

as a substitute for profits in agriculture for many years. Our profit starved rural economy has been dependent upon massive doses of credit every year since 1953. This borrowed money must some day be repaid, and when that time comes our country will be deprived of the tremendous buying power that has been made available through the injection of credit into the rural economy.

Our American farmers and ranchers are financially hard pressed. They have borrowed heavily for the past 15 years in anticipation of future profits, which have failed to materialize. Often the borrowed funds have been repaid from the liquidation of assets.

Farm prices have now fallen to their lowest level since parity figures were started in 1937. Our government has been controlling and administering farm prices for many years. Farm prices have been intentionally lowered by our government in order to provide the consumers of our country with more funds to spend for manufactured goods. This action has, in effect, subsidized both our consumers and our industries at the expense of our rural people and the rural economy.

The human and financial resources of rural America are being depleted at an alarming rate. In the past 15 years the number of people employed on our nation's farms has dropped from ten million to just over five million, an out migration of almost one-half of our farm workers. During these same 15 years the number of farmers has dropped from 8.5 million to just over 3 million. Farm operating loans have deteriorated due to the lack of profits in agriculture. What started out to be a short term loan has turned into a long term loan with a workout problem. The solution to the problem for many has been to sell out and quit farming or ranching.

Many of our nation's farm economists favor the elimination of many more of our nation's farmers. Some economists feel that as few as 500,000 farmers and ranchers could produce all of our nation's farm products. These people would like to see another 2,500,000 farmers and ranchers forced from the land. If these additional people are forced to leave the farms they will only add to the untrained—unskilled millions who are already crowding our urban slums. The roots of urban poverty grow from a rural America that is not able to attain sufficient profits from the production of its products to retain its people.

Our nation's farm organizations, up until this time, have failed to attain either sufficient size or scope to control the prices that they receive for their products or to control the production of their products sufficiently to control price.

Our Committee feels that farm problems will continue to plague our rural people and the rural economy because there is no long range program for agriculture. Agricultural programs are adopted and they are administered for the short range only. It seems to be the intention of our government to continue to use the farm segment of our economy as a 'scapegoat' for the other segments which have prospered for many years. Our government is continuing the cheap food policies which have led to the present situation. We feel that our country lacks true economic wealth. We feel that we can only have temporary prosperity as long as other segments of our economy are feeding upon our agricultural economy. Such a temporary prosperity must eventually fall of its own weight.

The continuing and fostered exodus of more and more people from the farms and ranches and rural communities of our country will put more and more industrially untrained rural migrants into the slums and ghettos of our nation's cities.

The Agriculture-Rural America Committee of The Independent Bankers Association of America feels that to solve the problems of American agriculture our government must give top priority to the raising of farm prices. The levels of these prices must be sufficient for our farmers and ranchers to attain a standard of living that is commensurate with the rest of our nation's people. Farm prices must be high enough to provide the profits that are necessary to allow for capital investment in agriculture, exclusive of inflationary gains. They must be sufficient to provide the profits necessary to service the operating debts that already have been accumulated.

Long range programs must be adopted that will attain and maintain a continuing parity of income for agriculture, an income sufficient to attract long range capital to be invested in agriculture.