

production, then certainly agriculture has a claim that is not less than other parts of our economy, and certainly greater than some.

We noted with approval the deletion of the reference to farm income last year which proposed no interference with the law of supply and demand as the determinant for the allocation of the resources in agriculture. We hope that the statement previously referred to that Federal economic policy no longer relies primarily on the "automatic stabilizers" built into our system or waits for a recession or serious inflation to occur before measures are taken, includes agriculture with the rest of the economy.

In the international picture with which the report deals at some length, we have a very great concern because of the development of the protectionist attitude in the United States, and because this protectionist attitude, in our judgment, is based on some rather unsound economics.

I spent 2 weeks in Germany in November as a member of a delegation from the United States studying the effects of the Marshall plan after 20 years of their history. While we were there, there was a great deal of dissatisfaction in the coal area because of their closing down of a great share of their production because of inefficient and not needed production—dropping their coal production as quickly as they can, from 143 million tons down to somewhere around 80 million tons, and importing coal from the United States. With our technology we can produce it and ship it to Bremen cheaper than they can ship it from the Ruhr to Bremen, which is economic efficiency working as it should.

At the same time, the steel workers and the steel industry, along with the Government, were pounding out an agreement whereby they were not going to increase wages nor profits during the coming year or during the term of their contract that they were working on, because they felt that this would be an adverse factor in their attempt to maintain the markets that they already developed in the world. Over against this we are concerned, as I think everybody has to be concerned, about the threat of a rather serious increase in steel wages, and with the continued high level of profits that the steel industry is making, to the point where they can no longer compete in some types of steel right in their own area with the steel coming in from Japan and Germany. The failure of our American industry to plow back its profits into the industry, with the exception of National Steel, which has the only really modern steel complex in the United States, comparable to those in Germany and Japan, means that we are simply pricing ourselves out of our own market by maintaining an inefficient system.

In our judgment, protectionism that is being talked about today will put the burden of this upon the most efficient part of our industry, which is agriculture, and by this method the burdens which properly should be borne by the industry, are unreasonably shifted to agriculture and to the consuming public.

This is a matter of more than casual concern, and I will leave it at that, having more completely expressed it in the statement.

In terms of the budget and taxes, we have consistently stood in the Grange for enough taxes to pay the cost of government, especially at a time when there is still a substantial threat to inflation. We believe we have waited longer than we should to pass the surtax bill, but we believe it still should be passed, if not from the standpoint of stopping infla-