In those depressing days of 1933, when there seemed to be too much of everything except money and jobs and prices on farm products and other commodities had gone to pot, there was a clamor for immediate and vigorous action by the government so that prices would rise, farm purchasing power might be restored and the wave of farm foreclosures brought to an end. It was said that we had so much corn, wheat, cotton, rice, tobacco and other farm products, so little export trade and so little purchasing power that a program must be undertaken which would stimulate export business, hold commodities off of the market, assure a fair price for farm products, turn surpluses over to relief, control acreage and production and thereby start prices upward. In other words, what was wanted was a program to reduce the supply, stimulate demand, and thereby bring about better prices. To do this, of course, required some kind of an agency. Congress finally created a number of agencies for this purpose. The Agricultural Adjustment Administration was empowered to set up acreage quotas so that production might be reduced. The Federal Surplus Commodities Corporation was set up to dispose of farm products for relief and export purposes. The Agricultural Marketing Administration dealt with marketing agreements to regulate the flow of supplies into the market. Finally, one other agency was created by a Presidential order under the authority which Congress granted in the National Industrial Recovery Act, better known as NIRA. That was the Commodity Credit Corporation.

The Commodity Credit Corporation was incorporated under the laws of Delaware in 1933 and was empowered to borrow money so that it could buy, sell, store, handle and process farm products, make loans to farmers on their products or to farm cooperatives and enable such producers to hold their products until a better price developed. Originally, the Corporation borrowed its money from another government agency known as the Reconstruction Finance Corporation and then made loans to farmers and farm co-ops on butter, corn, dates, figs, mohair, tobacco, rice, wheat, wool, cheese and other products. Its original purpose, therefore, was to aid in stabilizing farm prices, and in bringing about a better balance between the production and consumption of farm commodities.

POWERS OF CCC ARE EXPANDED
As time went on, the powers of the Corporation were expanded. Its program of loans on farm products continued. When the Lend-Lease Administration wanted to buy butter, cheese, milk and other items for shipment to our Allies, the CCC became the financing agency whereby this was done. It was also authorized by Congress to use its powers and resources to support prices on all of the so-called non-basic commodities, which meant farm products other than corn, wheat, rice, tobacco and cotton. It’s authority to borrow money and issue bonds or debentures for such money was gradually increased until it jumped from 500 million to $2,650,000,000. So the CCC continued to borrow vast sums of money and use it to aid in the program of stabilizing farm prices by helping farmers to hold their products or by buying such products outright. It’s total loans on and purchases of farm products was more than 6 billion dollars. At one time, it owned millions of bales of cotton, vast quantities of tobacco, millions of bushels of wheat and corn on which it had made loans and then taken over those products when the loans came due. Thus the CCC performed a very useful function in a very fine manner.

IT SWINGS TO A NEW ROLE.
All these activities of the CCC sprang from a depressed condition 10 years ago when we seemed to have too much of everything and the main job was to bring about an increase in farm prices. But now it takes on a new role. Come the war with it, the job of feeding the soldiers in the service, the civilians at home, and providing food for our allies
and for the areas which our armies captured. It was quickly apparent that we must produce more food. There must be more peanuts and soybeans for oil, more wheat for flour, more rice, more corn for starch and pork, more vegetables of all kinds and just about more of everything. It was now a case of too little rather than too much. With all this went the problem of seeing that everybody got enough to eat so rationing came in. But a scarcity of food was bound to produce higher prices. Moreover, the farmer had to pay more for hired help and for farm machinery and supplies and his cost of production increased so that his price had to increase if he was to have equal purchasing power. Other problems arose. If for instance, a creamery had to pay higher wages, pay more for butter fat, pay more for machinery and supplies, it could not sell butter to the grocer at a price which would enable the grocer to sell butter within the OPA ceiling price. The problem was how to maintain the OPA ceiling, and at the same time give the farmer, the processor, the distributor and the grocer a fair profit so that each could remain in business. At that point, came the idea of a subsidy. Why not buy whole crops of stuff whether it be soybeans, peanuts, butter or what not, give the farmer and every handler a fair price and sell it below the ceiling? Of course the fly in the ointment was that to do so would mean to buy at a price above the established ceiling price, and therefore sell at a loss. And who was to take this loss? Simple enough. Pay it out of the Federal Treasury. Thus everybody including the farmer, handler and consumer would be happy.

ANOTHER SUBSIDY BATTLE SOON.

It was this proposal to subsidize food purchases with funds out of the Federal Treasury that caused a battle in Congress in the early summer. Principal argument against it was that (1) it would reduce rather than increase production (2) it was inflationary in that it added to rather than diminished the war-swollen purchasing power of the nation (3) that it proposed the use of borrowed funds to help pay the nation's grocery bill and that the soldiers would have to pay it in the next generation (4) that it meant complete and continuing control over agriculture. This battle ended in a draw, and final disposition of the matter was deferred until Congress returned from the summer recess. Congress is back. A bill is again under consideration to provide a program of food subsidies which will be administered by the War Food Administration and the Commodity Credit Corporation. So once more, the CCC will be in the lime-light as Congress comes to grips with this problem. It was created to deal with a problem of too much. It now faces a problem of dealing with too little. All this in 10 years. Such are the human cycles.