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President Truman last week asked Congress to go to work on a permanent farm program to replace wartime emergency measures and programs for agriculture. Pointing out that price supporting measures will expire at the end of 1948, he suggested that the intervening two years be devoted to expanding farm markets and achieving a "balanced pattern of peacetime production." The latter is taken by some observers to imply return of production controls.

Several bills relating to agriculture have already been introduced into the new Congress. One of these would make permanent Government support of prices of wheat, corn, cotton, tobacco, rice, and peanuts at 90 per cent of parity in commercial growing areas, providing farmers agree to marketing quotas. The companion bill in the Senate also carries the provision that support would be at 90 per cent for "cooperating" farmers and 60 per cent for "non-cooperators."

Another bill would raise parity prices for wool and lambs by changing the "base period" for calculation from 1909-14 to 1934-39. This is a renewal of the attempt to aid wool and lamb growers which died in the last session.

Other bills include one which would require the Government to pay all producers who marketed wheat and corn between January 1 and April 18, 1946, the 30¢ bonus paid producers who marketed to the Government after that date. Another measure of this "redress" type would reduce the amounts of wheat calculated in excess of marketing quotas (operated in 1941-43) by the amounts of wheat fed to livestock and poultry on the farm where it was produced. Wheat growers were required to pay penalties on excess marketings under the old program. This bill, if passed, would presumably call for refunds of some of these penalty payments.

Secretary Anderson last week publicly blasted the operations and perfomance of the Federal Crop Insurance program and demanded "drastic" reforms. Chief points of his criticism were that indemnities exceed premiums on cotton contracts (wheat and other commodities he found on the whole to be satisfactory on this score); administrative costs are outrageously high, especially in the South; and adjustments for losses are too "soft."

USDA reports that dairy markets in December continued to show weakness, with sharp declines for butter and cheese prices and supplies of fluid milk and cream tending to be excessive in many markets. Softening butter prices in January have thus far forced or induced two waves of retail price reduction.

The President's budget message recommended a cut of about six per cent in funds for USDA activities for the fiscal year 1948. Recommended budget is about 1,178 million dollars as compared with 1,254 million dollars for the current year. Biggest cut was a reduction of funds for soil conservation activities which this year amounted to 300 million dollars. Recommendation for next year was only 200 million dollars. The President said that farmers are in a strong enough position to carry out conservation practices as a part of sound farm management, and implied that they should no longer be paid for such practices and that the funds should be used to expand soil conservation educational programs and to provide additional technical help to farmers along these lines.

USDA says feed prices during first half of 1947 will remain above 1946, but that feed-product price ratios will continue favorable to dairy and poultry feeding. Some temporary strengthening of corn prices may result from export demand, but no major trend upward should be inferred from this temporary export demand.

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