from the United States.

The United States is supplying much of the pork that England consumes. The delivery of beef to our Army from the Southern Dominions and the shipment of pork to England from the United States is a good example of sharing among the United Nations, on the basis of what each has to contribute to total war.

Most of the food for the American armed forces in the South and Southwest Pacific comes from the land and factories of that area. In order to provide for our troops, Australia and New Zealand have expanded their food production and processing facilities. Despite this, however, the large food requirements of our forces have caused shortages of many foods for the Australians and New Zealanders. Nevertheless, these two countries continue to supply our food requirements as reverse lend-lease without payment by us.

A certain small percentage of food will have to be used
as the United Nations liberate presently occupied countries, until such time as the populations of these countries can have a chance to become self-supporting.

For example, a very small percentage of our food now goes to feed the liberated people of North Africa and Sicily and Italy. This includes only the bare necessities of life. Feeding people in this area is not only a military necessity, it provides strength for the hard work that has to be done by them in order to produce new supplies of food and other goods. Already the people of French Africa, with some assistance from us in expanding their agricultural production, have been able to produce a sufficiently good harvest in 1943 so that they can now even supply food to our forces there. This not only saves shipping but augments our own food supply. The people of French Africa, without payment, and under reverse lend-lease arrangements have also supplied the Allied Forces with substantial quantities of flour for use in the Italian campaign. This, too, has helped our food, as well as our shipping situation.

Agreements have just been concluded to provide the United Nations with more than 100,000 tons of fruit and vegetables. The 1944 harvests in North Africa, aided by American agricultural supplies and a year of peaceful cultivation, should ease the strain on the food supply of the United States still further. In North Africa, we and the other United Nations, have truly beaten our swords into ploughshares.

Food supplied to the liberated peoples also pays other dividends. It prevents epidemics. It is a potent psychological and morale weapon for those starving people whose countries are still overrun by the Axis. While starvation has been the weapon
used by the Axis resulting in disease, misery, and death, the
United Nations are using food as one of their most potent wea-
pons to shorten the war and win a lasting peace.

The War Food Administration has accordingly raised
its sights for 1944. A preliminary calculation calls for the
planting of three hundred and eighty million acres of crops, as
compared with three hundred and sixty-four million acres in
1943. That will be the largest farm planting in history and
should result in the breaking of food production records for the
eighth successive year.

The War Food Administration, with my approval, has re-
quested the Congress to extend the life of the Commodity Credit
Corporation and to furnish additional funds. I regard this as
vital to the War Food Program. It will also enable us to carry
out our pledge to the farmers, that we will assure them against
a price collapse for the two years following the war.

Of course the goals set by the War Food Administration
will be meaningless unless the farmers themselves are willing to
adopt them as their own goals, and are able to fulfill them.
Therefore, the War Food Administration is discussing the national
needs with the State War Board of each state, and with represen-
tative farmer groups and leaders and public officials in each
state interested in agriculture. In this way determination will
be made by consultation with the farmers themselves and with fed-
eral and state officials as to what parts of the national require-
ments can be contributed by each state.

The County War Boards and local committees of farmers
will also be consulted as to how the state quotas should be appor-
tioned among the various counties of the respective states.

The state and local people will also be consulted about the extent of government support prices and government loans and government purchases that will be necessary to attain the goals of production set. In other words, the farm program of production and prices for 1944 is going to be formulated finally, only after consultation with the farmers of the Nation and those who are interested in farming. Upon the basis of this collective judgment, the final goals for the year's production will be formulated well in advance of the production season, so that each farmer may know what to count upon.

In order to obtain the great production level of 1943, it was necessary to assure the farmers that their return would be sufficiently high to encourage them to plant and at the same time it was necessary to insure the consumer against prices for food which would be too high for him to purchase. This could be done only with the use of government funds, and in order to bring about the proposed increased production for 1944 it will be necessary to use additional government funds.

All of the restrictions on acreage which were imposed by the AAA program in former years have been removed for 1944, as they were for 1943 with few exceptions. Only tobacco marketing quotas will be maintained — in order to encourage tobacco farmers to put more of their land into food products.

There are some people, who for political reasons, now maintain that these early acreage restrictions which were put into effect in 1933 and subsequent years are partially responsible for the present shortage. Of course the facts are otherwise. When
these restrictions were imposed the farmers' income had dwindled away to practically nothing; they were unable to get decent prices for their crops because they raised so much more than people were able to buy, and also because the foreign market for their products had practically disappeared. As a result of this glut, this stifling excess of supply over demand, farm prices faded away to almost nothing; and it was necessary to restrict production by taking inferior land out of production in order to save agriculture from the complete bankruptcy which was threatening it in 1930.

The farmers themselves voted to do this, because of conditions which consumers well understood and appreciated, for they knew that that was the only road to salvation for agriculture and for the country as a whole.

Since the present war began, however, and the demand for food has outstripped the supply, those restrictions have been lifted and there are now no limitations on the production of food.

Another fact which is often overlooked by the critics of our acreage adjustment program is that more acres were put into soil-improving crops and legumes and that many conservation practices were instituted — such as terracing, cover cropping, and contour farming — which actually improved the soil so much, that although less acreage was in production, more food per acre was produced. In fact the great improvement in our soil which resulted from our agricultural programs has made possible the record food production of recent years.

In planting for 1944, we are determined not to repeat the blunder of the First World War — plowing, and planting crops
without regard to the fitness of the land, and without regard to proper soil conservation. The "dust bowl" which was created by these practices has caused too much sorrow and suffering and financial loss in recent years to let us forget the lesson.

The increased production goals for 1944 involve not only an increase in the total food production but also shifting production from one kind of food to other kinds which are more necessary. The plan calls for the right amount of the right things in the right places — and the objective will be to stretch our food supply as far as possible. Accordingly, the largest increases in production will be for those crops which furnish food for direct human consumption.

Plans are also under way to increase our food supply by the development and procurement of food abroad. I have already mentioned how our assistance in developing food production in North Africa has made and will make available food for our armed forces abroad under reverse lend-lease. Other sources of foreign food may be available to us. The functions of handling foreign food development are being centralized in the Foreign Economic Administration so that our food supply can be augmented in the most effective way.

SUPPORT PRICES AND REGIONALIZATION PATIENTLY

In order to induce farmers to increase production to these new goals and at the same time keep the cost of food down, it will be necessary to increase the amount of government funds which were used for these purposes in 1943.

Government funds have been used in various different ways in order to see that the farmer got a fair price for his product — a price high enough to encourage him to raise more crops — without raising the price to the consumer. All of these administrative
I am also attaching a statement showing the cost to the Government of this support price program for 1943 (Schedule B). The Congress will notice that production of only a fraction of the commodities required any outlay by the government. In other words, in the majority of the products, the price which the consumer paid was high enough to cover the support price; whereas in a small percentage of the crops, the price which the consumer paid was not high enough to pay the farmer the price which was promised. For these items, the Commodity Credit program for 1943 cost the government three hundred and fifty million dollars. The administrative expenses of the Commodity Credit Corporation in carrying out the program were less than three percent.

This cost does not include the Reconstruction Finance Corporation program for reducing the prices of meat and butter, which will amount to an additional four hundred and fifty million dollars per year.

I am sure that the Congress and the people feel that this expenditure of eight hundred million dollars per year is a moderate sum to pay in order to help accomplish the objectives which we have in mind — greater production and lower consumer prices — for a whole year. In fact it is about equal to the cost to us of waging this war for three days.

We are only applying here the same principle which has proved so effective in the production of other war materials — such as copper, lead, zinc, aluminum, and others.

Every nation now in the war has used some form of government equalization payments in order to hold down the cost
of living and at the same time to allow a fair return to the farmers. A good part of the great success of the stabilization program in both Canada and Britain is due to the effective use of government funds in this way.

Although this program cannot hold the line without the enforcement of a firm price control and without an adequate tax and savings program to absorb excess purchasing power, nevertheless it is equally true that the firmest price control and the wisest fiscal policy cannot do the job themselves without the use of price supports.

When properly used they have three important advantages: First, they stimulate production of certain necessary and select crops. Second, by preventing price increases, they eliminate inflationary tendencies. Third, they encourage the distribution of food through normal legitimate channels instead of black market operators, who are willing to pay higher prices to farmers with the expectation of selling above ceiling prices.

When effectively used, this program not only performs this necessary function in stabilization of the cost of living, but it also results in great savings to the government and to consumers. The expenditure of very small sums makes it possible to avoid pyramidizing price increases all down the line — from the producer through the processors, wholesalers, jobbers, and retailers — the cost of which runs to extremely large amounts.

In the case of copper, for example, it has been estimated that every dollar paid by the government to subsidize and increase production has saved the government twenty-eight dollars.
In the case of the coal and oil transportation subsidy, very moderate payments have avoided major increases in prices. If there had been increases in the prices of these basic items, they would have increased the cost of producing practically every commodity manufactured on the East Coast.

In the case of food, the money spent by the government has not only assured us increased production, but directly and indirectly, has saved the government and consumers billions of dollars.

The agencies charged with responsibility for stabilizing the cost of living will, from time to time, place before the Congress the programs necessary to hold the line. These will require money. I strongly urge the Congress to give serious consideration to their requests. I am confident that the Executive and Legislative branches of the Government can pull in harness to get the job done.

**FARMERS' INCOME**

The administration of the food program has certainly resulted in a great benefit to farmers. Farm income last year reached an all-time peak— and this year it will be higher still. The increase in the prices that farmers pay for the commodities they buy, on the other hand, has been held to very much less than the increase in the prices they receive for their farm products.

In consequence, the net income of farm operators— income after all expenses— has risen to the highest level
ever enjoyed by farmers. The average annual realised net income of the farm operators of the nation during the five pre-war years, 1935 to 1939, was $4,668,000,000. The realised net income for 1939 was $4,420,000,000. In 1942, it was $9,800,000,000. The estimate for 1943, is $12,475,000,000.

We cannot, however, look at the total income of farm operators by itself. We must also look at the income of the farmer in relation to the income of the rest of the country.

The average income per farmer since the outbreak of the war in 1939 has risen more than the average income of the other parts of the population. This was also true between 1910 and 1914, which is the primary base period for parity calculation. In 1942, the increase in the average income per farmer over the parity base period was 35 percent greater than the increase in the average income of the other people in the country. In 1943, it was 50 percent greater.

In plain language, the farmer, this year is not only better off in relation to others in the population than he was before the war broke out; he is better off than he was in the base period 1910 to 1914, and better off than he has been in any year since that time.

This is just and desirable.

All through the twenties, and through the early years of the thirties, per capita farm incomes were far below fair levels. The nation has profited from the fact that this injustice has been corrected.

It has been argued that the farm population has been receiving a decreased proportion of the national income. This
is true. But it does not deny the fact that the average individual farmer is more prosperous today, as compared with the rest of the population, than he has been in thirty years. Any seeming contradiction is resolved by the fact that the non-farm population has increased during this thirty year period by more than fifty percent, while the farm population has remained virtually unchanged.

While, therefore, the proportion of the national income going to the farm population as a whole has declined, the income per farmer has increased more than the per capita income of the rest of the country.

The present program of management of farm prices — prices received and prices paid — had not injured the American farmer in the past. I am sure that it will not in the future.

In addition to these favorable prices and incomes, the farmer has been guaranteed government support of the prices he receives for war crops, not only during the war, but for two years afterward — a guarantee against post-war disaster afforded to no other group. The farmer has been assured that the bottom will not fall out of his market — as it did after the last war. This guarantee has made it possible for him to increase his investment in plant and equipment with the certainty that the investment would continue to pay dividends. It has also assured to the Nation a farm production large enough to meet our war requirements.

The support price program, coupled with the program to meet special farming costs without raising prices to consumers, is an essential part of winning the war. The subsidies
that are usual cannot properly be called producer subsidies — or consumer subsidies. They are war subsidies. The costs which they cover are war costs. On the farm as in industry the war has pushed costs above the levels that prevailed before the outbreak of war, and above the levels that will prevail when victory has been won. These are costs of war, and it is entirely appropriate that they should be met out of the public treasury, just as are the costs of producing tanks and planes and ships and guns. There is no valid reason why the present stabilization subsidies should not be continued as well as the support prices to farmers, so long as they are clearly in our national interest — as they are in stabilizing the cost of living in time of war.

CONSUMER FOOD PRICES

In the Stabilization Act of October 2, 1942, the Congress directed that the cost of living be stabilized as far as practicable at the level of September 15, 1942. Between that date and May 15, 1943, however, the cost of living rose 6.2 percent. This was a serious increase, constituting a grave threat to the entire stabilization program. It was particularly serious because the cost of living, since January, 1941, had risen considerably more than the Little Steel formula had permitted wages to rise.

Obviously, wages cannot be stabilized at a certain level unless there is also a stable cost of living. Obviously, too, the millions of people with incomes fixed long before the war — salaried white-collar workers, clergymen, school teachers, other state, county, and city officials, policemen, firemen,
clerks, old-age pensioners, those living on insurance policies, dependants of men at the front — all had to be protected against the rise in the cost of living which was eating steadily into the buying power of their unchanged incomes. So much public attention has been directed at the increased income of workers in war plants, that it has been diverted from this great mass of our population many of whose incomes have remained fixed all during the war.

It is essential that we keep prices down also in order to prevent the spiral of inflation from beginning. As soon as the price of food goes up materially, workers naturally demand higher wages in order to meet those prices. Higher wages will, in turn, boost all production costs — for civilian and military items both. This in turn will cause farmers' costs to rise, and will result in even higher prices for food. No one can tell where the end will be. A higher cost of food can increase the total cost of the war in geometrical progression.

In the face of this situation, I issued an order in April 1943 to hold the line; and, at the time it was issued, I said:

"To hold the line we cannot tolerate further increases in prices affecting the cost of living or further increases in general wage or salary rates —.... The only way to hold the line is to stop trying to find justifications for not holding it here or not holding it there."

Although last May, the cost of living did stand 6.2 percent above the September, 1943 level, not all the items in the family budget showed this increase — or anything like it. On the contrary, the greater part of the budget was firmly stabilized. Thus, rent had increased not at all over the 8-month
period, housefurnishings had increased by only a little over 1 percent; clothing by 1.7 percent; fuel, electricity, and ice by 2.3 percent; and miscellaneous items, such as laundry services and drug supplies by 3.8 percent.

The major portion of the increase in the cost of living — to be precise, three-fourths — was attributable to the failure to stabilize one sector of the economy — food prices. These prices rose by 15 percent. Even with regard to the foods themselves, however, the record was not all so black. Most of the family food budget — in fact the whole range of foods except only fresh fruits and vegetables — was held to an increase of less than 4 percent. It was the remainder of the food budget — the fresh fruits and vegetables — that did the real damage. Fresh fruits and vegetables rose 19 percent between September 1942 and May 1943, and accounted for over three-fifths of the increase in the entire cost of living during that period.

To put this somewhat differently, 90 percent of the cost of living had been largely stabilized. Ten percent of the cost of living had been permitted to get out of hand. That was the situation which confronted us last May.

The "easy" way out of this situation would have been to let wages rise above the base date level in the same degree that the cost of living had risen. That is what some did urge. That would have been a serious blunder. For if the line had been relaxed on the wage front, we may rest assured that the resulting pressure of costs would have forced prices and the cost of living up once more, thus calling for still another
rise of wages. Just as the Stabilization Act is to the everlasting credit of the Congress, so the wholehearted support which responsible organized labor gave to the hold-the-line policy stands to the everlasting credit of labor in the United States. The responsible labor leadership saw that the easy way out was no way out at all, and they rejected it. Instead they threw their full energies into making effective the program to reduce the cost of living, the program to bring the cost of living back into balance with wages.

The "hold-the-line" order was designed to undo the damage that had been done, and to prevent any further damage. The rise in the cost of living having resulted almost entirely from the increase in certain food prices, the program was quite properly designed to bring those food prices back to their September levels as far as possible.

Reductions in cabbage and lettuce resulted from squeezing the water out of the price structure by reducing excessive margins of distributors wherever they were found to exist.

The retail prices of meat and butter were reduced by ten percent. In these instances, the prices received by farmers and distributors did not permit reduction without bringing returns to unreasonably low levels. Accordingly, an equalization payment was paid by the Government to the processor to enable him to reduce the price of these products without loss to himself and without reducing the price he paid the farmer.

The Reconstruction Finance Corporation undertook to make these payments to processors of meat and butter, so that retail costs
of these foods might be held down while the producers received large enough returns to encourage output.

The public treasury has been using, as food production aids, other forms of payment under the Agricultural Adjustment Act and so-called Section 32 operations for supporting prices.

Additional or subsidy payments have been made to industry in order to secure wartime production of many essentials, including copper, zinc, aluminum, and other critical materials.

We have paid premiums to speed up construction of ships and other war materials.

In consequence of these programs, the rise in the cost of living, which had proceeded without interruption from the early months of 1941, was brought to an abrupt halt. In June, 1943, the cost of living fell to 5.9 percent above the September 1942 level, in July to 5.3 percent, and in August to 4.8 percent. It is true that in September 1943, the cost of living rose by nearly one-half percent. It was not due to food but mainly to the cost of clothing.

There is now being put into effect a program, recently announced, to reduce the retail prices to consumers of other items: apples, onions, potatoes and sweet potatoes, peanut butter, lard, and vegetable shortening.

Furthermore, preparations are being made to establish ceilings at levels substantially below current retail prices on other winter vegetables.

A major part of these decreases will be made possible without the use of subsidies and by means of a reduction of margins and returns which are excessively high. In some cases, however,
it will be necessary, in order to hold the retail price at
reasonable levels, for the Government to absorb part of the
cost of transportation, to take a moderate loss on purchase
operations, and to make direct payments.

In addition we intend to assure to the consumer
that part of the savings in price to which he is entitled,
and to prevent it from being dissipated by unfair violations.

This program is intended substantially to effectuate
the directive of the Congress. We are confronted, however,
by acute pressures elsewhere, which threaten to break through
the line. There are two situations which require immediate
action. These are milk and bread — basic items in every
family’s diet. In the case of milk, increases in feed costs
and other costs have brought the dairymen’s returns down to a
level far below that of producers of other farm commodities.
Adequate production of this vitally important food is threatened.
A program has just been announced by the War Food Administration
to help meet the milk situation. This is discussed hereafter
in connection with the problem of supplying food to dairy farmers.
A program to prevent an increase in the price of bread is now
being developed.

In the four years following July 1916, the advance
in food prices was 67 percent as compared with a rise of 47
percent in the last four years. In the four years of the last
war, the greatest rise in the cost of the average family occurred
in prices for clothing and housefurnishings. Housefurnishings
rose 63 percent, and clothing 90 percent. The General Maxim
Price Regulation of May 1942 prevented such an extreme increase in this war. From August 1939 to September 1943, the increase in clothing and household furnishings were only one-third as much as in the same period of the last war.

Since August 1939, the month before the war broke out in Europe, the total cost of living in the United States has increased not quite 28 percent, as compared with an advance of 53 percent in the same period in the last war.

**FEED FOR DAIRY CATTLE**

The price of grains used as feed for cattle has also advanced to a greater degree than the price of dairy products. Grains prices have advanced more than 60 percent since 1941, while the price of dairy products has advanced only about 40 percent.

To those who recognize the importance of milk, butter and cheese in maintaining a healthy, vigorous civilian population, this increased cost has given real concern about the supply of dairy products.

In order to enable dairy producers to obtain feed for their cattle without raising the price of their milk and other dairy products to the consumer, the War Food Administration has adopted a program of making payments to dairy farmers based on the increased cost of their purchased feed since September 1942. The payments will be made directly to the dairy farmer, except in those cases where it may be desirable to make the payment to him through a cooperative association or other marketing agency.

While the program as announced is for a three months' period, some form of equalization payment will probably be necessary as long as the margin between feed costs and dairy prices remains unfavorable.
In order to relieve the pressure on our food supply, the War Food Administration has announced a reduction in the support price for hogs effective on October 1, 1944, and has removed certain slaughter quotas. The purpose of this is to encourage hog raisers to market their hogs earlier and at lighter weights.

In addition to this program, the War Food Administration is bringing in large quantities of grain from Canada for feeding purposes. This movement has been hampered by a series of transportation difficulties, including the late blocking of Buffalo Harbor with ice, and the unusual fog during this summer on the Great Lakes.

In spite of these difficulties, there have been shipped from Canada to the United States during 1943 up to date, approximately one hundred and twenty-five million bushels of feed of all kinds. As much additional grain will be brought in as transportation facilities will permit.

Furthermore, every effort will be made to see that the supply of feeds is distributed equitably throughout the country, the War Food Administration taking such steps and absorbing such transportation costs as may be necessary to secure this objective.

RATIONAL AND DISTRIBUTION

The greatest difficulty in the food program has been to bring about a fair and equitable distribution of the available food supplies. It is obvious that there is not enough to furnish all civilians with all the food they want. As I have said, this
is the result, to a great extent, of the fact that so many civilians have so much more money to spend than there are civilian supplies of all kinds, including food, to go around.

There are some who advocate taking off all restrictions on food because of the vast food production which the American farmers have raised. But with the great excess of purchasing power now in the pockets of the American people, the supply would never last. We might have a feast for a few months, but then there would be a real shortage — not only for civilians at home but for our own fighting men and those of our allies.

I am confident that the civilian population of the United States is ready to give up certain eating habits and accept certain shortages. They know that they must, if the war is to be won. A sharp line will have to be drawn between the luxuries of life and the necessities of life. A shortage in sirloin steaks or in choice fruits does not mean that the war food program has failed.

In view of the fact that more food is wasted than actually exists, it is necessary to have regulations and rationing which are sometimes very burdensome. But they are the only way to insure that everybody gets a fair share irrespective of his economic or social or political standing.

Some of them are needed to hold back from commercial channels a portion of the supply which was produced during months of high production so that the civilian supply can be kept on a fairly even keel month in and month out. This is particularly true of perishable foods and vegetables where the supply conditions change sharply from season to season. For example last year there
was a good crop of potatoes but the American people ate up the entire year’s supply in ten months so that in the last two months there were few potatoes available in many parts of the country. This kind of situation must be avoided. We cannot afford to eat up a year’s supply in ten months, and do without for the balance of the year. We must find a way to husband all of these supplies spacing consumption evenly through the year. Fortunately we have an abundant supply of potatoes this year.

One of the difficulties has been the uneven geographical distribution of food supplies. Certain parts of the country have had abundance, while others have gone without. Part of this is caused by transportation difficulties; part is caused by the fact that excessive demand has made it profitable to sell within the area in which the crops are grown rather than to ship to other markets. This makes it necessary for the government to develop programs to insure orderly geographic distribution of all important foods. National interest requires that every part of the country obtain a fair share.

More equal geographic distribution and a more even distribution through the year could be accomplished by the extension of rationing to some of the important foods which are not today rationed. However, for the perishable items, this would entail especially serious administrative difficulties. Therefore, it is planned that the government itself either purchase or otherwise control certain foods, or absorb the transportation costs — in order to stretch consumption through
the year, and to insure distribution that is fair to all parts of the country. Such operations would also go a long way toward stamping out black markets. These devices will be used selectively and only to the extent necessary to achieve the objective of year-round, orderly distribution.

Control and distribution by rationing has involved many difficult administrative problems, most of which have been solved by experience. No one would contend that mistakes were not made. Nevertheless there has been steady improvement. A recent survey has shown that 95 percent of American housewives agree that a good job — a job fair to all — has been done.

Unfortunately the 7 percent who are not satisfied are more vocal than the 93 percent who are. Many reasons explain this.

Although civilians with their greatly increased purchasing power will not be able to purchase all the food for which they have the money, there will be a sufficient amount of good wholesome food for the people of the United States.

From a nutrition standpoint the civilian per capita food supply during this year of 1945 will compare favorably with the average for the pre-war period 1935 to 1939.

There have been inconveniences to the American dining table — even shortages of certain foods. But no American has gone hungry — in fact the American people as a whole are eating more now than they did before Pearl Harbor.

The American people realise that unless every farmer does his share to get full production and unless every civilian
plays fair and does not seek to get more than his proper share of the limited supply, they may be depriving some of our soldiers or fighting allies of needed food to sustain them in their struggle.

**ADMINISTRATION OF THE FOOD PROGRAM**

There has been loose talk in some quarters about the need for a food "czar" to have full control of food — including not only production and distribution but prices, rationing and transportation. The fact is that the production and allocation and distribution of food of all kinds are all now under the control of one man — the War Food Administrator.

The War Food Administration is the agency which allocates available supply of food to civilian, military, and lend-lease needs.

That part of the food supply which is allocated to civilians, insofar as rationing and ceiling prices are concerned, comes under the supervision of the Office of Price Administration. The Office of Price Administration does not ration food on its own initiative, but only on the recommendation of the War Food Administration. In other words, the War Food Administration determines when the demand for food of a certain kind so exceeds the supply of that food that rationing is required. When such determination is made, the Office of Price Administration takes charge of the actual mechanics of rationing.

This is the most logical procedure, because it places the actual administration of rationing — the ration coupons, the ration boards, the ration regulations — in the same body of citizens that rations gasoline, fuel oil, shoes and the other
products, and it leaves the determination of the necessity for rationing food in the War Food Administration. There can be no reason, in logic or necessity, for setting up a new ration board in all the localities in the United States for each different product.

With respect to prices, it is true that the War Food Administration should be concerned with the fixing of price ceilings. It is. No price ceiling on agricultural commodities is fixed by the Office of Price Administration without the concurrence of the War Food Administration. In other words, the Office of Price Administration and the War Food Administration either agree on a price or any disagreement is settled by the Director of Economic Stabilization. In this way the Food Administrator has a great deal to say about the price of food—but not all. For the price of food should be kept in proper relationship to the prices of other commodities; and therefore it has been deemed advisable to put all price fixing and enforcement in one agency. There is no reason why the War Food Administration should have its own corps of price enforcement officials to duplicate the work of the other price enforcement officials in the Office of Price Administration.

With respect to transportation it would be impossible to give the War Food Administrator complete control over the transportation of food because every car used to transport food is a car which is also greatly in demand for the transportation of other war products. Obviously there must be an agency which apportions the transportation facilities among the various war
needs and it would disrupt prosecution of the war and result in chaos if the War Food Administrator were able to take a car needed for steel or weapons or chemicals or equipment and use it for food transportation.

The case is exactly the same for prices as for transportation. We cannot permit any part of the program, food or rubber, or any other, to have a free hand in bidding materials and manpower away from other equally essential parts of the war effort. If in transportation chaos would result, how shall we characterize the consequences on the price front where the relationships are even more complex and delicate than in transportation?

The fact is that the administration of food is now properly centered in one man and one agency, except only where such administration might encroach upon other war agencies which deal with such separate but relevant subjects as price control, transportation, etc.

There have been many complaints about the existence of black markets in food. It is an unfortunate fact that many persons who complain of black markets are themselves individually encouraging them by their patronage. Some black markets exist in all nations which have rationing. The operators of these black markets are unpatriotic — and as they are caught, they will be punished. But we should all attach as much blame to those of our citizens who hurt their neighbors and their nation by paying exorbitant prices in black markets. Vigorous efforts
are being made by the appropriate government agencies to stamp out black markets.

The objectives of our food program will, as in the past, be to grow and raise as much foodstuffs as is humanly possible.

We shall maintain our fighting men as the best fed in all the world.

We shall guarantee that every individual of our civilian population will have an ample and healthful diet. Everyone may be assured that there will be enough food to go around. No one need fear that only a comparatively few people will be able to afford an adequate and varied diet.

We shall assist in fulfilling the requirements of our fighting allies for food and shall also assist in assuring that the liberated peoples will be given sufficient food to regain their physical and economic strength.

Our farmers will receive a return over and above their costs of production that will compensate them decently and adequately for their long and arduous work. At the same time, the consumers of the nation will be protected against rising costs which are properly chargeable to the war effort itself.

The price support program is proving reasonably successful on both fronts: increasing production and maintaining fair food prices for the consumer. I am convinced that to abandon our present policy would increase the cost of living, bring about demands for increased wages which would then be justifiable, and might well start a serious and dangerous cycle
of inflation — without any net benefit to anyone.

Some people say "a little inflation will not hurt anyone". They are like the man who takes the first shot of opium for the sensation he thinks it will give him. He likes it, although he swears that he will not make it a habit. Soon he is taking two — and then more and more — and then he loses all control of himself.

Inflation is like that. A little leads to more. I am unalterably opposed to taking the first shot by Congressional, or by any other other, action. The nation cannot afford to acquire the habit. We have children to think of.

Those who are advocating an inflation course will have to be ready to accept responsibility for the results. We have so far been following a tried path, and are getting along fairly well. This is no time to start wandering into an untried field of uncontrolled and uncontrollable prices and wages.

With the same determination that has led our fighting men to conquer their military objectives, we at home shall reach the objectives of our food program. We will get the production that we have set as our goal. We will see that the supplies of food are distributed fairly and equitably and at stable prices that are fair to the consumer. To do this we shall have to draw upon that basic characteristic of a democracy — a characteristic that has its roots in the American farm community. We shall draw on our teamwork, teamwork of the farmer, and the con-
sumer, and the distributor, and the Government in both its legislative and executive branches.

The accomplishments of the past year have been great. We shall demonstrate to the Axis how the teamwork of a free people can make even those records fall. We shall demonstrate that freedom and teamwork make the people of a democracy the most efficient producers in the world — whether it be of battleships, tanks, planes, guns, or of the produce of the soil.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

November 1, 1943.
## SCHEDULE A

**CURRENT SUPPORT PRICES OF THE WAR FOOD ADMINISTRATION**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Price Support</th>
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<tbody>
<tr>
<td>Hogs</td>
<td>Average for good-to-choice butcher hogs at Chicago: $13.75 per cwt. for hogs weighing 200-270 pounds, through September 30, 1944; $12.50 per cwt. for hogs weighing 200-240 pounds, October 1, 1944-March 31, 1945.</td>
</tr>
<tr>
<td>Eggs</td>
<td>Purchased on offer-and-acceptance basis equivalent to not less than 50 cents per dozen in spring and early summer, and an annual average price of 36 cents, basis U.S. average farm price, effective through June 30, 1944.</td>
</tr>
<tr>
<td>Butter</td>
<td>46 cents per pound for 92 score, Chicago basis, effective through June 30, 1944.</td>
</tr>
<tr>
<td>Cheese</td>
<td>Equivalent of 27 cents per pound, including subsidy for U.S. No. 1 American cheese, Plymouth basis, effective through June 30, 1944.</td>
</tr>
<tr>
<td>Dry skin and evaporated milk</td>
<td>12.5 cents per pound for roller and 14.5 for spray process, extra grade, f.o.b. plant, Mid-West basis, with support prices for evaporated milk about in line with prices for butter and dry skin milk, effective through June 30, 1944.</td>
</tr>
<tr>
<td>Chickens</td>
<td>90 percent of parity, excluding broilers or chickens weighing less than 5 pounds, effective through June 30, 1944.</td>
</tr>
<tr>
<td>Turkeys</td>
<td>90 percent of parity, effective through June 30, 1944.</td>
</tr>
<tr>
<td>Soybeans for oil</td>
<td>For 1943 crop: $1.07-$1.86 per bushel, U.S. average farm price, for yellow or green soybeans of high oil content, with price of $1.00 for No. 2 yellow, 14 percent moisture content, and storage allowance of 7 cents per bushel, on farm-stored seed under CCC loan.</td>
</tr>
<tr>
<td>Flaxseed for oil</td>
<td>For 1943 crop: $2.85 per bushel, basis No. 1 at Minneapolis, with storage allowance of 7 cents per bushel on farm-stored seed under CCC loan.</td>
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<tr>
<td>Commodity</td>
<td>Price Support</td>
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<tr>
<td>Cottonseed</td>
<td>For 1943 crop: $55 per ton, f.o.b. shipping point, Oklahoma, Texas, and New Mexico; $50, other States.</td>
</tr>
<tr>
<td>Peanuts</td>
<td>For 1943 crop: Support prices Virginia and Spanish types all uses average $140 per ton; runner type, $150. Adjustments for grade. Uniform price to all farmers for peanuts of like type or grade within each area or region.</td>
</tr>
<tr>
<td>Dry beans</td>
<td>For 1943 crop: $5.50 per cwt. for U.S. No. 1; 6.55, U.S. No. 2; in bags, f.o.b. country; small and flat small white; pink; pinto; cranberry; small red; light, dark, and western red kidney; lime, and baby lime)</td>
</tr>
<tr>
<td>Dry peas:</td>
<td>Smooth types For 1943 crop: $5.65 per cwt. for U.S. No. 1 and $5.40 for U.S. No. 2; in bags, f.o.b. carrier at country shipping points. Loan on thrasher-run dry edible peas of $4.50 per cwt. for U.S. No. 1 and $4.25 for U.S. No. 2.</td>
</tr>
<tr>
<td>Wrinkled types</td>
<td>For 1943 crop: $4.25 per cwt. for U.S. No. 1; $4.00, U.S. No. 2; in bags, f.o.b. carrier at country shipping points; for peas grown for canning purposes under contracts approved by State War Boards but which, for various reasons, will not be canned.</td>
</tr>
<tr>
<td>Navyeye (South)</td>
<td>For 1943 crop: $5.75 per cwt. for U.S. No. 1; cleaned, bagged, and delivered to designated points; $5.50, U.S. No. 2; and $5.35, U.S. No. 3.</td>
</tr>
<tr>
<td>American-Egyptian and Sea Island cotton</td>
<td>For 1943 crop: American-Egyptian, 48 cents per pound net weight for No. 2 1½-inch cotton. (USDA 1230-43) Sea Island 56-70 cents per pound (Puerto Rican) and 40-50 cents (Mainland).</td>
</tr>
<tr>
<td>Cotton, corn, wheat, tobacco, and rice</td>
<td>Farmers cooperating in the agricultural conservation program will be eligible for loans equivalent to 90 percent of parity (or 85 percent in the case of corn and wheat) as of the 15th of the month preceding the beginning of the marketing year as provided in the Ar-</td>
</tr>
</tbody>
</table>
Commodity | Price Support
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White potatoes | For 1945 crop: 90 percent of parity as calculated at the beginning of the marketing year, but not less than specified prices for certain grades of potatoes in specified commercial areas, and 50 cents per bushel on normal yield of acreage planted to potatoes in excess of 90 percent of the farm goal, up to 110 percent of the goal, effective on acreage planted after February 1, 1945.
Sweet potatoes | For 1943 crop: $1.15 per bushel, August - November; $1.30, December-January; $1.45, February-April; for U.S. No. 1 packed in bushel crates, baskets or hampers, U.S. No. 2 containing at least 75 percent U.S. No. 1, 15 cents under price for U.S. No. 1. For U.S. No. 1 or better, cured, properly packed in bushel crates, baskets or hampers, $1.50 during Jan. 1944; $1.65, February.
Vegetables for fresh consumption | For 1943 crop: $20 per acre for each acre over 90 percent of the farm goal (for carrots, snap beans, lima beans, beets, tomatoes, cabbage, onions, and green peas as a group) up to 110 percent of goal.
Canning crops | For 1945 crop: Minimum support prices will be paid on acreage contracted with certified canners at following levels (prices on national basis; will vary by States): tomatoes, $24.25 per ton; green peas, $21.50; sweet corn, $18; snap beans, $91; lima beans, $80-$115; beets, $19-$22; carrots, $20-$22; cabbage for kraut, $12.
Canned vegetables | For 1945 pack: 95 percent of canners' net ceiling prices until mid-1944 for canned tomatoes, tomato juice, tomato pulp, tomato paste, sweet corn, snap beans, green peas, lima beans, beets, and carrots.
<table>
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<tr>
<th>Commodity</th>
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<tbody>
<tr>
<td>Apples, for processing</td>
<td>For 1943 crop: Apple products will be purchased from certified processors paying the following prices per hundred pounds for apples: U.S. No. 1 cannery grade, 2½-inch and up (and &quot;C&quot; grade, Washington and Oregon), $3.10 for Class A and $2.50 for Class B; U.S. No. 2 cannery grade, 2½-inch and up, $1.65 for Class A and $1.00 for Class B; ciders, $1.00.</td>
</tr>
<tr>
<td>Apricots, for canning</td>
<td>For 1943 crop: $95 per ton, roadside.</td>
</tr>
<tr>
<td>Figs, for processing</td>
<td>For 1945 crop: For canning: Kadotas, $1.30 per ton; for drying: Callimyrmas (basis 70 percent test), $200 per ton; Adriatic (basis 80 percent test), $250; Kadotas, tree-picked (basis 90 percent test), $240; Kadotas, natural (basis 85 percent test), $230; Black Mission (basis 85 percent test), $200.</td>
</tr>
<tr>
<td>Dried fruits:</td>
<td></td>
</tr>
<tr>
<td>Apricots</td>
<td>Natural-condition, 1943 crop: Average of 32 cents per pound.</td>
</tr>
<tr>
<td>Peaches</td>
<td>Natural-condition, 1943 crop: Freestone, $440 per ton; clingstone, $350.</td>
</tr>
<tr>
<td>Pears</td>
<td>For 1943 crop: Lake County quality, $350 per ton; others, $350.</td>
</tr>
<tr>
<td>Prunes</td>
<td>Natural-condition, 1943 crop: California, 3-district, 8½ cents per lb. basis (80 prunes a lb.) California &quot;outside&quot; district, Washington, and Oregon, 8½ cents.</td>
</tr>
<tr>
<td>Raisins</td>
<td>Natural-condition, 1943 crop: Thompson seedless, $155 per ton; Muscats, $165; Sultanas, $150. (USDA 243-44). Dehydrated: golden-bleached, sulphur-bleached, and soda-dipped Thompson seedless, $195 per ton; Valencia or dehydrated Muscats, $205; so-called Zante currents, $215; tray slip Muscats, $180.</td>
</tr>
<tr>
<td>Grain sorghums</td>
<td>For 1943 crop: U.S. No. 2 or better, 85 cents per bushel; U.S. No. 3, 80 cents; U.S. No. 4, 70 cents; except Arizona and California 5 cents higher.</td>
</tr>
</tbody>
</table>
Commodity | Price Support
--- | ---
Hemp | Prices will be supported for hemp and hemp seed grown under contract, 1943 crop.
Gaster beans | For a small acreage: 6 cents per pound for beans in the hull that shell 70 percent, 1943 crop.
Wool | 1945 clip will be purchased at ceiling prices.
Barley | For 1943 crop: From 80 cents per bushel for U.S. No. 5 to 75 cents for U.S. No. 1, with rates 5 cents higher on Pacific Coast.
Sugar beets | For 1943 crop: Producers assured $1.50 per ton more than they received for 1942 beets of standard quality (10.5% sucrose). Returns should average around $1.11 per ton.
Gun naval stores | For 1943 season: Loan and purchase rates for turpentine, 64 and 65 cents per gallon, respectively. For resin, loan rates from $3.70 per cwt. net for X grade to $5.25 for G grade, average of $5.50; purchase rates same grades, $4.04-$5.90 with an average of $5.94.
Hay and pasture seeds | For 1943 crop, support loans or purchases are offered for 30 hay and pasture seeds, including alfalfa; several varieties of clover and lespedeza; timothy; smooth bromegrass; crested, western, and slender wheatgrass; blue and side oats grass; orchard, buffalo, Bermuda, dallis, and bahia grass, meadow fescue; blue lupine; and wild winter peas.
**SCHEDULE 2**

Estimated cost of price support program (in million dollars):

<table>
<thead>
<tr>
<th>Program</th>
<th>Period Covered</th>
<th>Estimated Loss (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry Beans</td>
<td>1943 Crop</td>
<td>$8</td>
</tr>
<tr>
<td>Potatoes</td>
<td>1943 Crop</td>
<td>20</td>
</tr>
<tr>
<td>Prunes</td>
<td>1943 Crop</td>
<td>7</td>
</tr>
<tr>
<td>Raisins</td>
<td>1943 Crop</td>
<td>7</td>
</tr>
<tr>
<td>Canning Vegetables</td>
<td>1943 Crop</td>
<td>30</td>
</tr>
<tr>
<td>Sugar</td>
<td>1943 Crop</td>
<td>50</td>
</tr>
<tr>
<td>Cheddar Cheese</td>
<td>1943</td>
<td>25</td>
</tr>
<tr>
<td>Fluid Milk</td>
<td>1943</td>
<td>3</td>
</tr>
<tr>
<td>Oilseeds &amp; Products</td>
<td>1943 Crop</td>
<td>60</td>
</tr>
<tr>
<td>Feed Wheat</td>
<td>Fiscal year 1944</td>
<td>70</td>
</tr>
<tr>
<td>Dairy Feed Payments</td>
<td>1943</td>
<td>60</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1943</td>
<td>8</td>
</tr>
</tbody>
</table>

Total: 350
All of the United Nations agree to cooperate and share in the work of UNRRA -- each nation according to its own individual resources -- to provide relief and help in rehabilitation for the victims of German and Japanese barbarism.

It is hard for us to grasp the magnitude of the needs in occupied countries.

The Germans and the Japanese have carried on their campaigns of plunder and destruction with one purpose in mind: that in the lands they occupy there shall be left only a generation of half-men -- undernourished, crushed in body and spirit, without strength or incentive to hope -- ready, in fact, to be enslaved and used as beasts of burden by the self-styled master races.

The occupied countries have been robbed of their foodstuffs and raw materials, and even of the agricultural and industrial machinery upon which their workers must depend for employment. The Germans have been planning systematically to make the other countries economic vessels, utterly dependent upon and completely subservient to the Nazi tyrants.
But we need not any longer speculate. We have had nearly a year of experience in French Africa — and later experience in Sicily and in Italy.

In French North Africa, the United Nations have given assistance in the form of seeds, agricultural supplies and agricultural equipment; and have made it possible for the people there to increase their harvest.

After years of looting by the Germans, the people of French Africa are now able to supply virtually all of their own food needs. Besides, they are meeting important needs of the allied armed forces in French Africa, in Sicily and Italy, and giving much of the civilian labor which assists our armed forces there in loading and unloading ships.

The assistance rendered to the liberated peoples of French Africa was a joint venture of Great Britain and the United States.
RADIO ADDRESS OF THE PRESIDENT

SIGNING OF AGREEMENT SETTING UP THE UNITED NATIONS' RELIEF AND REHABILITATION ADMINISTRATION

THE WHITE HOUSE

NOVEMBER 9, 1943

Here in the White House, seated about a table in the historic East Room, are representatives of forty-four nations — United Nations and those associated with them.

The people of these forty-four nations include approximately eighty per cent of the human race, now united by a common devotion to the cause of civilization and by a common determination to build for the future a world of decency and security and peace.

Representatives of these forty-four nations have just signed an agreement creating the United Nations Relief and Rehabilitation Administration — commonly known as UMRRA.
Responsibility for alleviating the suffering and misery occasioned by this New Order must be assumed not by any individual nation but by all the United and Associated Nations acting together. No one country could — or should — attempt to bear the burden of meeting the vast relief needs — either in money or in supplies.

The work confronting UNRRA is immediate and urgent. As it now begins its operations, many of the most fertile food regions of the world are either under Axis domination, or have been stripped by the practice of the dictatorships to make themselves self-sustaining on other peoples' lands. Additional regions will be blackened as the German and Japanese forces in their retreat scorch the earth behind them.

So it will be the task of UNRRA to operate in these areas of food shortages until the resumption of peaceful occupations enables the liberated peoples once more to assume the full burden of their own support. It will be for UNRRA,
But we need not any longer speculate. We have had nearly a year of experience in French Africa -- and later experience in Sicily and in Italy.

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