

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

CONFIDENTIAL

# Office Correspondence

Date November 7, 1942

To Chairman Eccles

Subject: Economic Stabilization Board:  
Secretary Wickard's Statement on  
Agricultural Wage Control

From Martin Krost

Wickard's statement is intended only as a preliminary indication of his general attitude toward the farm wage control problem. He sees the problem as only a part of the larger problem of farm production. He believes that farm wage control cannot be successful unless farmers are ensured labor for essential production. Unfortunately, except for broadening programs for transporting workers and using Mexican labor, he does not present a full statement of how this should be done. He may have refrained from going into this problem more fully because he believed that manpower policies are not a responsibility of the Economic Stabilization Board. This view should not go unchallenged; manpower policies should be brought under review by the Director of Economic Stabilization. Wage policy is meaningless if it is not integrated with manpower and draft policies.

Wickard's statement is open to criticism because of what he does not say rather than because of what he does say. He says that farm wages must go up and that a ceiling on farm wages at this point would make it impossible to keep an adequate labor force in agriculture. He does not say where wages should rise and how much. It is hard to defend \$1.25 a day for farm labor in South Carolina; but \$6.10 a day in Washington is a different story. The problem requires different treatment in different geographical areas, for different crops, and for different classes of labor. Skilled dairy workers may require higher wages, because we need dairy products. But all classes of farm workers do not need higher wages.

Wickard says wage boards should be established to control farm wages, but he does not say how the boards should be made up, or whether they should be county-wide, state-wide, or regional, or how much discretion they should have. He says that minimum wages should be fixed for farm labor but he does not say what the minimum ought to be or how it should be fixed. He says that farm wages can increase without raising present farm prices but he does not say how far, in what areas, or for what products. He says that subsidies or price adjustments will be necessary after wages have risen beyond a certain point but he does not say how such subsidies or price increases ought to be handled, or what effect they might have on the general inflationary problem.

Thus, on the whole, Wickard avoided discussion of the major specific problems, perhaps because he does not yet have the results of studies that are needed to provide a firm basis for specific action.

Attached is a table showing, by individual States, average daily wages, without board, paid for farm labor on October 1, 1942, and percentage increases over the same date a year earlier.

Attachment

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FARM WAGES PER DAY  
WITHOUT BOARD  
October 1, 1941 and October 1, 1942

	<u>Oct. 1, 1941</u>	<u>Oct. 1, 1942</u>	<u>Percentage Increase</u>
Maine	\$3.15	\$4.15	32
N. H.	3.40	3.95	16
Vt.	3.10	3.75	21
Mass.	3.55	4.15	17
R. I.	3.55	4.20	18
Conn.	3.70	4.05	9
N. Y.	3.30	4.25	29
N. J.	3.35	4.00	19
Pa.	2.85	3.45	21
Ohio	2.85	3.55	25
Ind.	2.65	3.45	30
Ill.	2.95	3.75	27
Mich.	3.00	3.80	27
Wis.	2.90	3.75	29
Minn.	3.30	4.60	39
Iowa	3.10	4.15	34
Mo.	1.90	2.70	42
N. Dak.	3.85	6.20	61
S. Dak.	3.10	4.85	56
Nebr.	2.65	4.10	55
Kans.	2.65	3.95	49
Del.	3.25	4.30	32
Md.	2.75	3.75	36
Va.	2.00	2.55	28
W. Va.	1.80	2.30	28
N. C.	1.50	2.05	37
S. C.	1.00	1.25	25
Ga.	1.15	1.45	26
Fla.	1.55	2.05	32
Ky.	1.60	2.30	44
Tenn.	1.35	1.75	30
Ala.	1.25	1.65	32
Miss.	1.25	1.60	28
Ark.	1.55	2.05	32
La.	1.30	1.70	31
Okla.	1.95	2.80	44
Tex.	1.85	2.60	41
Mont.	3.70	5.80	57
Idaho	3.45	4.85	41
Wyo.	3.10	4.50	45
Colo.	2.90	4.30	48
N. Mex.	2.20	2.85	30
Ariz.	2.55	3.50	37
Utah	3.15	4.20	33
Nev.	3.50	4.60	31
Wash.	4.00	6.10	53
Oreg.	3.45	5.40	57
Calif.	3.70	5.50	49
U. S.	2.08	2.76	33

Source: Department of Agriculture

11/2/42