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House - Agriculture

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AGRICULTURAL ACT OF 1961

TITLE I, AGRICULTURAL ENABLING AMENDMENTS ACT OF 1961

GOVERNMENT

Storage

1961/pt. 5

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE

HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH CONGRESS

FIRST SESSION

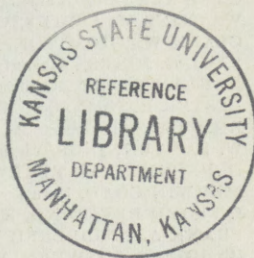
ON

H.R. 6400

MAY 26, 1961

Serial E

PART 5



Printed for the use of the Committee on Agriculture



U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1961

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AGRICULTURAL ACT OF 1961

FRIDAY, MAY 26, 1961

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The committee met, pursuant to recess, at 10:20 a.m., in room 1310, New House Office Building, Hon. Harold D. Cooley (chairman) presiding.

Present: Representatives Cooley, Poage, Thompson, Hagen, Matthews, Breeding, Stubblefield, Harding, Inouye, Hoeven, McIntire, Teague of California, Quie, Findley, Beermann, and Reifel.

Also present: Christine S. Gallagher, clerk; Hyde H. Murray, assistant clerk; and John Heimbürger, counsel.

The CHAIRMAN. The committee will please be in order.

The first witness we will call is Mr. John P. Benson, president of the Western Cotton Growers Association of California.

We will be glad to hear you now.

Mr. HAGEN. I would like to introduce Mr. Bensen. He is from Fresno, and was the former county agent of Fresno County. He is also a farmer and is president of the Western Cotton Producers Association of California.

The CHAIRMAN. We are very glad to have you here.

STATEMENT OF JOHN P. BENSON, PRESIDENT, WESTERN COTTON GROWERS ASSOCIATION OF CALIFORNIA

Mr. BENSON. Mr. Chairman and members of the committee, my name is John P. Benson. I am a farmer from Fresno County, Calif. I am president of the Western Cotton Growers Association.

The association's membership is made up exclusively of cotton-growers and strives to represent as well as possible the cottongrowers of California.

My statement will be brief. I appreciate the fact that the distinguished chairman and the members of this committee has given us an opportunity to be heard.

First of all, may I say for the cottongrowers of California, that we wish to thank this committee and the House for the understanding which they have shown for our problems and for the problems of cottongrowers throughout the Nation.

It is true, of course, that the legislation which has passed this committee and the House has not solved the whole farm problem. But this is not because this committee has not sincerely tried, nor because it lacks ability. We suggest that it is simply because the problem is a most difficult one.

Nevertheless, in cotton, at least, the legislation which has been passed in recent years has vastly improved the situation and we feel that the present program in cotton is headed in the right direction. We would like to have more time to discuss this problem with our own growers and with other cottongrowers' organizations throughout the Nation.

Rather than going through this bill sentence by sentence and taking up your time, I would like to state briefly our position on several important matters as they relate to cotton. These are the guidelines we want written in. Others may have other ideas. We sincerely submit them for your consideration. We are not lawyers or legislators—we are just farmers.

The productive capacity of our American agriculture is one of our greatest assets. It could be the greatest weapon in the arsenal of democracy. It is one field in which no one, including the Russians, has been able to approach us, let alone surpass us. We feel that this unequaled capacity to produce food and fiber should be used to its fullest for the benefit of our own people at home, to support our foreign policy abroad, and to prove to the hungry peoples and underdeveloped nations that agriculture in a free society, and not the Communist collective farms of Russia and communes of China, can provide them with what they want first, namely, food and clothing.

We, therefore, favor the extension of the food stamp plan to include cotton clothing and household goods as soon as possible. And I, personally, feel that we should use cotton clothing and textiles manufactured here by our own plants in our foreign aid program.

We feel that, as far as cotton is concerned, the growers should know just about what to expect so that they can make their plans 1 or 2 years ahead. We feel that, as far as cotton is concerned, any new legislation should be as specific and definite as possible. And if there is to be new legislation, we have some positive suggestions.

First, we wish to say that as growers we still support the Choice program. In California, I estimate that over 90 percent was "B" cotton last year. This means that it was handled by the Government for a much smaller cost.

We believe that individual growers' problems differ even in the same State and that they should have the choice as to whether they wish reduced acres and a higher price, or more acres and a lower price. We also feel that growers should have a third choice. They should be able to sell their allotment to the Government for a payment in kind and use the proceeds to help them in whatever way they think best. This I believe would actually save the Government money over a period of years.

We believe that any permanent cotton legislation should include the present minimum national cotton allotment of 16 million acres, and should also include specific provisions for continuation of the present export subsidy program to keep our share of the expanding foreign markets.

We feel that allotments translated into quotas of bales of cotton for each one of the hundreds of thousands of farms in the Nation would be confusing, cumbersome, and costly. Growers are used to and understand the present system of National, State, county, and farm acreage allotments.

We feel that provisions for a referendum should give the farmers a real choice, and not as it has been, a choice between the program set by the Secretary of Agriculture and 50 percent of parity.

For example, the cotton growers, when they vote in December, should be given a choice between the proposal of the Secretary of Agriculture and the acreage allotment and price support which they have at the time of voting.

We believe also that referendums should require both a two-thirds vote by numbers and a two-thirds vote by volume production. Otherwise, areas in the Nation which produce over one-half the crop could be outvoted by areas which produce less.

What we are thinking of is a balance somewhat like that which the Constitution set up in creating the Senate and House. It would mean that no program detrimental to the great majority of growers by number could be adopted. It would also mean that a program not suited to those who produce most of the bales of cotton would not be adopted.

These growers are heavy users of machinery, wire, rubber, steel, chemicals, and other products of industry. They are among industry's best customers and provide hundreds of thousands of jobs in factories far removed from the farms. While the number of farmers has been decreasing, the number of factory workers dependent on sales of their products to farmers has been increasing.

Although the number of growers who selected to take Choice "B" last time was relatively small, I estimate they produced over 6 million bales of cotton, or about 40 percent of the crop. These growers are a valuable asset to our Nation's economic and productive capacity.

If the farmers are to have more power to help develop their own programs, we feel that the national farmers' committee for cotton should be elected by cotton growers on a basis similar to the election of the two Houses of Congress, by numbers and area or volume, and that the programs which it should develop should be submitted simultaneously to the Secretary of Agriculture and to Congress for regular consideration.

This House Committee on Agriculture, I judge, has over 200 years of cumulative legislative experience. Mr. Chairman, I wonder if farmers would be wiser and more experienced in legislation than you. We feel that the farm problem is a most difficult one and that the Congress, with its years of experience in farm legislation, should lend the benefit of its training and experience in working out a program.

Rural redevelopment is one of the most pressing needs of our farm areas. As Secretary Freeman has said, we need more off-farm jobs in rural areas. The matter should be given top consideration in general farm legislation.

Finally, we see great potential danger to agriculture in changing the traditional procedure for enacting farm legislation by giving to Congress a veto power only. If this precedent were established and extended, we fear other groups more powerful than agriculture would use it to the detriment of all farmers who are a minority group already struggling with a cost-price squeeze from other sections of the economy.

Again I want to thank you for this opportunity to appear before you.

The CHAIRMAN. We thank you, Mr. Benson, for your very fine statement.

I would just like to make one observation about your suggestion that we have a choice plan for cotton.

I remember years ago when we did have a plan for cotton. We had a mattress program. The Government provided the cotton and the people to instruct farmers in making mattresses.

My recollection is that we would give some of our cotton to poor people who were sleeping on straw mattresses, or probably no mattresses at all. A bale of cotton cost about \$75, and if the same bale of cotton were made into clothing, it would have cost the Government \$500.

I think the mattress plan worked well. I remember farmers with large families started to work in the morning and could go home at night and have a comfortable mattress to sleep on. They provided the labor and the Government provided the material to make the mattress.

I doubt very much whether we could finance the plan for the manufacture of clothing.

The point I am making is that we could give them the material to make the clothing at much less cost than we could manufacture it.

I still have an idea that we could put the mattress program back into operation and we could dispose of some of the cotton. I suppose we could use a low grade cotton. We would not have to use our best cotton to make mattresses.

I believe we could dispose of a lot of low grade cotton. If we did that, it would help.

I do approve of the food stamp plan but I doubt if much is being done along that line. It is only being operated in about eight areas. We certainly can say that it is of very great value in some areas where they have low employment.

I tried to interest the Department in using agricultural products, to implement that operation. I talked to the Secretary about it. I think from every report that comes in it is meaningless, because we do not have experience enough to know how to make it work.

Mr. BENSON. We are very happy that you are giving it consideration.

The CHAIRMAN. And I appreciate your statement about this bill. I know that the committee will give consideration to your views when we come to the final consideration of the proposal now before us.

Are there any questions? If not, we thank you very much, Mr. Benson.

Mr. BENSON. Thank you again.

The CHAIRMAN. Our next witness is Mr. Rudolph Miller, secretary of the Imperial County Cotton Growers Association.

Mr. HAGEN. Mr. Chairman, Mr. Miller is also from California. He is a constituent of Congressman Saund.

The CHAIRMAN. We are delighted to have you. Everybody knows Mr. Saund. You may have a seat.

Mr. MILLER. Thank you very much.

Mr. HAGEN. I might say, also, he has a brother who is one of the leading cotton manufacturers in Switzerland.

The CHAIRMAN. You may proceed.

**STATEMENT OF RUDOLPH MILLER, EXECUTIVE SECRETARY,
IMPERIAL COUNTY GROWERS ASSOCIATION**

Mr. MILLER. Mr. Chairman, gentlemen of the House Agriculture Committee, I wish to thank you for the opportunity to testify before you. My name is Rudolph Miller. I am a small farmer from Imperial County, Calif., and I am the executive secretary of the Imperial County Growers Association.

Mr. Chairman and gentlemen, we feel that we are indeed fortunate to live in this beautiful country here, where we can find conditions of the soil and climate to match any one's desire. As you well know, farming conditions in the West differ vastly from those in the East and South. The cotton growers in Imperial Valley regret that the choice plan for cotton terminated after only a 2-year trial.

The choice between 40 percent additional acres and 15 percent lower price support or the high support on the allotment acres was what we felt closely fits the various conditions all over the Nation. Since we live adjacent to Mexico, we can observe that every time we reduce our cotton acres an acreage higher than our reduction will be planted south of the border. So that the total production available for the world market is not being reduced, and we are just selfish enough that we would like to have a share of this market for the U.S. growers.

Mr. Chairman and gentlemen, the growers of our area respectfully ask for your serious consideration of an extension of the choice plan for cotton.

Mr. Chairman and gentlemen, we also respectfully suggest that the section 360(f) in bill H.R. 6400, dealing with the personal history be given very serious consideration again for the same reason that I stated on the choice plan, because we have so many different areas with different conditions and if we have a plan such as personal history or a choice plan, we certainly can more readily and more easily adjust to the various conditions.

We also respectfully ask this committee for serious consideration of section 360(k) in the same act and the same bill, the transfer of allotments.

Mr. Chairman and gentlemen, the growers of our section also respectfully ask the Congress not to abandon any of its prerogatives in program formulation for the development of agriculture.

Mr. Chairman and gentlemen, thank you very much for your time and for your kind consideration.

The CHAIRMAN. Thank you very much. We are very glad to have your views concerning this program.

Mr. POAGE (presiding). We thank you, Mr. Miller.

Mr. MILLER. Thank you.

Mr. POAGE. We will now hear from Mr. Bradley Nicholson, Carolina Bay Turkeys, Inc., of Cassett, S.C.

We will be glad to hear you now.

**STATEMENT OF BRADLEY NICHOLSON, REPRESENTING CAROLINA
BAY TURKEYS, INC.**

Mr. NICHOLSON. I thank you very much for allowing me to appear before you today. I am sorry I do not have any prepared statement.

I represent myself and Carolina Bay Turkeys, Inc., in expressing my views to this committee.

I am one of the owners of this corporation along with two other working members who are also stockholders.

I should like to start by telling you a little bit about our operation.

One year ago our corporation was chartered as a \$25,000 corporation. My two cohorts and myself hocked everything we had to go into the turkey business. We borrowed some money from our local bank.

Our capacity of growing turkeys is 40,000 a year, or was then. We have expanded to 80,000 turkeys a year, which is a fairly sizable production unit.

Our overhead and our impact into our home community is about \$50,000 a year that we actually spend in our community.

We have done all of this without any Government aid and without any allotments and with any controls. And our position is that we do not want any allotments, we do not want any controls, we do not want any help, with one exception: We do like the Extension Service, we do like the laboratory and research facilities that the Federal Government gives to our segment of agriculture.

I think we may be a little bit old fashioned to think under our system we not only have the right to make money, but we have got the right to go broke if we are not smart enough businessmen to conduct our affairs in a smart manner.

That is basically all I want to say. If you have any questions I will be glad to answer them.

Mr. POAGE. Thank you very much for your testimony. Any questions?

Mr. BEERMANN. Mr. Chairman?

Mr. POAGE. Yes, Mr. Beermann.

Mr. BEERMANN. What is your address?

Mr. NICHOLSON. Cassett, S.C. It is near Camden.

Mr. BEERMANN. Mr. Nicholson, I have been very seriously considering having drafted or planning to get a bill drafted to take the Government completely out of agriculture. And if I thought they would have hearings, I would certainly proceed to get this job done.

I like your remarks. You feel that if the Government were completely out of agriculture, there are two things that you would still like to see the Government in.

Mr. NICHOLSON. That is the research facilities and extension. For instance, we have a disease laboratory in Pontiac, and this is a great help to us. We cannot afford these laboratory facilities. If we could, we would have our own.

Can I go a little bit further?

We are an uncontrolled industry, but our grain is controlled. This makes our cost of production figures higher.

Another point, the present agricultural program hurts us in the pine tree planting and soil bank type of thing. We grow turkeys on marginal land that we would like to buy for \$30 to \$50 an acre. But land that was \$10 to \$15 an acre 5 years ago is today \$50 and \$60 an acre. I maintain that private enterprise would come in to marginal land and use this land and raise the prices without the Government having artificially inflated the price.

Mr. BEERMANN. You operate this turkey operation with two partners?

Mr. NICHOLSON. That is right. We have a corporation.

Mr. BEERMANN. I farm with five brothers.

Mr. NICHOLSON. Yes.

Mr. BEERMANN. We raise feed grains and cattle, and are in the feed grain business. It seems remarkable to me that a gentleman from South Carolina has the same problem that I have.

How many other farmers in the United States will have the same thing that you and I have?

Mr. NICHOLSON. I think many, many of them. But they do not have the facilities nor the time to come here and say what they think.

Mr. BEERMANN. Do you think that we honestly could consider a bill to do what we are talking about?

Mr. NICHOLSON. I do very much, sir.

Mr. BEERMANN. I appreciate that very much and I thank you for coming here.

Mr. NICHOLSON. One other comment in that line, if I may make it, with all due respect to the committee and the legislature, you gentlemen are outnumbered by farmers. I think there are just as many farmers in this country. And every time a piece of legislation comes to you, you have got 6 million people looking for loopholes in this thing. I maintain that 500 people cannot outwit 6 million farmers.

Thank you very much.

Mr. POAGE. Thank you very much.

Mr. BEERMANN. I wish we had more witnesses like you.

(The following statements and letters were also submitted to the committee:)

STATEMENT BY GOVERNORS NELSON OF WISCONSIN, KERNER OF ILLINOIS, SWAINSON OF MICHIGAN, AND WELSH OF INDIANA

As Governors of agricultural States of the Midwest, the Nation's major food-producing region, we take this means of impressing upon the Congress of the United States the need for enactment of the comprehensive farm legislation proposed by President Kennedy.

We favor President Kennedy's farm program because we believe that it places before Congress a realistic and workable approach to the major issues in agriculture. At the same time it offers farm legislation that is consistent with sound international policy and can be supported by farmers and nonfarmers alike. It is in the interest of agriculture; it is also in the national interest.

Several outstanding features of the omnibus farm bill merit serious consideration of the Congress:

1. The food for peace program treats food as an asset and a resource, not as a burden. In the United States industrial development was possible because farm people were able to provide an abundance of food at reasonable cost. Today other nations are seeking industrialization and economic development, and the peace and well-being of the world require that we help them achieve it. An abundant supply of food, so important to our own development, can be a force for peace by helping less fortunate nations make the economic advances they can and must make.

2. Agricultural price programs are aimed at production for use, not production for storage. Most Americans, and particularly farm people, would like to make constructive use of the productive capacity of our farms. Improvements in the farmer's ability to produce efficiently should not cause low farm prices and low incomes, and should not be reflected in bulging bins filled with products the economy does not need. Yet this will occur unless farmers have some way of doing what every other modern industry does—adjusting production to meet the market demand for their products. Farmers do not want governmental control over their individual management decisions, and the Agricultural Act of 1961 protects their independent decisionmaking on their own farms. It authorizes adjustments in production, but only if they are recommended by elected

committees of farmers and endorsed by a two-thirds favorable vote of farmers and subject at all times to change by farmers themselves to meet changing conditions and needs.

3. The farmer's bargaining power is strengthened by President Kennedy's program. New policies for the Farmers Home Administration will give the individual family farm better sources of credit for the land and equipment needed to develop efficient farm units. Farmer cooperatives will also be encouraged, both by credit programs and by the extension of marketing orders. Today the small cooperative and individual farmer must deal, in a very unequal way, with the very large buyers and processors. Besides using the antitrust laws more vigorously to create more competition among the buyers of farm products, the Kennedy administration has expressed in this bill its support for stronger farmer cooperatives to strengthen the farmer's bargaining position. Merger and development of large regional cooperatives will protect competition by giving farmers more control over the way their products are marketed and a stronger place in the marketing system.

The omnibus farm bill before your committee would provide the means whereby farmers themselves can participate, with the Department of Agriculture, the President, and Congress, in developing practical programs to meet the varied needs of each farm commodity.

This bill would make available a broad and flexible set of tools for dealing effectively with the differing needs of each group of farm producers whose problems require action. It combines a maximum of farmer democracy in developing, approving, and administering their programs.

We urge its favorable consideration by this committee and by the Congress.

THE NORTH CAROLINA STATE GRANGE,
Greensboro, N.C., May 9, 1961.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture, House of Representatives,
Congress of the United States, Washington, D.C.

DEAR HAROLD: I was pleased to see you during my trip to Washington last Friday.

The North Carolina State Grange believes that a commodity-by-commodity approach is essential in solving the problems that confront the farmers of the Nation. The bill (H.R. 6400) which you introduced is a broad enabling act. The basic principles and objectives of the bill are in accord with the longstanding program recommendations of the North Carolina State Grange.

It is our hope that Congress will enact legislation along the lines proposed in this bill sometime soon.

We recognize that some groups object to the delegation of power to the Secretary of Agriculture. It is our view that the Secretary would be exercising such power, much in the same way as he now does when he establishes a price support program and lays down conditions of eligibility for any commodity, which, under the existing law, does not receive mandatory price support, but is eligible to receive price support, at the discretion of the Secretary. It seems to us that the Secretary will actually have less powers under the provisions of this bill than have been previously granted to him in previous legislation.

While this program contains broad grants of power it also provides flexibility needed to improve and strengthen farm programs. At the same time it provides the checks and balances which restrict the right of the Secretary to make arbitrary decisions.

It is our hope that the members of your committee will recognize need for more effective measures to deal with farm problems. The provisions of the present bill will provide producers with tools that can be used to improve their relative bargaining position; obtain a better balance of supply with demand; and expand market opportunities through market research, promotion, and development programs.

It is our hope that legislation can be enacted without too much delay.

With kindest personal regards and best wishes, I am

Cordially,

(Signed) HARRY

(Typed) HARRY B. CALDWELL,

Master.

STATEMENT OF SOLOMON BARON, PRESIDENT, THE CENTRAL CONNECTICUT
COOPERATIVE FARMERS ASSOCIATION

Mr. Chairman and gentlemen of the committee, I want to thank you for this opportunity to present this statement for your records.

I am Solomon Baron, of Ellington, Conn., an egg-producing farmer and also president of the Central Connecticut Cooperative Farmers Association, of Manchester, Conn.; which is a grain manufacturing cooperative.

I have been authorized by the members of this cooperative association, farmer-members, whose total production of eggs accounts for about 52 percent of all table eggs produced in the State of Connecticut, to present to you this statement in order to urge the passage of bill H.R. 6400. In particular, our members have instructed me to speak out against any attempts to exclude poultry and eggs from the provisions of this bill.

Before I proceed with my statement I want to tell you about our members. As I am, they are all independent egg producers. They all own their own farms and their flocks. They buy their chicks and supplies where they please, they sell their eggs through one of many different outlets, and they are free, both morally and financially, to purchase their feed from outlets other than the cooperative, if they so desire. We consider ourselves to be independent family producers, working for ourselves—not in anyone's hire, and free to make our business decisions as we see fit.

Much has happened in the poultry industry since the beginning of 1959 when the disastrous prices brought on by unrestrained expansion hit us all very hard. At that time prices fell to pre-1940 levels, and many, many thousands of poultrymen and their families went through bankruptcy and had to abandon their farms and life savings. This is all a matter of record, something you are all familiar with, and I will not go into any more detail.

So many poultrymen went out of business, and so many were forced to cut down on their operation, that an insufficient number of replacement chicks were placed on farms in 1960. The resulting relative short supply of poultry and eggs made 1960 a good year. This is also a matter of record and something known to all of you—especially those of you who had occasion to buy eggs at retail last summer and fall. By the end of 1960 some of these poultrymen who were left, and, may I add, those integrated interests in feed manufacturing, in egg marketing, in hatchery operations, and in equipment manufacture, decided that things didn't look too bad after all, and they decided to take another plunge. Chick placements skyrocketed this winter and spring, more so than the safe limit suggested by the U.S. Department of Agriculture, and, as a result, egg and poultry prices are almost down to the low point reached in the spring of 1959.

We realize that it can be argued that this is the "American way." People should be free to choose to go bankrupt if they so desire, and that, in time, natural economic forces will force stabilization.

All of this may sound quite logical and a very natural course of events when discussed and argued on the nonfarmer level—a level made up of theoreticians, of economists and of allied industry or agri-business where the individuals in this theoretical discussion are not intimately involved and do not have their livelihood at stake.

As independent farmers we are not in a position to argue this case abstractly, and we can never agree with this approach. The meaning of a recovery from a "bust" cycle is simply that a certain number of individuals have been forced off their farms and they cannot benefit from the increase in price. Those farmers to go first are usually the smaller and the so-called "inefficient" ones. These people then have the choice of going to work on their own farms for the integrators, or of going into the cities to add to the already overcrowded surplus labor supply.

Let us now look at the record of what has happened since 1959. The integrators stepped into these vacant farms—they rented those that they did not own outright—and filled the coops with broilers, started pullets and layers. To add insult to injury, in most cases they utilized the labor of the disposed farmers to run the place.

That was 1960—now it is 1961 and price trends indicate a repeat of 1959.

The expectation that the "inefficient" producer will drop out is a dream. He may drop out as an independent producer—but his coops continue to produce in the hire of integrators. 1959's "inefficient" producers dropped out and their coops were taken over in 1960; 1959's efficient producers will be 1961's inefficient producers and accordingly their coops will be taken over in 1962.

The record clearly shows that everytime this "boom-bust" cycle repeats, the percentage of product produced by the independents gets smaller, and that produced by the agri-business gets correspondingly greater.

This course of events will undoubtedly bring stability into the industry. Stability of a sort now found in many of our industries that are under the control of a few big corporate interests.

In terms of human values—values that are the foundation of our democracy—no one really gains by this. Even the consumer in the city who gains when prices are low during the "bust" cycle, will lose when prices are artificially high during the "boom" cycle.

We realize full well that past history cannot be changed and that the future course of events must proceed according to the dictates of our modern society. What we have objected to in the past, and what we hope to prevent in the future is our complete abandonment as a group, "to the cause of progress, efficiency, integrated operation," and various other catchwords commonly used to describe what is happening to the poultry industry.

We have also objected to the way in which allied industry, integrators, and other groups and organizations whose policies and interests do not reflect what the independent family farmer wants or needs have been accepted in many quarters as the spokesman and the guardian of the independent family farmer. In the past—it has been these people who have been influential in formulating national poultry and egg policy.

For the present, and for the future, we intend to make our voices heard and we respectfully request that our point of views be given your careful consideration.

We have no specific program in mind to correct the ills afflicting our industry. We do have a very strong desire to seek a solution which is not formulated and dictated by feed manufacturers and other agri-business, whose interests generally conflict with those of independent poultry producers. Passage of this bill in its entirety will, at long last, give those who live and labor on their own farms, the opportunity to formulate and choose a program for their industry.

STATEMENT OF A. RAYMOND MARVEL, MEMBER OF THE BOARD OF DIRECTORS,
INTER-STATE MILK PRODUCERS' COOPERATIVE, INC.

My name is A. Raymond Marvel. I am a dairy farmer living at Easton, Md. I have engaged continuously in the production of milk since 1917. I am a member of the board of directors of Inter-State Milk Producers' Cooperative, on behalf of whom I am appearing today. I served as president of that association for 10 years prior to the last annual meeting, at which time I voluntarily requested retirement from that office, but continue a member of Inter-State's board and its executive committee. I am not unfamiliar with the problems of legislation, on the State level, having served in the Senate of the State of Maryland for 8 years during which time I was chairman of the Senate Agriculture Committee.

Inter-State Milk Producers' Cooperative, Inc., is a bargaining cooperative representing approximately 4,500 dairy farmers residing principally in the States of Pennsylvania, Maryland, Delaware, New Jersey, and in parts of Virginia and West Virginia. Inter-State is vitally interested in legislation affecting fluid milk and our statement at this hearing is confined entirely to this one commodity.

Inter-State members' milk is shipped principally to Philadelphia, suburban Philadelphia, Lancaster and Altoona, Pa.; Trenton and Atlantic City, N.J.; and Wilmington, Del. There presently exists Federal Order 61 regulating milk shipped to the Philadelphia and suburban Philadelphia market and order 110 regulating milk for Wilmington, Del. These orders were promulgated under the present Agricultural Marketing Agreement Act of 1937, as amended.

This act is the principal legislation under which the handling and pricing of fluid milk in approximately 80 of the largest metropolitan areas in the Nation is regulated. The policy of the act to help producers is clear and unambiguous and its terms carry out that policy. It has been a satisfactory enactment for the purpose of helping producers for almost a quarter of a century. It has brought stability to most of the markets which have orders under it. If there is any dissatisfaction with it, it is not the fault of the legislation. It is probably the fault of producers themselves who have advocated orders under it which were, in reality, not beneficial to them in the long run.

The Agricultural Marketing Agreement Act of 1937, as amended, was enacted as a result of the action of the Supreme Court declaring portions of the Agricultural Adjustment Act unconstitutional.

During these years there has been a host of legal proceedings with respect to the validity and interpretation of the act. It has been held to be constitutional and the legal foundation upon which it rests is now secure. In addition, for almost a quarter of a century many problems of interpretation of the terms of the act have been through the courts, including the Supreme Court of the United States. It would be expensive, unsettling, and time-consuming to be faced with a group of new problems of interpretation of a new federal milk marketing act. A continuation of the present act would eliminate questions of constitutionality and interpretation already decided and new questions would not be created.

Inter-State supports the continuation of the present Agricultural Marketing Agreement Act of 1937, as amended, in view of the importance of this legislation with respect to the pricing and handling of milk. The cooperative which I represent supports its continuance since it is the basic foundation upon which orders are issued for pricing and marketing the milk produced by the membership of Inter-State Milk Producers' Cooperative and has terms which have operated successfully. Inter-State's experience with the act in its principal markets has been satisfactory and amendments in the orders have been timely and responsive to the changes taking place throughout the milk industry. We would hate to see the structure that has been built up since 1937 destroyed or anything happen to it that would unsettle conditions in our fluid milk field.

The Agricultural Marketing Agreement Act of 1937, as amended, is the law which has accomplished those things, not only for Inter-State but also for the balance of the milk industry in the United States as well. I am here today to urge this committee to keep intact all the provisions with respect to milk in that act.

I reiterate: we are not appearing here with respect to any other commodity than fluid milk; but with respect to milk, we beg the committee and Congress to preserve without changes the instrument which has so successfully served us over the years.

STATEMENT BY ROBERT C. FORSYTHE, MANAGER OF METROPOLITAN COOPERATIVE MILK PRODUCERS BARGAINING AGENCY, INC.

I represent approximately 22,000 milk producers who are members of the 93 Federated and Affiliated Cooperatives of the Metropolitan Cooperative Milk Producers Bargaining Agency. Our organization was created by the New York Rogers-Allen law as a tool by which New York-New Jersey milkshed dairymen could legally come together to solve their milk marketing problems. For the past 24 years we have been charged with and have accepted the responsibility of analyzing and developing marketing programs in our area consistent with the needs of our members and the other producers in the market. During the past 24 years our organization has been instrumental in the analyzing and development of all major milk marketing programs in our market. As one of the Nation's largest dairy organizations, we are anxious to continue to do our part in developing sound agricultural programs.

We feel that this bill is without doubt the most important agricultural legislation to be considered since the enactment of the Agricultural Marketing Agreement Act of 1937.

For this reason we feel a responsibility to speak directly to this committee on the more important issues, pertaining to the dairy industry that are inherent in the bill.

The major features that we endorse are as follows:

- (a) Basic intent of the bill.
- (b) Recognition and encouragement of farmer cooperatives.
- (c) Authority to develop research and advertising programs under Federal orders.
- (d) Development of agriculture trade and farm credit.
- (e) Development of foreign trade.

COMMENTS ON AREAS OF ENDORSEMENT

(a) We favor the basic intent of the bill as stated in the declaration of policy. The fact that the bill would grant permissive, enabling standby legislation giving producers a choice to determine for themselves whether they want continued high supports with quotas or relatively low or no supports without quotas is a desirable feature. It is absolutely essential that producers have the right to accept or reject the proposals.

(b) We believe that strong farmer cooperatives have been and should continue to be essential to the development of sound milk marketing in this country. We are happy to see the endorsement and recognition given to cooperatives in the bill. We do feel that the proposed bill should be revised where necessary to allow stronger cooperative participation in this program.

(c) With the per capita consumption of fluid milk decreasing steadily and with a continued increase of antimilk advertising, it is essential that a consolidated and well-coordinated milk marketing research, promotion, and advertising program be developed. We believe that sufficient authority exists under the 1937 act for this program but we are, nevertheless, very glad to see the matter of the development of such a program made patently clear in this bill. We do not believe, however, that amendments to a milk order specifically for milk research and advertising will affect producer prices indirectly, in contrast with the direct pricing mechanisms in the order, and for that reason the producers should be allowed to vote on the amendment as a proposition separate from a vote on acceptance of the whole order. Producers failing to support a proposed milk promotion and research program should have the assurance of the continuance of the basic order. (Failure to approve an amendment under the present procedure would disapprove the entire amended order.)

(d) In general we feel that the sections of the bill dealing with agricultural trade development and agricultural credit are constructive and are in the interest of the future development of the agricultural economy.

With our ever-increasing agricultural productive capacity, it is not only very important but essential that foreign markets be developed as far as possible.

Parts of the bill that we cannot endorse or that we believe to be in need of revision or further clarification are as follows:

- (a) Make up of the National Advisory Committee.
- (b) Method of voting on quotas.
- (c) Reference to grading, quality, and inspection requirements.
- (d) Discontinuance of the hearing procedure.
- (e) Question of pricing overquota milk and transfer of bases.
- (f) Relationship of national milk marketing quotas or national orders with existing milk orders.
- (g) Rights of the individual producer.

COMMENTS ON AREAS OF OPPOSITION OR LACK OF UNDERSTANDING

(a) We firmly believe that a special proviso should be added to section 17(a) of the Soil Conservation and Domestic Allotment Act for the establishment of the National Farmer Advisory Committee for milk. Because the dairy marketing cooperatives have during the past years accepted the responsibility for analyzing and developing milk marketing programs in the areas presently under Federal orders they have accumulated a valuable historical background of experience at considerable expense to producers and consumers alike. Therefore, it is our firm belief that there should be sufficient cooperative representation in the membership of the proposed advisory committee to give recognition to this fact. We, therefore, strongly recommend that the Farmer Advisory Committee on Milk be composed of one-third ASC nominees and two-thirds nominees from the historic dairy marketing and bargaining cooperatives selected on a representative geographical basis. Further we recommend that in the producer referendum on national marketing quotas that the necessary approval be obtained both on the basis of volume of the commodity (suggest 51 percent) and by members of producers as proposed. This would effectuate more accurately the needs of the milk industry.

(b) As we understand the bill (sec. 8f) if the producers did not desire the proposed quotas and voted against the amended order they would lose the entire order. We believe it would be desirable, as suggested in connection with the research and advertising provisions, that the producer be allowed a separate

vote on the quota provisions so that a negative vote would not destroy the entire order. Our producers and cooperative organizations have worked long and hard to arrive at the present position with regard to our marketing programs. We sincerely hope that the benefits we have secured through the years will be sustained and not diminished or jeopardized by this proposed enactment.

(c) The section of bill which proposes to broaden the 1937 act as to milk and its products to provide for the possible imposition of grading and inspection requirements by the Secretary we believe to be contrary to basic marketing economics and operational practicalities of the present regulatory pattern. We therefore recommend that this permissive authority be removed from the bill. It is our opinion that this authority is only another way to arrive at a national sanitation code for milk as has been previously attempted in the National Sanitation Act and more recently in the Quie bill. We oppose this type of legislation, for the reasons submitted at the Quie bill hearings and feel that it is not in the best interest of the dairy industry.

(d) The development of milk marketing orders and amendments to these orders since the enactment of the Agricultural Agreement Act of 1937 has employed the hearing procedure. This democratic procedure has allowed the producer, his cooperative or other interested parties an opportunity to be heard and because the resultant decision is developed from and based upon the evidence given the grassroot needs and wishes of producers were made known and the producers are assured their constitutional rights against arbitrary and capricious regulation. The administration has indicated publicly many times that it wishes farmers to develop their own programs. We know of no better way to do this than through the use of the hearing procedure. We therefore strongly recommend that public hearings be held during the development of the proposed programs relating to the marketing of milk. Historically this method has served the producer well in safeguarding his democratic rights. We feel it should be continued. It is also proposed that whenever quotas are proposed that the approval of the specific National Farmer Advisory Committee, of the President and of Congress must be sought. We recommend that, in cases where the proposed quota regulation is local in nature, the Secretary be empowered, without such approvals, to issue such regulations based upon the facts before him developed after due notice and hearing. The Department of Agriculture has ruled that authority for quota programs under single Federal orders does not now exist. We recommend that permissive authority be granted for producers to seek and obtain such programs without unnecessary and burdensome additional requirements.

(e) There is in our opinion need for further clarification in the national quota sections of the bill as to the transferability of bases or quotas etc., and the pricing of overquota milk provisions before producers or their representatives would be able to decide whether or not a program was acceptable.

(f) The relationship of the national milk marketing quota and/or a national milk order with the existing milk orders is in need of further clarification. It is not clear whether or not a national milk order would or could supersede the pricing provisions of local orders or whether a national order would be concerned with pricing at all. If it is intended that a national order would supersede or replace our present marketing order for milk we are opposed to it. Our present system of market orders has served our distinct regional needs well and at the present time we are in opposition to any plan that will disrupt this system or procedure.

(g) The rights of the producer as to administrative and judicial review of his allotment and the rules and regulations governing them are woefully impractical. It is essential that the individual not be barred from review for all practical purposes, by the prospect of legal expenses of appeal disproportionate to his loss under a contested ruling. It is our recommendation that the individual's right of appeal be clearly established, the grounds for such appeal spelled out by congressional enactment and that the appeal procedure be initiated on a local level at minimum expense.

In conclusion I wish to say that I commend the authors of the bill on the realistic commodity-by-commodity approach to the "farm challenge" and the recognition that the problems are interrelated and that farmers individually or through their cooperatives should be afforded an opportunity to obtain their fair share of our Nation's income.

We firmly believe that all citizens in America should be afforded equal opportunities not equal rewards.

STATEMENT OF HAROLD M. WILLIAMS, PRESIDENT OF THE INSTITUTE OF AMERICAN POULTRY INDUSTRIES

I am Harold M. Williams, president of the Institute of American Poultry Industries, Chicago, Ill. I have with me John R. Hargreaves, Caroline Poultry Farms, Federalsburg, Md., chairman of the institute's board of directors; Vic Pringle, Rockingham Poultry Marketing Cooperative, Broadway, Va., a member of the executive committee of the institute; Don Koppenhofer, Koppenhofer Bros., Deshler, Ohio, a member of the institute's egg committee; and Joseph O. Parker, legal counsel for the institute.

The Institute of American Poultry Industries is a nonprofit national trade association chartered by the State of Illinois nearly 35 years ago, whose membership is composed of all segments of the industry, but primarily poultry and egg processors.

The poultry and egg industry returns to the producer one of the highest percentages of the consumer's dollar of any agricultural product, for example, 67 percent for eggs, and 55 percent for broilers for the year of 1960.

The commercial poultry and egg industry has within a couple of decades grown to be the third largest cash income producer to the U.S. farmer. It has grown to this position because it has been able to make the shifts necessary for continued growth and to take advantage of technology.

This continuous growth has not been attained without temporary difficulties and periods of imbalance between supply and demand. But operating within the framework of free play of the law of supply and demand, individual efforts and decisions have brought about corrective action more rapidly than would have been the case under blanket decisions imposed externally.

The poultry and egg industry is not only a major producer of cash income but is also a major market for other agricultural products. It is now the largest user of mixed feeds. In 1960 this industry used 54.3 percent of the total mixed feeds—and 15,900,000 tons of corn were used in producing the mixed feeds used by our industry. Indeed the poultry industry is the most efficient converter of grains into high-quality protein foods.

Through research in breeding and nutrition and innovations in management, 3½-pound broilers can now be produced in 8 weeks, instead of 12 weeks, as was true two decades ago. And now this is done at a conversion rate of 2¼ pounds of feed per pound of live weight instead of 3½ pounds. Similar progress has been effected in the turkey industry; eggs, too, are now produced more efficiently.

Increased efficiency in growing, processing and distribution effectuated by individual and personal efforts on the part of management has enabled consumption to be expanded both at home and abroad by substantially reducing costs at all levels of the industry.

This dynamic poultry and egg industry has not been content with the increased use of its products created only through the growth in population. The rate of growth for poultry and eggs far exceeds the rate of population growth. May I call to your attention the increased per capita consumption figures for chicken and turkeys in the United States:

Year	Chickens	Turkeys
	Pounds	Pounds
1935-39 (average).....	13.4	2.2
1940.....	14.1	2.9
1950.....	20.6	4.1
1960.....	29.2	6.0

New markets for U.S. chickens and turkeys are being developed abroad. Exports of our poultry products have increased from the 1952 average of approximately 17 million pounds to 180 million pounds in 1960.

During this period of steady expansion the poultry industry has constantly reduced costs in the face of rising price levels, even while paying higher prices for price-supported feeds. This is a most significant fact since feed comprises about 60 percent of the total cost of poultry and eggs.

The constant improvement of efficiency in production, processing, and distribution is well illustrated by the increased chickens and eggs which can be bought with 1 hour of labor (see attached chart). This chart graphically shows the tremendous savings that have been passed along to the consumers in the form of lower prices.

Not only are chickens and turkeys reasonable in price but they are highly nutritious and contain by far the lowest caloric highest protein ratio of any meats—low in calories, high in protein. Never before have such highly nutritious products been available in abundant quantity at reasonable prices to the consuming public. Even after providing an abundance at attractive prices to the consumer, returns have been sufficient to provide for our expanding and growing industry to keep pace with expanding markets and increased income.

The short reproductive cycle has enabled corrective adjustments to be made quickly and effectively. It has also enabled the results of research to be readily utilized. This is indeed a dynamic and fast-moving industry.

Amount of various foods that can be bought with 1 hour of labor

Item	1930-39 average	1950-53 average	1959 average	Percent in- crease from 1930-39 to 1959
Chickens.....pounds..	1.8	3.1	5.1	220
Eggs.....dozen..	1.7	2.5	4.2	147
Butter.....pounds..	1.6	2.0	2.9	82
Cheese.....do..	2.1	2.8	3.7	76
Pork.....do..	2.4	3.2	3.8	58
Lamb.....do..	2.1	2.2	3.1	48
Beef.....do..	1.9	2.0	2.6	37

NOTE.—A average hourly earnings in all manufacturing divided by retail price of each product.

The commercial broiler industry has exhibited a phenomenal capacity to expand: 1934, 34,000,000 head produced; 1960, 1,796,000,000 head produced. Controls could not adequately keep up with this flexible industry.

The proposed bill, H.R. 6400, would authorize marketing orders and marketing restrictions to be placed on not only the producer, but on the handler who would market the product. This imposition of marketing orders and restrictions on handlers, especially in view of the fact that they would have no voice in the formulation of such restrictions, could impair marketing efficiencies. This quantitative limitation of product would not only tend to shrink demand by reducing availability of the product and by raising prices to the consumer, but would tend to discourage investment in plant, equipment and product-research needed for constant and continuing improvements in production, handling and marketing. It would also reduce employment. It would also slow down adjustments that are constantly required in this dynamic industry. The poultry and egg industry has demonstrated its capacity to provide substantial employment in the processing and preparation of poultry and egg products, as well as in the production of these products. In many areas where other commodities have succumbed to the competition of other geographic areas, farmers have found an opportunity to produce poultry and eggs thus adding to their incomes as well as furnishing employment to others.

The enactment of controls or quotas would tend to freeze production patterns and would prevent the development and expansion of poultry production in areas where it could be produced economically. I am sure all of you are aware of the tremendous expansion of the broiler industry in the entire South, particularly in the States of Alabama and Mississippi during the past few years, and the tremendous expansion of the turkey industry in the State of Minnesota.

The poultry and egg industry does not lend itself to restrictive production and marketing regulations. It is not a once-a-year crop such as wheat or cotton. It is not tied to the land. The products are perishable. The short production cycle of poultry and eggs makes rapid adjustments between supply and demand possible. Fast, coordinated action is required in the production, processing, and handling of poultry and egg products. The industry is highly competitive. It is complex and composed of many facets—feed mill, breeder, hatchery, producer, processor, distributor, and retailer. And only through the closest coordination between all segments have increased economies been effected. Any disturbance of these interdependent factors could seriously impair the efficiency of the total production and marketing operation.

And, most important of all, in poultry we have a product whose per capita consumption can be further substantially increased both at home and abroad; there-

fore, the emphasis in our industry should be, we believe, in the direction of market expansion and not in the direction of production or market restriction.

We feel that the U.S. Government can continue to render its greatest role (and at the least cost to the public) through basic research, statistics, home economics activities, and assistance in developing markets abroad for our agricultural products. Poultry and eggs can improve the diets provided through the school lunch and the food for the needy programs.

We now have free individual decisions at every level of the industry. We feel it would be a grave error to impose blanket decisions by commodity committees upon segments of the industry through governmental action. H.R. 6400 could supplant the present free, individual decisions and place them in the hands of such a commodity committee or Government officials. We feel that under such a system it would be extremely difficult to keep up with the technological progress of the industry in all areas of the country and that the decisions made would not be as wise as decisions made by individuals who assume the risk of their own judgment.

The poultry and egg industry has demonstrated its capacity to weather temporary difficulties and come out a stronger and more efficient industry. Its steady growth attests to this. And while at the present time we recognize we have some difficulties, we are confident we can surmount these with the help of the innovators who will develop further efficiencies in production, processing, and marketing. Under marketing orders and controls, these improvements might well be discouraged.

We feel that the remarkable record and growth of the poultry and egg industry and the benefits received by both producers and consumers demonstrates most clearly why controls as proposed in H.R. 6400 are entirely unnecessary and not applicable to the poultry industry.

We feel that expanding sales, developing new markets and new products and lowering costs, rather than restricting production, is the way to continued growth—thereby benefiting American agriculture and the American public. And, therefore, it would seem that the poultry and egg industry is not suited to inclusion in title I of H.R. 6400.

Thank you for this opportunity to present our views.

STATEMENT OF CHESTER C. HOUSH, THE NATIONAL TURKEY FEDERATION

Mr. Chairman and members of the committee, my name is Chester Housh. I am past president of the National Turkey Federation and chairman of its legislative committee.

It is a privilege to appear before this committee to present the views of the National Turkey Federation.

The National Turkey Federation was organized in 1939. Since that time it has grown into the largest poultry organization in the Nation. The federation is a national organization. Our members are turkey growers in 48 States and number about 10,000. They produce about 80 to 90 percent of the turkeys grown in this country. Our governing body consists of a board of directors, representing the several States in proportion to the number of turkeys raised. Each State has a turkey federation which is affiliated with and is a part of the National Turkey Federation. There is no other nationwide turkey industry organization.

The turkey industry is a rapidly growing and expanding industry. During the past decade production has more than doubled and consumption has increased from 2½ pounds to more than 6 pounds per capita. It is estimated that about 100 million turkeys will be grown in the United States in 1961, having a value of approximately \$350 million. This is a substantial increase in production over prior years and is the largest on record. These turkeys will be marketed throughout the United States as well as abroad.

The National Turkey Federation is, we believe, unique in the scope and extent of its membership coverage. Our membership has worked closely together in trying to develop programs which are believed to be in the best interests of the industry.

For the past several years the National Turkey Federation has sought Federal enabling legislation under which turkey growers of the Nation could develop and carry out self-help type programs to improve marketing conditions and to expand market outlets. A bill was developed which was based substantially on

the marketing order concept expressed in the Agricultural Marketing Agreement Act of 1937 and is similar in some respects to the approach incorporated in subtitle B of title I of H.R. 6400. The turkey bill—which has become known among turkey growers as the National Turkey Marketing Act—was introduced in the Senate and hearings were held on the measure near the close of the session in 1958. At that time the Department of Agriculture, while approving the general objectives of the bill, indicated that further study should be given to the measure. It was also stated at that time by the Department representatives that the bill had been referred to the National Agricultural Advisory Commission and that the Commission had continuously favored marketing order programs. The Commission recommended that the Department give the proposed legislation further study.

The measure has been introduced in this Senate this year by Senator McCarthy for himself and for Senators Humphrey, Moss, Symington, Long of Missouri, Magnuson, and Curtis, and is now pending before the Senate Committee on Agriculture as S. 1389. This bill, as I have indicated, uses the marketing order type of procedure which is incorporated in H.R. 6400. We believe, however, that S. 1389 is better designed to meet the problems of the turkey industry. Essentially the measure would provide authority for turkey growers to carry on a self-financed program of research and market promotion and development. It also makes provision for using funds, collected from growers, to assist in the diversion of hatching eggs, poults, and market turkeys as a means of facilitating the marketing and handling of temporary or anticipated excess supplies. It would, through the method of producer assessments and expenditures, make use of the forces of economics instead of physical quantitative control-type regulations. It has been formulated with an eye to a constantly expanding industry and enlarged market opportunities—instead of reduced production and restricted markets. This is the direction in which most of our members believe that we should go. Under our proposal a free economy in the turkey industry could be maintained—yet there would be some deterrent to excessive production and marketing, a means to assist in the handling of temporary surpluses, and a method for an organized and continuing drive for enlarged markets.

The National Turkey Federation believes that the provisions contained in S. 1389 are better for the turkey industry than those which would be provided in H.R. 6400. The federation, as an organization, is not seeking direct Government price supports. It has constantly opposed production controls of the type that have been used on some of the other agricultural commodities and of the type that are authorized in H.R. 6400. Such controls, in our opinion, would not fit an expanding turkey industry and would be detrimental to the best interests of the turkey industry.

As we understand H.R. 6400, it is doubtful whether turkey growers could put into operation a program under which they could assess themselves to raise funds for market development and promotion. At least, this could not be done without putting into effect a producer allotment control-type of program under which the amount of the commodity, or of any grade, size, or quality thereof, which each producer could market or dispose of in any or all market or use classifications during a specified marketing period, would be regulated. This is the very type of program which the turkey growers have opposed in resolutions which they have adopted from time to time, in testimony before the committees of Congress through the National Turkey Federation, and in oral discussions with representatives of the U.S. Department of Agriculture.

Neither could turkey growers under H.R. 6400 assess themselves as a means of providing some discouragement to excessive market supplies, nor could they assess themselves for the purpose of diverting excess supplies, encouraging earlier marketing of breeding hens, or for other similar purposes.

H.R. 6400, except for providing for producer allotments and national orders, merely extends to turkey handlers the powers contained in existing law. In effect, the bill would merely provide for the development of regulatory-type programs to be applied to our customers, the people who process, distribute and market turkeys. We do not believe that this would result in good customer relations. Instead of promoting harmony in the industry we feel that following this route would bring turkey growers into conflict with their marketing and distributing systems which have been working satisfactorily.

This, we believe, would be detrimental not only to the turkey growers but to the general public as well.

We, therefore, recommend that the provisions of H.R. 6400 relating to marketing orders be revised to authorize with respect to turkey growers the provisions which are contained in S. 1389. Under such a measure turkey growers would be encouraged to work together and to take action and make decisions which would help to keep marketings in balance with the demand and serve to expand markets both at home and abroad.

In general, S. 1389 would authorize marketing orders containing one or more of the following provisions: (1) Requiring producers to register their breeding hens; (2) requiring the payment of a "market development and stabilization fee" with respect to breeder hens, turkey eggs or poults, or market turkeys; (3) authorizing the purchase of, or payments for the diversion of, breeder hens, eggs, poults, or market turkeys with funds collected from producers; (4) authorizing the expenditure of funds for research, promotion, and market development programs designed to assist, improve, and promote the marketing, distribution, or consumption of turkeys or turkey products.

The procedure for the issuance of such a marketing order would be substantially the same as that provided under the present law, namely, notice hearings, and referendum requiring approval by producers of market turkeys, and by the producers of breeder hens, eggs, or poults if affected by such order.

The program would be administered by a marketing board consisting of producers, appointed by the Secretary from nominations submitted by producers. Adequate representation is required on the marketing board for each class of producer subject to the order on a regional basis.

Because of the size, organization, and other peculiarities of the turkey industry, we believe that it lends itself to the development of the type and kind of marketing orders authorized in S. 1389. We believe that a program which will enable turkey growers to work in the direction of orderly marketing, with emphasis on enlarging market opportunities without quantitative restrictions in the form of quota allotments being applied to producers, will best fit the needs of the turkey industry. We recognize that the measure which we have outlined and which is embraced in S. 1389 will not solve all the problems of the turkey industry—but neither is it or any other measure that we know of designed to do so. We do believe it will provide the turkey industry with an effective means of meeting many of its problems and will permit the industry to continue to grow and expand in an orderly manner. We recommend, therefore, that the bill be amended to make applicable to the turkey industry the provisions contained in S. 1389 and that the authority for quota controls over turkey producers or turkey handlers be eliminated.

In conclusion Mr. Chairman, we want to express our appreciation to this committee and to the Secretary of Agriculture for your efforts in attempting to develop a measure which will give to turkey growers, and to the producers of other commodities, the tools and authorities needed to assist them in meeting the problems peculiar to the production and marketing of their commodities.

We approve the marketing-order, commodity-by-commodity type of approach.

The problems of the commodities are different, and the different commodity groups, and even segments within commodity groups, have different ideas and views as to what is necessary.

In our own turkey industry we have a division of minds. There are some who believe that quota authority would be desirable. There are others who believe that nothing should be done or attempted. The turkey federation has developed a middle-of-the-road approach which has the support of the industry generally.

We believe, therefore, that H.R. 6400, if amended along the lines we have suggested, will give turkey growers the opportunity to start working more closely together in working out solutions for their problems.

STATEMENT OF F. REGIS DAILY, CHAIRMAN, NATIONAL DRY BEAN COUNCIL,
GREELEY, COLO.

This statement is being submitted by the National Dry Bean Council in opposition to title I of H.R. 6400 because it is felt the provisions of the bill would be unworkable insofar as bean industry is concerned; because no phase of the trade is given an opportunity to express views concerning the type of program felt best for the industry; because it is felt agricultural commodities cannot be dealt with as if they were insulated against the remainder of the agricultural econ-

omy; and finally because it is felt in passing such a bill Congress would be abdicating its constitutionally defined duty by delegating legislative authority to the Secretary of Agriculture.

The National Dry Bean Council is a nationwide spokesman for the dried bean industry. It is an organization composed of the five regional associations. They are the New York Bean Shippers Association, the Michigan Bean Shippers Association, The Rocky Mountain Bean Dealers Association, the Western Bean Dealers Association, and the California Bean Dealers Association. These associations include in their membership the producers, the cooperatives, the processors, the dealers, and the shippers of the domestic dry bean industry. It is safe to assume that these people handle 90 percent of the dried bean business in this country. The membership is representative of the industry from coast to coast in more than 14 States.

This bill would give the Secretary of Agriculture the authority to establish marketing agreements and orders for any agricultural commodity. Marketing agreements and orders have been effective in some phases of agriculture, but it is felt they would be completely unworkable insofar as the dry bean industry is concerned.

It is believed that a marketing order or agreement cannot be effective if applied to a crop which is so volatile and unpredictable as are beans. The foundation of marketing orders or agreements is that there is a reasonable predictability as to how much milk a certain number of cows will produce or how much tobacco a given acre of land will produce. There is no such predictability insofar as beans are concerned.

I should like to call attention to the following chart which takes figures from the State of Michigan. Multiply this 14 times and you will see the lack of predictability in bean farming.

Michigan

Year	Acreage planted	Acreage harvested	Abandon- ment	Yield per acre
			Percent	Hundred- weight
1954.....	492,000	413,000	17	7.98
1955.....	522,000	504,000	3	9.00
1956.....	517,000	499,000	4	10.80
1957.....	517,000	474,000	9	7.40
1958.....	548,000	536,000	1	9.75
1959.....	553,000	515,000	7	11.6

There is no doubt that the amount of land authorized for beans could be controlled right down to the individual farm, but from there on, no one can predict with any degree of accuracy the amount of beans which will be produced. Note from the above chart the extreme fluctuations in abandonment between the time of planting and the time of harvest. Abandonment largely results from the extreme susceptibility of beans to weather damage, insects, and disease. It is suggested that no one, in view of such abandonment, can estimate how many acres of beans should be planted to provide a specific amount of beans. Abandonment in 1954 amounted to 17 percent whereas in 1958 it was only 1 percent.

Even if the factor of abandonment were not involved, there is also the extreme fluctuation in yield per acre. As can be noted from the chart above the yield per acre runs all the way from 7.40 hundredweight in 1957 to 11.6 hundredweight in 1959. The bean producer's income is more closely allied with the weatherman than it is with the Commodity Credit Corporation. Extensive drought periods during the growing season, and especially during pod-setting time, can lower the yields considerably. Similarly, cool, wet seasons are highly unfavorable, because beans are easily injured by excessive moisture and are subject to attack by diseases that thrive under these conditions. Hot, dry winds during blossoming may cause severe blossom drop and hence lower the yield considerably or may result in nonuniform ripening of the crop. In addition to the weather, of course, beans are one of the most susceptible of crops to diseases which will further complicate any predictability as to yield. A number of the important diseases of beans can be carried in or on the seed and these diseases are responsible for many of the low yields and much for the poor quality in beans. Only 20 or 30 infected beans in a 100-pound bag of seed beans can infect every other bean in the field.

One other factor of unpredictability is the amount of dockage or picking out done on the beans. This is when the farmer sells his beans to an elevator on a cleaned basis and involves separation of the good beans from the splits, discolored beans, stones, straw, and other foreign material. The amount of dockage is largely determined by the weather conditions at harvesttime, but may be affected by other causes. In an event dockage varies from year to year and it may reduce the farmer's salable production by as little as 1 to 2 percent or it may run as high as 15 or 20 percent of the crop and is in no sense predictable until the crop is actually harvested.

Secondly, I should like to comment on the fact that the "trade" has no voice in the determination of the type of program best adapted to the bean industry. The bill specifies the advisory committees shall be made up of producers, and no person who receives less than 60 percent of his income from farming may serve on the committees. The very heart of marketing agreements and marketing orders are the handlers of the product. Under existing marketing agreements and orders the proposed marketing agreement is submitted for execution by handlers and the regulatory program is submitted to producers for approval. The handlers are at least given an opportunity to express their view on the program, but as H.R. 6400 is understood, if the Secretary decides a marketing order will solve the problem, the marketing order will be imposed on the handlers without any opportunity for them to express their views. The handlers are the cooperatives, independent marketers, processors, and others who fill the gap between the producer and the consumer. We do not feel that it would be unreasonable for members of the trade with long experience to be consulted in regard to a program which so greatly affects them. In fact, it is our belief that the people in the trade would be infinitely well qualified to express views as to the problems of the industry. Under H.R. 6400 the producers and the consumers would both be represented on such advisory committees, but not the essential ingredient—the agency that gets the product from the producer to the consumer.

Lest there be any misunderstanding, producers of dry edible beans are a very integral part of the National Dry Bean Council and over the years the producers and marketers have worked well together to try to help solve the problems of the industry, but the producer is not in the best position to speak for the handler as to the best means of handling the product.

Thirdly, the council feels that the proposed commodity-by-commodity approach suggested in the legislation would be extremely detrimental to the dried bean industry because of the interrelationship that does exist between agricultural commodities. Our fear is that such an approach will in fact establish internecine war in the field of agriculture with each commodity group trying to get the Secretary's ear, to the detriment of some other commodity. The bean industry is an important segment of our agricultural economy, but we feel if the Secretary were to have to make a decision as between corn and beans, wheat and beans, peanuts and beans, rice and beans or some of the other major crops and beans that the decision would be made against us because our contribution to the agricultural economy is not as great as some of the other commodities. For instance, dry beans are an often used substitute for meat products, but if the Secretary were to make a choice as to which were the more important to the agricultural economy, certainly he would act in favor of producers of hogs and cattle. Not only is there the competition for the consumer's dollar, but there is also the competition for land which the Secretary would have to adjudicate. A great share of the bean production in the West is done with irrigation. In spite of its contribution to the agricultural economy the bean industry feels that if the Secretary of Agriculture had to make a choice between beans and other crops grown under irrigation as to which crop would be grown and when and how, the bean industry's voice would be lost in the corridors of the Department of Agriculture to the advantage of one of the other larger commodities which competes for land, water, and the consumer dollar.

Finally, the National Dry Bean Council opposes this legislation because we feel that it places too much authority in the hands of one individual and deprives the Congress of its constitutionally protected power of legislating. The U.S. Supreme Court has held unconstitutional similar legislation.

There is the establishment of national farmer advisory committees which would advise the Secretary of Agriculture as to specific commodities or for all commodities. The nominations for the advisory committees would be made by employees of the Department of Agriculture, members of county committees and the appointments would be made by the Secretary of Agriculture. The Secre-

tary would also appoint representatives from farm organizations. In any event, the selection of the advisory committees and the replacement of any members is solely in the hands of the Secretary of Agriculture with the commodity producer or the members of the trade having no voice as to who is to represent them. The Secretary would also set the terms of office, would conduct the nomination and selection process, would set the number of members, would limit the functions of the committee and could dissolve any such advisory committee.

This advisory committee would then meet with the Secretary of Agriculture to work out a program for the commodity. The authority granted the Secretary and these advisory committees to maintain prices has no limitation. The Secretary could provide for marketing orders for any and all commodities, he could provide for direct compensatory payments (which has been rejected by Congress on several occasions), complete acreage controls, support prices anywhere between none and 90 percent of parity, establish eligibility for price supports, provide exemptions, determine eligibility for voting, establish base periods, determine commercial areas, set quotas and minimum allotments, and in general have complete control over the agricultural economy. We believe this is too great an authority to grant to any Secretary of Agriculture irrespective of party affiliation or administration.

Any proposal the Secretary of Agriculture decides upon would be submitted to Congress, but only for the purpose of approving or disapproving. The Congress would not be permitted to amend or modify the proposal in any respect and if Congress did not act within 60 days the proposal would become law. We believe that the Congress should not put themselves in this position. The only real voice the average citizen has is through his Congressman or Senator and if the Congressman or Senator is voiceless, there is little or no recourse for the average person. We would like to feel that if we disapprove all or part of a proposal from the Department of Agriculture that we will be able to have our voice heard here in Washington. Such would not be the case under this proposal.

STATEMENT OF A. ALLEN ROWE, RANDOLPH COUNTY, IND.

I come to you representing the majority of the farmers of Randolph County, and as their representative beg leave to submit our objections to this bill. But first, let me state that the majority of these farmers whom I represent are asking for a minimum of Government action in the farm industry. Although, we welcome counsel and sympathetic assistance from Congress, we do not want these unreasonable controls.

We feel that since the old agriculture bus has been pulled out of the ditch which it was in in the thirties that we are capable of furnishing the gas and doing the steering of this very important vehicle bearing the food supply of the Nation. However, we also realize that since we have depended on Washington so long to do the things that we should have been doing ourselves we admit that it would perhaps be unwise to break off all Government action in the farm program.

We, the farmers of Randolph County, Ind., and we are quite sure we are speaking the sentiments of the majority of the farmers in the Corn Belt, want Federal controls with their many objectionable features reduced to a minimum. This is what the farmers told me was their sincere desire.

If Congress is to represent the people, farmers as well as all others, they are bound by their constitutional oath to respect the wishes of the people.

Since the constituent farmers of my territory whom I have contacted (please observe signatures on petition circulated by some 12 different solicitors in the short space of time, namely, about a total of 3 or 4 days) have expressed their wishes verbally, ranging from no Federal controls to moderate action by Federal Government.

In view of these established facts I beg leave of you gentlemen of the House Committee on Agriculture to submit for your consideration the following suggestions for the improvement of the farm program in general.

SUGGESTION NO. 1

Pay all parity with this mountain of surplus grain. This I suggested in the present feed-grain bill, but it is being paid in cash. This almost constitutes a miscarriage of this present bill.

Paying this in cash and then dumping this grain on the market defeats absolutely any purpose sought to accomplish through the measure. I do not mean to reflect on the wisdom or judgment of any Member of Congress, but to me the procedure of this bill defeats its very purpose. If a normal crop is produced, the grain taken out of storage by this process will, at corn harvest this fall be replaced by a similar amount.

I suggested to President Kennedy before the election, and also to Vice President Nixon 1 month before the election, to pay all parity in surplus grain no cash. The livestock feeder could feed his; the nonlivestock farmer to be allowed to sell his wherever he found the best market; but restrict the nonlivestock farmer from selling but one fourth of his parity grain or grain sorghum at a time, quarterly. This would keep a glut from overtaking the market. The way it is being done defeats any chance of accomplishing even a degree of net gain.

SUGGESTION NO. 2

Throw out all bases as a point from which acreage allotments are determined, and substitute in their place total crop acreage. This part of the present farm bill is the most unjust, inequitable procedure to be imagined.

For instance: Here is a farmer having more than the usual amount of grass on his farm. He is compelled to keep an equal amount of grass. He, the farmer, who is conserving the soil is penalized while the farmer who had 75 percent of his farm in corn last year, robbing his soil to the limits, goes off with the cash from the ASC office.

When will we settle down to ordinary horsesense?

SUGGESTION NO. 3

At the earliest possible date formulate, by Presidential appointment or otherwise, an agriculture committee in both the House and Senate, selecting a competent farmer representing each division of the farming industry, namely: Livestock, grain, dairy and poultry, all of these working together toward an organization of each group into a self-sustaining, farmer-controlled organization. After completion of such organizations, ease the Senate and House part of the committee out of the picture except as an advisory or council group.

When the child begins to walk, let him walk.

After these various farm organizations are complete and functioning properly, have a Federal law passed imposing a moderate tax on all livestock and grain sold on the market, to be collected at place and date of sale. This money to be allotted proportionally to each farm organization. This bill to be passed after thorough explanation to the farmers in general and a referendum majority vote taken.

To offset part of this tax the Congress could amend the Federal income tax law to allow said farmers a larger exemption or reduce the rate of tax on the farmers' net income. Since the farmer would be paying his own way saving the Government some \$2.5 billion, he would be entitled to a reasonable reduction in his overall Federal taxes.

SUGGESTION NO. 4

I would suggest that the Government continue the ever-normal grainery at a reasonable level, for protection against disaster. Set a bushel level at which point this grain would be moved out of storage onto market or back to the feeders at a price agreed upon, and at a price which would keep grain and livestock in balance.

The Government would only have investment in the storage grain.

The farmers through each of their respective organizations would set their own rate of parity and pay their own bills from their own tax.

This is the self-help plan that we farmers would like to see tried. Many details of course are lacking in this hurried testimony, but roughly speaking this is what we, the farmers of Randolph County, would like to see tried.

Humbly submitted this 7th day of June 1961.

TEXAS BROILER ASSOCIATION, INC.,
Garrison, Tex., April 23, 1961.

Re H.R. 6400, the administration farm bill.

Hon. HAROLD COOLEY,
Chairman, House Agriculture Committee,
House Office Building, Washington, D.C.

DEAR MR. COOLEY: I have already commended this general concept of just and intelligent farm legislation to the Secretary, the President, and to members of both Houses of Congress.

And now, I am certain that at least 9 out of 10 Texas broiler growers wholeheartedly join me in once again endorsing the concept that the farmer has a right to a voice in his own affairs as provided in the provision for a National Farmer Advisory Committee for each important commodity of the farm. More than that, the downtrodden farm broiler grower will enthusiastically join me in saying a fervent "Thank God" for an administration that backs and supports such legislation.

It is generally known but rarely admitted that the basic and fundamental cause of the farm scandals is the fact that hitherto farm policies have not only been made but interpreted and executed by nonfarmers for the benefit of nonfarmers. This bill at long last guarantees the farmer an effective voice in his own affairs and is therefore certain to solve the farm problem once and for all time, provided the provisions of the bill are honestly carried out. That is why there will be all-out opposition to this bill by the traditional exploiters of the farm. But that opposition, powerful as it is, must and will be overcome for the benefit of both farm and public.

I see only one flaw in the proposed legislation. I refer to page 4, lines 13, 14 and 15 and I quote:

"The Secretary shall provide for the election of nominees from which he shall appoint at least two-thirds of the members and alternate members of such committee * * *"

After studying all the facts, we sincerely believe that this should be a 100 percent farm producer committee and, under no circumstances more than one or two nonfarm representatives should be on it. Moreover, the very insistence that the farmer has to be supervised, watched, and directed is offensive and wholly unwarranted. Labor is not hobbled with such insulting implications that they are not capable of running their own affairs. Neither is business and industry, none of whom are supervised and directed by heavy percentages of nonlabor, nonbusiness and nonindustry representatives. As these groups would resent such unwarranted measures, so do the farmers.

Now, insofar as the present Secretary of Agriculture is concerned, I have not the slightest doubt but that all our interests would be fully safeguarded and protected. But we have had stooges of business, industry, and finance sitting in the mighty seat of the Secretary of Agriculture and they have been the deadliest enemies the farmers have ever had. Let's go Democratic all the way. If business, labor, and industry run their own houses, let's allow the farmer to do the same.

But more important than all this is the fact that an organized one-third of the Committee could and probably would paralyze the entire Committee and render it helpless, thereby defeating the entire concept of farm rule of the farm and returning the great concept of economic justice embodied in this bill into ignoble failure and revived status quo of all that is evil on the farm.

For these reasons I earnestly beg you to consider carefully in the hearings on this bill, the above observations regarding a farm committee being composed of one-third nonfarmers and drastically reduce the percentages of nonfarm members of the committees if it cannot be eliminated entirely.

Again commending you and the administration; with the kindest personal regards, etc., I am,

Sincerely,

J. B. McMILLAN, President.

KANSAS LIVESTOCK ASSOCIATION,
Topeka, Kansas, May 8, 1961.

Representative WILLIAM H. AVERY,
House Office Building, Washington, D.C.

DEAR REPRESENTATIVE AVERY: We wish to express complete unqualified opposition to the principles of control, regulation, and dictation provided for in title I of H.R. 6400, the proposed Agriculture Act of 1961.

We specifically and earnestly request that all livestock and the livestock industry be deleted from inclusion in title I of this proposed farm bill.

This action was taken at the regular meeting of the board of directors of the Kansas Livestock Association at Manhattan, Kans., May 5, 1961. The action was unanimous with all directors present and is in conformity to the general policy of this association adopted in past general assemblies of the membership in convention.

Yours truly,

A. G. PICKETT, *Secretary.*
GENE SUNDGREN, *President.*

STATEMENT OF WHY THE KANSAS LIVESTOCK ASSOCIATION IS OPPOSED TO THE
AGRICULTURAL ACT OF 1961

(1) Farm advisory committee: Farmers and stockmen are being grossly misinformed. They would be handpicked by the Secretary, serve at his pleasure and at no time would he be required to accept their counsel. Especially objectionable is the provision for appointment of nominees of "appropriate" farm organizations. The Secretary could choose from one of our minor organizations who represent an extremely small portion of Kansas farmers whose philosophy is and has been extremely objectionable to Kansas stockmen.

(2) Throughout the act, it is repeatedly stated that the decision of the Secretary should be final and conclusive. He presumably would have had the approval of the President, however.

(3) We feel that no program so extensive and vital to one of the Nation's important industries should be imposed upon us until it has positive action and approval in Congress.

(4) Referendum: In certain cases the act calls for referendum of producers. The provision for these referendums is rather vague but seems to be a fraud upon the people the way it is being publicized. It is our understanding there is some gimmick involved where producers would not necessarily vote as individuals but that the Secretary would be required to consider the approval or disapproval of cooperatives as being representative of their members.

(5) Checkoffs: We violently oppose compulsory Government checkoffs for advertising, promotion, etc.

(6) Quotas and marketing orders: The act would make possible, quotas and marketing orders on livestock producers. These have been and are being used with some very questionable degree of success with certain vegetables, fruit, and, in some cases, milk. These cover relatively small groups of producers confined to relatively small areas where special processing, packing, grading, etc., is required and is performed by the producer or the producer group. Authorities on such programs have for years pointed out that the above circumstances were practically essential for any degree of success. Livestock production, marketing, processing, and distribution does not fit into such a pattern in any way whatsoever.

(7) Assignment of allotments and/or quotas: This procedure can be administered and fit in with the farm program relatively easy insofar as acres are concerned, especially where only one crop, as wheat, is involved. Such an annual procedure does not adapt itself to the livestock producer. Imagine, if you can, allotting a different number of cows to a cowman each year. As we read the act, these livestock allotments would be issued to individuals, not farm or ranch units. Also, they would be transferable by sale, etc., between individuals. To anyone who knows anything about cows and people it is not difficult to foresee the development of an impossible situation.

(8) Conclusion: Livestock people have their problems, some of them serious, but want no part of a Government program where it will be necessary to ask some Government official what they can do and how they can do it before they move. They want no part of it.

BANK OF HARTINGTON,
Hartington, Nebr., May 12, 1961.

Hon. HAROLD COOLEY,
Chairman, House Committee on Agriculture,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN COOLEY: I am the president of the Bank of Hartington of Hartington, Nebr., a town of 1,650 population. Our total resources today are a little more than \$3.5 million. Approximately \$1.6 million is loaned to farmers, business people, and individuals; 65 percent of our loans are directly to farmers, the balance to business people and individuals in our local community who are directly dependent on farm income for their livelihood. I have an intimate view of agriculture and the effect of relatively low farm income on farmers and rural business people and their employees. By blending the experiences encountered in the operation of this bank with the business and other pertinent statistics provided by the various departments of Government which are readily available to the layman, I have drawn some rather broad conclusions which may be of interest to you and your committee.

It has been my observation that the price disparity between farm products and industrial goods, from 1951 to date, has created a very undesirable situation in our local economy and the total economy of the United States. Beginning with a modest disparity in 1951 and an ever widening disparity each year to a low in November 1959, and continuing to date, has resulted in a record low level of net farm income in relation to gross farm income for the past 2 years.

For example, the farm products, processed foods, and industrial goods price levels, as measured by the wholesale prices index of the Department of Labor, were in approximate balance at an average of 114.8 percent of 1947-49 during the year 1951. Farm products declined from this point in 1951, each year on the average, until it hit a low of 85.4 percent of 1947-49 in November of 1959. Processed foods likewise declined to 101.7 percent in 1955 and 1956 and then recovered slightly to 104.9 percent in November of 1959. Industrial goods, on the other hand, during the same period, rose each year on the average to 128.5 percent in November 1959. At this point the relative purchasing power of the farm dollar was only 0.66½ cent. On April 11, 1961, with farm products at 88.4 percent and industrial goods at 127.9 percent, the farm dollar is still only worth slightly more than 0.69 cent.

The farmers of the United States, and the people in the rural communities of 5,000 population and under who are utterly dependent on farm income as a source of sales, income, and profits, have been deprived of approximately 30 percent of their purchasing power because of this price differential in the year 1960. These people constitute an estimated 35 percent of the total population of the United States, and with a parity of income will consume at least 35 percent of the manufactured goods produced in the United States. As a consequence of the underpayment for farm products, this broad segment of our total population has failed to adequately support the balance of the economy as a market for goods. A simple mathematical analysis of multiplying the 30 percent loss of income by the 35 percent of the market for goods would suggest an underconsumption of 10.5 percent of the total production of the United States. This underconsumption is felt first by the rural merchant, the transportation system, the wholesalers, the manufacturers, and the labor force in substantially that order. As a consequence it reflects ultimately in every segment of our economy, even on the level of Federal tax revenues, 87 percent of which are earned on excise imposts and levies on net profits. Strangely enough this figure on the loss of market for manufactured goods corresponds closely with the Council of Economic Advisers' estimate a loss of 6 to 7 percent of total output in 1960, a loss of \$30 to \$35 billion.

On the assumption that the various segments of our economy were in balance during the 1947-49 period, and that because of this balance we enjoyed approximate full employment, almost complete utilization of our raw material production, and relative prosperity in every segment, it would seem desirable to maintain these relative ratios of income in each segment. It would seem desirable, if possible, to perpetuate this economic circumstance. If these assumptions are valid, it is also logical to believe that failing to maintain the same relative balance in our economy, at approximately the same ratios that prevailed at that time, we will be inviting economic difficulties, such as we can observe on every side today, and ultimately have to come to grips with economic disaster.

To point up the lag of farm income I offer the following comparison between the 1947-49 ratios of income, and the ratios prevailing at the end of 1960.

	1947-49	Ratio to total	1960	Ratio to total	Percent of gain dollars	Gain or loss in 1947-49 and 1960 ratio
	<i>Billions</i>	<i>Percent</i>	<i>Billions</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Wages.....	\$136.9	64.2	\$294.4	70.2	215.0	+9.3
Farm.....	15.4	7.2	12.0	2.9	77.9	-60.0
Small business.....	21.7	10.2	35.9	8.6	165.4	-15.7
Rent.....	7.4	3.5	12.5	3.0	168.9	-14.3
Interest.....	4.3	2.0	18.7	4.5	434.3	+125.0
Corporate.....	27.5	12.9	45.0	10.8	163.6	-16.3
Total.....	213.2	100.0	418.4	100.0	196.2	-----

¹ Estimate.

This illustration points up the fact that while farm income has declined only 22.1 percent in dollar volume since 1947-49, it has declined 60 percent from its relative position in terms of total national income. Because farm income has failed to rise, and in fact has declined, while all other segments have risen 96.2 percent on the average, the disparity is infinitely deeper at 40 percent of its 1947-49 position than is generally recognized, or perhaps "admitted" would be a better word. I'm sure that you recognize this fact, but I know that some members of your committee are either unaware of it, or unconcerned about it. The disproportionate rise in interest income of persons reflects to some extent the necessity of restoring the profit level of the economy to provide the profit to repay debts, in addition to the rise necessary to consume the goods that will be produced in a fully operating economy.

I believe that we have the alternative of lifting the lagging segments of our economy approximately \$40 billion, to balance with the highest segment, compensation of employees, or just mark time until the economy adjusts to the 60 percent decline in farm income, at a cost of approximately \$243.6 billion of national income annually, which would be lost to the economy. Our economic history is the finest produced by any country in the modern world. It indicates rather conclusively that this latter course is exactly the one chosen in the 1920's, which resulted in the great depression of the 1930's. If we follow this same course to its ultimate again, the next depression will make the last one look like a peanut stand on fire, by comparison.

If we choose the first course, and bring our economy back into balance by whatever means it is necessary to take, and restore all segments to 215 percent of 1947-49 to balance with compensation of employees, we will have to start by placing a parity price level on our raw material production. If this is done our national income, based on 1960 figures, would have been \$40 billion more than it was. It would have provided the \$30 to \$35 billion of market for goods that the Council of Economic Advisors have estimated is lacking in our economy now. The Federal Government would have received an additional \$8 billion of tax revenue on the sales and profits that would have been earned with this expansion.

If we choose the latter course, theretically we will wind up with a total national income of \$175.4 billion 103 percent of the 1943 level of income in the Nation. Farm income would remain approximately the same. Wages and salaries would have to be reduced \$176.4 billion, small business income would have to come down \$21.5 billion, rent reduced \$10.7 billion, interest reduced \$11.2 billion, corporate profits \$27 billion, a total loss of market of \$243.6 billion. The public and private debt structure would be reduced in a similar amount, because the economy would not sustain 60 percent of the existing debt structure, and Federal revenues would be reduced to \$22 billion, less than one-fifth of the anticipated tax revenue now required to operate the United States. Under these circumstances the Federal Government, short of nationalizing the financial system, would have no money at all and would not be in a position to bale out any part of the civilian economy.

If we choose to restore the relative balance to our economy that we had in the 1947-49 period, the expansion should begin at the raw material level. From here it will trickle up through the entire economy rapidly and in an orderly

manner consistent with a fully operating free enterprise economic system. We could reemploy our unemployed, and provide the necessary expansion to accommodate the new labor force. The benefits to be derived from a parity of income in agriculture would fall to the various segments in approximately the following amounts.

Wages and salaries, none¹; farm income, \$21.1 billion more; small business, \$10.7 billion more; rent, \$3.7 billion more; interest, \$9.5 billion less²; corporate profits, \$14.1 more; net increase, \$40.1 billion more.

Obviously I am interested not only in the restoration of farm income, but also in the relative benefits that will be enjoyed by every other segment of the economy as well. The idea that the farm segment of our economy can be dealt with separately from the other segments and that the other segments can continue to move upward and onward forever, without a healthy farm segment, is preposterous. Either each segment will be relatively healthy, or all segments will be adversely affected. It doesn't make any difference which segment gets into trouble first, each and every other segment will also eventually get into trouble, but it is all too obvious that the farm segment is generally the first to get into trouble. If we can learn this lesson from the depression of the 1930's, the cost of that depression would have been well spent indeed. The lesson is there to be learned, just as it has been recorded repeatedly in world history for centuries.

From the standpoint of a rural banker, it is not too difficult to see the solvency of the farmers being slowly drained away in the toughest cost-price squeeze that has ever taken place in the recorded history of the United States. With a farm profit level in 1959 and 1960, in terms of pennys of net profit remaining after the payment of the cost of operation, at the lowest level in a half century, compounding the problems created by a lower average profit level in agriculture in the 8-year period from 1952 through 1960, than the average profit level of the worst 4 years of the depression of the 1930's, the average farmer doesn't have a chance to survive. Even the more substantial farmers must resort to massive doses of credit, to stay in the running, hopeful of the day when a fair profit level is restored to the agricultural industry.

As a consequence of the foregoing circumstances, even with ample funds available, commercial banking and every other type of private and cooperative lenders are going to be hard put to justify the credit demands of a declining farm economy.

While I endorse the intent of H.R. 6400 wholeheartedly, I am particularly interested in the section of the bill which provides for expanded FHA lending.

I have long advocated to the various bankers associations, and to the Farmers Home Administration, a program of lending which would permit the FHA to insure or guarantee a commercial bank loan to farmers, similar to the provisions of the GI loan program. This would permit a commercial bank to keep a good borrower on the books, even though his loan might be temporarily marginal and it would relieve the drain on Federal funds in loan cases which do not require intensive supervision and loans that can be expected to work out within 2 or 3 years. I am particularly interested in the provision for bank-FHA participation loans, which would allow for the necessary expansion beyond the legal loan limits of a country bank, where necessary and desirable. Our association with the FHA in the past 25 years has been most satisfactory, and with expanded limits and terms, with the participation feature, it is evident to us that FHA can serve an even more important purpose in the promotion of sound agricultural lending, than it has in the past.

I would make this one final observation. Credit has never been a very satisfactory substitute for a profit.

The most important consideration for your committee and the Congress, is the best method of restoring an adequate profit margin to the farmers of the United States. So long as agriculture is deliberately, or accidentally, required to operate with a depression level of profit, credit will continue to become

¹ This segment has had its expansion, other segments are being brought to balance with this segment.

² Reflecting new solvency, more normal credit requirements, and reduced interest rates.

increasingly hard to come by; credit will be hard to justify, because credit translates into debts, and debts cannot be repaid in an orderly manner without a profit. The alternative to liquidation of debts with a profit is liquidation of the borrowers assets, adding to the unemployment rolls, and providing the critics of our free enterprise system with very real material for socialism and communism.

I respectfully urge you to call Mr. Carl H. Wilken, economic analyst for the National Foundation for Economic Stability, 1757 K Street NW., Washington, D.C., to testify before your committee. Mr. Wilken is an outstanding authority on the value of farm income to the total economy, and the relative benefits to be derived by all of the various segments of our economy as a result of a parity of income in agriculture and other raw material producing segments. I would consider it a high privilege to appear with Mr. Wilken before your committee except that I know that my limited knowledge would only detract from the excellence of his information and his testimony.

Kind regards,

Sincerely,

V. E. ROSSITER, Sr., *President.*

VALLEY CITY MILLING COMPANY,
Portland, Mich., May 18, 1961.

HON. JAMES HARVEY,
*House Office Building,
Washington, D.C.*

DEAR JIM: Enclosed please find a list showing wheat production, farm value and number of wheat farms for the Soft wheat area, the Hard wheat area, the Spring wheat area, the Western White wheat area and the total for the United States.

It is quite obvious from these facts that the total number of farmers involved in the raising of Soft wheat far outnumbers those involved in the raising of Hard and Spring wheat. Thus, it seems quite unfair for the Department of Agriculture in the Congress to base their program on the huge surpluses built up strictly by the Hard and Spring wheat people.

In talking with various farm groups and other millers in the Soft wheat area we have come to the conclusion that Soft wheat is just as much a separate commodity from other types of wheat just as there are many types of fruit, but apples and oranges are treated by the Department of Agriculture as separate commodities.

We strongly urge, for the good of the 1,135,125 Soft wheat growers, that you use your influence to separate Soft wheat from the Department's wheat program and treat it as a separate commodity as they did with Durum wheat a year or so ago. In fact we see absolutely no need for any price support or acreage allotment on Soft wheat whatsoever.

We need and will appreciate your support in this matter.

Kindest personal regards,

Very truly yours,

VALLEY CITY MILLING CO.,
FRED N. ROWE, Jr., *President.*

Wheat production, farm value, and number of wheat farms, 1959-60

State	Wheat production (bushels)	Farm value	Number of wheat farms
Soft wheat area:			
New York.....	7,729,000	\$13,526,000	38,463
New Jersey.....	1,575,000	2,756,000	4,963
Pennsylvania.....	14,045,000	23,174,000	88,056
Ohio.....	32,242,000	56,424,000	153,242
Indiana.....	32,630,000	55,471,000	121,771
Illinois.....	43,160,000	75,530,000	137,923
Michigan.....	35,904,000	62,832,000	118,619
Wisconsin.....	1,853,000	3,205,000	14,679
Missouri.....	37,950,000	64,515,000	151,636
Delaware.....	742,000	1,261,000	2,007
Maryland.....	3,984,000	6,574,000	14,637
Virginia.....	6,462,000	11,309,000	49,823
West Virginia.....	575,000	1,035,000	6,430
North Carolina.....	9,494,000	17,089,000	79,688
South Carolina.....	3,936,000	7,085,000	37,672
Georgia.....	2,255,000	4,059,000	22,634
Kentucky.....	4,484,000	7,757,000	28,035
Tennessee.....	3,720,000	6,584,000	35,752
Alabama.....	1,380,000	2,429,000	7,248
Mississippi.....	1,858,000	1,527,000	2,762
Arkansas.....	3,640,000	6,188,000	19,185
Louisiana.....	1,200,000	2,100,000	(¹)
Total, Soft Wheat area.....	249,818,000	432,431,000	1,135,125
Hard wheat area.....	499,528,000	866,379,000	429,795
Spring wheat area.....	217,913,000	399,132,000	202,629
Western White wheat area.....	150,423,000	272,392,000	72,224
Total, United States.....	1,126,682,000	1,970,334,000	1,839,773

¹ Not available.

NORTH CAROLINA POULTRY COUNCIL,
Raleigh, N.C., May 20, 1961.

Hon. HORACE KORNEGAY,
House of Representatives, Washington, D.C.

DEAR MR. KORNEGAY: The North Carolina Poultry Council, representing all segments of the industry, has voted unanimously to request that poultry not be included in an omnibus farm bill and to request our legislators to vote against any bill which does include poultry.

Mr. H. C. Kennett, chairman of the poultry council, has just returned home from the hospital and is not able to write this letter but he has asked me, as vice chairman, to send it and he is in complete agreement.

Our North Carolina poultry industry is bringing an income to many farm families who had seen tobacco or cotton allotments shrink to the point where they could no longer be worked. Given free markets, it will continue to grow and will help many farmers to remain on the farm. The great mass of North Carolina poultrymen want to be left alone to develop our markets.

It is the feeling here that, if the omnibus farm bill is passed with poultry in it, we will be forced under controlled production by votes from other sections of the United States who fear the better organized production and marketing methods of the southern poultrymen.

Also, if a 10-year base were used to allocate production to the States, it would be completely disastrous to North Carolina. While we realize that a 10-year base might not be used, any base related to past production would penalize us because we have had a rapidly increasing poultry industry in North Carolina.

We will appreciate any assistance you can give us in helping to keep the poultry industry in North Carolina strong.

Very truly yours,

ATWELL ALEXANDER, Vice Chairman.

DANIELSON, CONN., May 22, 1961.

HON. HORACE SEELY-BROWN,
House of Representatives, Washington, D.C.

DEAR MR. SEELY-BROWN: At a meeting of the Windham County Poultry Committee on Tuesday, May 16, 1961, the following motion was passed unanimously.

That all Senators and Representatives be informed that this committee favors the inclusion of poultry and eggs in farm bill H.R. 6400.

May I point out that the committee felt strongly that they and other members of the Connecticut poultry industry have suffered disastrous prices in the last 3 years. Realizing that the same prices will occur in the next few years they feel that they should have the right to vote on proposed programs.

They also viewed with disfavor the efforts of those testifying for allied industries to keep poultry farmers from having the right to vote. At the House hearing 2 weeks ago Mr. Carroll Dunham, of Connecticut, as president of the Northeast Poultry Producers Council, testified that poultrymen did not want this right. However, Mr. Dunham's organization does not represent 10 percent of Connecticut poultrymen and should not speak for them.

May I strongly urge, for the committee and Windham County poultrymen, that you do all in your power to give the family farmer a chance to decide for himself by national referendum whether he wishes to accept any proposed national program affecting his business.

Very truly yours,

JOHN SASSER, Jr.,
Chairman, Windham County Poultry Committee.

KANSAS POULTRY ASSOCIATION,
Manhattan, Kans., May 22, 1961.

HON. WILLIAM H. AVERY,
House Office Building, Washington, D.C.

DEAR SIR: The executive committee of the Kansas Poultry Association met on May the 19th, and took the following action to the agricultural omnibus bill:

"We the executive committee of the Kansas Poultry Association wish to go on record as opposing the omnibus bill as it is presently written.

The Kansas Poultry Association represents 95 percent of the hatcheries in the State of Kansas and we have a producer membership of 3,500 poultry producers. We also have a segment of the egg buyers and allied industry.

For reasons that we consider to be potential production control as being a detriment to our industry, we are taking the above action.

Sincerely,

HARRY J. REED.

INDIANA STATE POULTRY ASSOCIATION, INC.,
Lafayette, Ind., June 1, 1961.

MR. RALPH HARVEY,
Member of Congress,
House Office Building, Washington, D.C.

DEAR MR. HARVEY: The Indiana State Poultry Association, Inc., is made up of various departments representing the hatchery, the broiler growing, turkey production, egg producers, poultry processing, and individuals throughout the State. Our association was formed in 1918 and has taken an active part in assisting the development of our industry and has served the various official capacities working closely with our State government, State university, and U.S. Department of Agriculture.

The Indiana poultry industry has furnished many leaders throughout the years and we hope that the industry will continue to be called upon to furnish leadership.

The board of directors of the Indiana State Poultry Association, Inc., in executive session this past week, voted unanimously to go on record opposing the omnibus farm bills, H.R. 6400 or S. 1643. Our opposition is based upon the following points:

1. The bills as written, we feel, would permit a program to go into effect without the expressed approval of Congress. It would become law by default.

2. The qualifications of persons eligible for membership on the Commodity Advisory Committee need to be set out in more detail and, without question, provisions should be made for other segments of the industry or industries other than producers per se to have the opportunity to make up the committees.

We had the opportunity to poll our official officers and directors of the association and its various departments and ask for expressions or comments regarding the proposed legislation. Attached are some comments received. Out of 40-some votes cast only 2 voted strongly in favor of the proposed program. We had approximately 10 who voted with reservation and the balance voted strongly opposed.

It is our understanding that Mr. L. Miller Manford, president, American Poultry & Hatchery Federation, hatcheryman, broiler grower, turkey grower, and egg producer of Nixon, Tex., appeared before the House Committee of Agriculture on Wednesday, May 3, voicing their sentiments opposed to the current proposed legislation. Mr. Miller again points out the importance of having the Commodity Committee members made up of a broad cross section of the industry for that particular type of production. This is true whether it is poultry, hogs, or any other phase of agriculture. Also, Mr. Miller strongly recommended that changes in section 141(A) (3), subtitle E, should provide not only for congressional review but also congressional approval and modification before a commodity plan becomes operative. The Indiana State Poultry Association, Inc., believes that it is the responsibility of Congress and only Congress to write legislation and that the procedure set forth in section 141 is contrary to the intent of the Constitution.

The Indiana State Poultry Association, Inc., feels that there should be more definition as to "appropriate farm organizations."

We of the Indian State Poultry Association, Inc., stand ready to cooperate with the various segments in Government in drafting, if necessary, legislation. At the present time, we cannot endorse the proposed bills in their present forms.

Very truly yours,

VERE COCHRAN, *President.*

NEW YORK, N. Y.

Congressman RALPH HARVEY,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN HARVEY: I deeply regret I am unable to attend the hearings of your committee on agricultural problems. I am sending the statement which I would have made should I have been able to attend and hope you will be able to insert it in the record of the hearings.

Sincerely yours,

ERNEST VAN DEN HAAG.

A Modest Farm Proposal

By Ernest Van Den Haag

(Ernest Van Den Haag, who here presents a plan for solving the farm problem which differs radically from the proposals of the Kennedy administration of sociology at New York University and the New School.)

I know of no respectable argument in favor of the present farm subsidy program through Government price fixing, purchasing, and control. Yet it continues. Most experts are resigned to it. They feel that the program is politically unavoidable, and that, at best, only minor improvements can go through Congress. Nobody seems willing to try to do away with the program or even to limit it seriously, though everybody knows that it solves no problems and creates many. Indeed, its abandonment would lower food prices and save taxpayers more than \$5 billion a year.

Is it really impossible to stop this waste? Are the political obstacles really unsurmountable? I think not—if we go about it in the right way. We must continue to help farmers in need, but not through a blunderbuss subsidy which seldom reaches the intended beneficiaries.

Though it would take years to streamline our immensely complicated apparatus of farm legislation, we can rid ourselves of its worst feature almost immediately by imposing a simple limitation: Each year the Government should purchase crops from (or make payments for not planting to) a farmer only as long as his total taxable income from all sources, including the Government, is

less than \$7,000. (The \$7,000 figure may be adjusted to cost of living changes.) Purchases (or payments) which inadvertently are made beyond this limit must be returned or debited against next year's payments.

Clearly there is no economic sense in the farm subsidy except to increase the income of farmers when it is held to be too low. But a net income above \$7,000 is hardly low enough to warrant a subsidy—in fact, it is markedly above the income of more than half the U.S. population. This limitation, therefore, would deprive no one who could be called poor. Farmers with annual incomes greater than \$7,000 are unquestionably in the upper half of the income distribution: to subsidize them is to take money from the poor and give it to the comparatively rich. Even the farmer who by dint of subsidies is in the \$7,000 bracket is subsidized by the two-thirds of U.S. families who receive lower incomes.

Furthermore, the farm program was never meant to help corporations. No payments should be made to them, except perhaps to closely held small corporations which can be regarded as partnerships.

The limitation proposed here raises some technical problems, such as estimating incomes, reimbursing for overpayments, determining eligibility, etc. But none of these is insolvable. For example, if payment for the purchase of wheat has raised a farmer's income above \$7,000 in 1 year, though his estimated income was below that figure, the following year the farmer would owe the Government the overpayment, and the Government would owe the farmer the wheat purchased in excess of the amount needed to raise his total net income to \$7,000. The Government would subtract the excess payment from what it owes the farmer for the current year's purchases; the farmer would subtract the excess wheat from what he must deliver to the Government for current purchases.

Much of the present Government subsidy goes to farmers (or corporations) who would become ineligible. Certainly among the 12 percent of our population who live on farms, many are poor and deserve help. Yet, despite the immense cost, our present farm program has helped them little, if at all. Fifty percent of our farms produce less than 10 percent of the farm output. The poor farmers do not produce enough of the crops bought by the Government to benefit much, while the wealthy farmers get wealthier, since the more he produces the more the Government buys or pays him for not producing. The proposed limitation would end this inequitable practice.

Though all farmers in need would still be helped, much less would be purchased and the problems of storage and acreage controls would become manageable. There would be little incentive to produce surpluses once the Government no longer offers prices that make it profitable to farmers making more than \$7,000—who produce most of the surpluses. Production controls, whether or not left on the books, would probably become unnecessary.

Although there would be a firm floor under farmers' earnings, they would not be placed in the humiliating position of relief recipients who get money without working for it. Farmers would continue to sell their crop and receive payments in proportion to what the Government buys from them.

Market demand and supply would return to play a large role in determining farm prices and in guiding farmers into the production of crops which are actually needed. Yet poor farmers would be no less protected against low prices than they are now. The more efficient big farms would continue, but those which are in business only because of the artificially raised prices would go out of business. This would further reduce overproduction and strengthen the family farm—which was the original and hitherto unrealized intention.

No major unemployment problem would result either from the reduced purchasing power of rich farmers or from the fact that some may have to discharge their workers. Lower food prices and lower taxes would cause consumers to spend more on farm and nonfarm goods, and increased employment elsewhere would offset any reduced employment on farms. Of course, those who built their business on the farm subsidy in its present form will suffer, at least temporarily. But if this is to be avoided, no Federal subsidy can ever be stopped.

It is sometimes argued that farmers should be subsidized because they produce something particularly important—food. I doubt that tobacco and peanuts are really more important than penicillin and steel. But to the extent to which they are, people are eager to buy them, and farmers would actually need less protection against low prices than the producers of less essential goods.

At times it is argued in a somewhat mystical fashion that farmers "produce" while other people are more or less parasitic middlemen. The physiocrats in the 18th century based their whole theory on this naive fallacy. So did

Karl Marx, who recast proletarians as producers and nearly everybody else as exploiters. Yet in the literal sense, we are all middlemen. Farmers do not produce eggs. Hens do. And hens, not farmers, hatch chicks. Farmers are just middlemen between the hens and the consumers of egg sandwiches. They are middlemen, too, between the hens and the corn and between the seeds and the corn. In short, we all merely shuffle around the bounty of nature. We create only in the sense of bringing together or separating various products of nature so as to make them more valuable to us—whether we are farmers, or steelworkers or stockbrokers.

It is true that farmers run risks with regard to the weather and stockbrokers do not. But owners of resort hotels and bottlers of soft drinks run similar risks and we do not subsidize them. Let's face it; Every business has its special risks. We should not protect farmers against special risks but against poverty. The proposed modified farm policy would protect farmers far more than any other segment of the population is now protected, while getting rid of some of the costliest and most inequitable features of our present policy.

The basic reason for our present farm policy has nothing to do with "reason." However generous the impulse, the existing legislative measures are unwise and their effects are unbelievably perverse. The persistence of these measures is due to political pressure very largely based on ignorance.

Though substantially benefiting but a few large plantations and farms, the program has been supported by most farmers. It gave them some help—however little. No alternative such as that offered here seemed available. The representatives of consumers, particularly of workers and of nonfarm low income groups, have never opposed the farm program even though it is far more harmful to the interests of their constituents—and of the American people—than anything they are likely to get excited about. Even some labor leaders have defended the farm program, though nothing more contrary to labor's interests could be conceived. It is hard to fathom why this is so. Apparently people in cities do not know enough about the farm program, while the farmers know just enough to vote for its supporters. As the city politician does not find the issue politically profitable, he is willing to vote with the farm block for small favors that are profitable at home. And the politician with national ambitions cannot afford to be against "help to farmers."

Though farmers do not constitute an overwhelming proportion of voters—somewhere between 10 and 15 percent—their political power by far exceeds their numbers. Electoral districts in most States are so drawn that each rural vote has far greater weight than each urban vote. Nonetheless, the proposed change in farm legislation is not politically hopeless. Most farmers would benefit as much as before, even though the total subsidy would be far less, since much of it now goes to the few farmers whose income exceeds the proposed \$7,000 limit. There is no reason, therefore, for the mass of farmers to oppose the limitation. And it might be pointed out that the limited subsidy would actually make it possible to help most of them more than they were helped before: We could raise some Government purchase prices and soil bank payments, while still having less of a storage problem and less expense to the Government than now.

Gradual further restriction of subsidies without undue deprivation would become possible if the proposed limitation is accepted. In time, we might confine subsidies to farmers over a certain age limit set, at first, quite low—e.g., 23 years—and gradually increased up to, say, 35 years. In this way we will discourage people from entering farming solely for the sake of the subsidy, while continuing to help those who would find it hard to change now.

Without the limitations suggested, no program can hope to drag us out of the present quagmire of senseless subsidies, overproduction and more subsidies. Since only a few rich farmers would be short of inequitable benefits and everybody else would gain I believe that, if properly presented, this program could win the approval of the American people, including most farmers.

DECATUR, ALA., June 8, 1961.

HON. HAROLD COOLEY,
Chairman, House Committee on Agriculture,
House Office Building, Washington, D.C.:

Your committee listened to farmers from Alabama in 1955 and wrote the "56 freeze". In 1960 your committee listened to the story of farmers from Alabama and wrote into law the "exchange of acres".

Today our farmers see nothing wrong in letting the farmers have some voice in the farm policy. The opposition to the Ellender-Cooley bill is coming from the persons and groups that supported the policy of Ezra Taft Benson. Most important to our farm folks is the attempt to change a trend of letting non-farmers speak more and more for the farmer.

The changing times indicate lower farm population and then of course more Members of Congress from urban areas to have a larger and larger vote in matters concerning the economics of farming. When the farmers of Alabama understand the provisions of the Ellender-Cooley bill they look with favor upon the provisions of the bill.

ALABAMA COTTON HARDSHIP COMMITTEE.

(An identical telegram from the Alabama Cotton Hardship Committee to Hon. Robert E. Jones was also submitted for the record.)

ATHENS, ALA., June 9, 1961.

Congressman ROBERT E. JONES,
House of Representatives, Washington D.C.:

We the directors of Limestone County Farm Bureau go on record supporting the Cochran-Freeman farm bill. We think Secretary Freeman has helped us and will continue to do so.

LIMESTONE COUNTY FARM BUREAU.

At this hearing of Friday, May 26, 1961, Hon. Robert W. Kastenmeier, a Representative from the State of Wisconsin; John E. Noakes, general counsel, Dairymen's League Cooperative Association, Inc.; Charles F. Brannan, general counsel, National Farmers Union, and Perry R. Ellsworth, associate director, Milk Industry Foundation, testified on title IV of H.R. 6400; and David Whatley, Washington, D.C., testified on title II of H.R. 6400. This testimony may be found in the parts related to these titles.)

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