Bailey entitled, "Congress Makes a Law," published by the Columbia University Press in 1950. The activity of the Farmers Union in bringing about the enactment of the Full Employment Act is outlined in this volume.

Over the years the Farmers Union has generally been critical of the Council since we believe it failed to fulfill the policy set forth in the statute. For example, in Section II the Council is, in effect, directed to consult with agriculture and other groups in the formulation of its policies and its recommendations to the Congress. For a few years after passage of the Act representatives of the Farmers Union were invited to confer with Council members along with other farm organizations. However, this practice has been discontinued over a long period of years. As I recall, the last time that we were invited to confer with the Council was during the period when Harry S. Truman was President and Leon Keyserling was Chairman of the Council.

This witness has pointed out to this Committee and to other Congressional Committees the failure of the Council to fulfill the function which the Congress undoubtedly intended both in conferring with interested organizations and in legislative recommendations to the Congress. We have appreicated very much over the years the reports of the Joint Committee on the President's Economic Report which repeatedly pointed out that the Council was failing in its duty and that it also was neglecting certain economic situations in its discussions without which it was impossible to make valid recommendations or to even explain certain economic trends.

In 1965 this witness appeared before the Joint Committee and pointed out that under the Chairmanship of Gardiner Ackley vital economic areas had been neglected and that emphasis was on matters which did not go to the root of economic maladjustments, particularly in regard to agriculture. We pointed out in our 1965 discussion that agriculture was treated as a sick industry rather than an industry which had out-produced other segments of the economy and had become so efficient that it had flooded the market with commodities resulting in unduly low prices. There was no attempt in Mr. Ackley's 1965 report to get at the roots of the agricultural problems.

In the 1966 report, the Council ceased to speak of agriculture as a sick industry, but rather by inference concluded that it was only reacting to certain economic laws which inevitably pushed off the farm producers who were inefficient. There was, as I recall, a brief discussion about the dairy industry which was in a very depressed condition because of low milk prices. Dairy farmers were leaving the industry by thousands and economists predicted that if this trend was not checked, milk would have to be rationed in the not too distant future. The Secretary of Agriculture wisely increased the support price of milk so that farmers would be enabled to stay in production. The comment of the Council was that dairy farmers had moved to towns and cities because of excellent employment opportunities.

In past years the eminent Chairman of this Committee has rebuked the Chairman of the Council on at least two occasions because of the Council's neglect of agriculture which he called the number one shame of America. He also spread upon the record certain figures indicating that farmers were economically second class citizens who did not obtain from their investment, management and labor a sufficient income to enable them to continue production. This is the crucial problem which agriculture has faced for a long time and is facing today.

Certain questions were also raised by this Committee in regard to the lack of attention to economic concentration and to the monetary activities of the Federal Reserve Board.

The 1968 report, it seems to us, almost completely ignores, or gives only a passing glance to agriculture. On pages 116 and 117 only about one-half page is allocated to discussion of farm and food prices. It is apparent from this brief discussion that the Council is primarily interested in the laws of supply and demand and consumer prices and not at all interested in the economic problems of the farmer.

Although several pages of the report are devoted to monetary policy during the 1966–67 period, no real attempt is made to grapple with fundamental economic problems as affected by the mistaken policies of the Federal Reserve Board. For example, the Council merely notes that in 1965 the Federal Reserve Board raised the discount rate one-half of one percent and that the ceiling rate on certificates of deposit was also raised. It does not sufficiently expose this mistaken policy and connect it with the housing debacle which it caused in 1967. Farmers paid heavily for the 37½ percent increase in the time deposit rate since interest rates skyrocketed not only in housing, but in all kinds of real estate