

THE OUTLOOK FOR 1954

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The supply-and-demand situation and the price-and-income situation for next year offer some encouragement. The cost-price squeeze of the past several years has been severe, but when we look back, we see that there has been comparatively little change in the overall parity ratio since January.

Early in 1951, prices received by farmers averaged 113% of parity. By last January they had fallen to 94% of parity, down 17%. Since that time, they have dropped only 2%, and for the past two months, they have been stabilized at that point.

Secretary Benson is not at all satisfied with the economic conditions prevailing in agriculture. Not only has the Department of Agriculture attempted to carry out the farm programs that are required by law as effectively as is possible in the interests of agriculture, but it has also taken many other actions in an effort to maintain stability.

We are not satisfied with these programs. We believe that they neither give proper aid nor do they provide the freedom of economic and individual action that is necessary in a country of this kind.

Farm organizations are now in the midst of a gigantic "town meeting." From Florida to the State of Washington, they are obtaining an understanding, through their discussion groups, of the basic issues involved; and out of this we are confident will come not only the elements of a better program, but also an understanding of the penalties, as well as the advantages, of any action that is taken.

It is essential that, with all that we do, we have good government. A very fundamental part of that is the Federal-States relations. In

this period of readjustment, agriculture needs the utmost cooperation of all of us. We serve, of course, the general welfare, but within that charge we have a great responsibility to guard and defend the welfare of the American farmer. One part of this responsibility rests with us in the Federal Government. Another part of the job rests with you in the States. And a highly important part is a joint Federal-State responsibility to us both.

In the past 20 years the Federal end of this relationship has grown disproportionately. Now the balance is about to shift. We are going to get back to proper relationships. The present Administration in Washington, taking its instructions from the voting public, is determined that the trend to bigger and bigger Federal Government shall be reversed. And I tell you that the present administration of the Department of Agriculture is equally determined that in the field of agriculture the State part of our Federal-State relationships must be strengthened.

It is an old American principle that we should leave to private enterprise the jobs that private enterprise is able and willing to do. It is also an American principle, derived from our Constitution, that we should leave to the States and to the people all powers not delegated to the Federal Government. These principles have been reaffirmed by our President.

We need to do a great deal of thinking about ways and means to bring about a better distribution of agricultural functions between the States and the Federal Government. Proper distribution of function is one of the best ways of getting more for your tax dollar.

We have no desire to build empires in the Department of Agriculture. We do not want to pile bureau on bureau, agency on agency, division on division. We want to do our proper job to help the farmer of this great land

—and we want to do it in such a way that the people get more for their money and the farmer's independence is made more secure.

It is possible through individual and group action to solve many problems and achieve objectives locally, with a minimum of Federal assistance and control.

Each of the services for agriculture, now provided by the Government, should be re-examined to determine first whether it can better be met publicly or privately. If the service appears to be a public responsibility, then it should be determined whether or not the objectives can better be accomplished through local or State agencies, or through Federal-State cooperation, or through Federal agencies.

The reorganization plan we have developed and announced for the Department has had overwhelming approval from committees of Congress, from farm organizations, from the National Agricultural Advisory Commission and from many individuals, including former President Hoover, who now heads the Commission on Organization of the Executive Branch of the Government.

In keeping with the intent of the reorganization plan approved by the Congress we first announced our intention to reorganize and then gave time for any suggested changes to be made. A number of suggestions have been received and we are now considering them.