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HEARINGS
BEFORE THE
SUBCOMMITTEE ON
LIVESTOCK AND FEED GRAINS
OF THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH CONGRESS

FIRST SESSION

ON

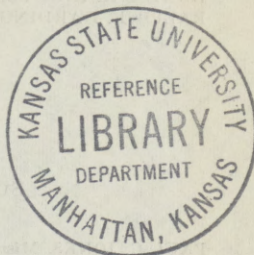
H.R. 6400

JUNE 12 AND 13, 1961

Serial E

PART 9

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1961 TO 1962 AGRICULTURAL ACT OF 1961
FEED GRAIN PROGRAM

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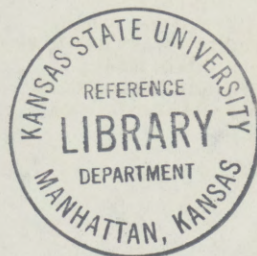
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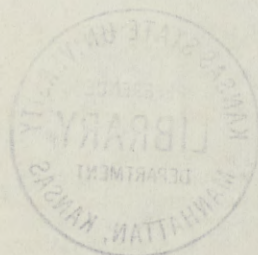
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AGRICULTURAL ACT OF 1961

Feed Grain Program

MONDAY, JUNE 12, 1961

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON LIVESTOCK AND FEED
GRAINS OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met at 10:05 a.m., pursuant to notice, in room 1310, New House Office Building, Hon. W. R. Poage (chairman of the subcommittee) presiding.

Present: Representatives Poage, Jones of Missouri, Harding, Hoeven, Quie, Short, Mrs. May, Latta, and Harvey.

Also present: Representatives Hagen of California, Johnson of Wisconsin, McIntire, Findley, and Reifel.

Christine S. Gallagher, clerk; Hyde H. Murray, assistant clerk; John Heimburger, counsel; and Francis M. LeMay, consultant.

Mr. POAGE. The subcommittee will please come to order.

The subcommittee has met this morning for public hearings on provisions of the committee print of the feed grain section of H.R. 6400. I am sure that this committee print does not represent the views of the entire committee, but in order to get the views of those who are here and those who have to operate the program, to get something specific, this print is before us for discussion purposes. We are scheduled to start the presentation by the Department with Mr. Jaenke of the U.S. Department of Agriculture.

(The committee print follows:)

[Committee print, June 8, 1961]

Proposed amendments providing a special one-year feed grain program for the 1962 crop, together with an analysis thereof

[H.R. 6400]

SEC. 155. Section 105(c) of the Agricultural Act of 1949 is amended by adding the following new paragraphs (3) and (4):

"(3) The level of price support for the 1962 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1962 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"(4) The Secretary shall require as a condition of eligibility for price support on the 1962 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1962 for corn and grain sorghums and in the special agricultural conservation program for 1962 for barley to the extent prescribed by the Secretary."

SEC. 156. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(d) Notwithstanding any other provision of law—

"(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1962, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums, and barley, respectively, to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil conserving crops or practices by an equal amount: *Provided, however,* That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, safflower, sunflower, or sesame, if designated by the Secretary. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate may be made on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of such corn and grain sorghum, or barley, acreage. Payments in kind on such additional acreage may be made at the basic county support rate on an amount of corn and grain sorghums, or barley, not in excess of 60 per centum of the normal production of the acreage diverted from the commodity on the farm based on its average yield per acre for the 1959 and 1960 crop acreage. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields, subject to such adjustments as may be made pursuant to the foregoing authority, shall be used in making determinations. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors adversely affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, and topography. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

"(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(d). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1962, and to pay such costs as may be incurred in carrying out section 157 of the Agricultural Act of 1962.

"(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts."

SEC. 157. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1962 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

ANALYSIS OF SPECIAL PROGRAM FOR 1962 FOR FEED GRAINS

7 U.S.C. 1441
note

Price support on feed grains for 1962. Section 155 of the bill amends Section 105(c) of the Agricultural Act of 1949 to provide for price support on 1962-crop corn at such level not less than 65% of parity as the Secretary may determine. Price support for the 1962 crop of corn, grain sorghums, and barley is limited to a quantity not to exceed the normal production as determined for the 1962 acreage of corn, grain sorghums and barley of each eligible farm. Section 155 also provides that the Secretary shall require as a condition of eligibility for price support on the 1962 crop of corn, grain sorghums, and barley that the producer participate in the special feed grain program for 1962 for corn and grain sorghums and in the special feed grain program for 1962 for barley to the extent prescribed by the Secretary.

Sec. 155

The provisions of this section are the same as for the 1961 crop except for the addition of the requirements as to barley.

16 U.S.C. 590p

Special feed grain program for 1962. Section 156 of the bill amends Section 16 of the Soil Conservation and Domestic Allotment Act to provide for a special feed grain program for 1962 under which payments shall be made to producers who divert acreage in 1962 from the production of corn and grain sorghums, and barley, respectively, to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil conserving crops or practices by an equal amount. Payments in cash or in kind may be made on an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums or barley, in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of such corn and grain sorghum, or barley, acreage. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. The provisions of the special feed grain program for 1962 are the same as the provisions for the 1961 feed grain program except for the addition of a special program for barley on the same terms and conditions as the program for corn and grain sorghums.

Sec. 156

New

Payments by Commodity Credit Corporation. Section 157 of the bill authorizes Commodity Credit Corporation to make payments under the 1962 feed grain program in cash or in kind through the issuance of negotiable certificates which shall be redeemed by Commodity Credit Corporation for feed grains. Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of certificates at such time and in such manner as the Secretary determines best effectuates the purposes of the program. This provision is the same as the one contained in the 1961 feed grain program except that it authorizes the Secretary to utilize Commodity Credit Corporation in making the cash payments as well as the payments in kind.

Sec. 157

STATEMENT OF EDWIN JAENKE, ASCS, ACCOMPANIED BY CLAUDE COFFMAN, ASSISTANT GENERAL COUNSEL, AND JOHN A. SCHNITTKER, ECONOMIC RESEARCH SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. JAENKE. Mr. Chairman and members of the committee, I have no prepared statement. I have with me, here on my right, Mr. Schnittker, and on my left, Mr. Coffman, from the General Counsel's Office. We represent the Department and are very appreciative of having this opportunity to comment on this committee print, which is an amendment to H.R. 6400, providing for the continuation of the feed grains program.

I would like to comment briefly on the present program and on some suggestions which have been made for amendments to and changes in the program.

Secretary Freeman and the Department are very pleased with the results of the 1961 program.

As I think this committee is aware, the final report shows some 26.5 million acres of feed grains, corn, and sorghum land, diverted to conservation uses. This is as much and more than even the most optimistic estimates had been.

I think it is of particular significance that over 70 percent of the corn acreage in the six major producing States has been included in this program. In my own State of Missouri, for instance, the farm acreage is over 85 percent signed up in the program. There are similarly high figures in other major corn States, and likewise in the case of sorghums.

There has been a great deal of interest on the part of farmers in this program this spring, and with the now completed signup we are very pleased that the committee has seen fit to proceed in the direction of a program very similar to the one we have this year. It has been workable and has attracted farmer participation to a great degree. We think it will accomplish the goal of reducing our stocks and increasing farm income.

There are several minor changes and modifications which have been suggested and, in view of the experience we have had this year, we would like to comment on these.

The committee amendment includes barley as a similar but separate program, together with the feed grains program that we now have. We believe this is good.

Last spring, in considering this legislation, the Department felt this was not desirable, because barley was a fall seeded crop, plantings were already in the ground, and because of the shortness of time, to include the barley.

Mr. POAGE. Since you are talking extemporaneously, would you mind interruptions now, or would you rather finish first?

Mr. JAENKE. Either way, Mr. Chairman. I just have three or four points that I want to mention.

Mr. POAGE. You may proceed, then.

Mr. JAENKE. In the case of barley, acreage, price support activity, and carryover have been increasing, and we believe this trend will continue. It is for this reason we are glad to see the committee print include a barley program. We think it is needed.

We believe it should be a separate program because barley is fall-seeded; the yield and return per acre are different than corn and sorghum. It would cause considerably more of a problem if it were included as part of the corn-sorghum program, as opposed to the way the committee print would have it.

There has been some question raised with regard to oats being included in the program. The Department would feel that there is no necessity for the inclusion of oats. The uncommitted CCC stocks on hand are less than 8.5 million bushels. It is a crop in which the acreage, production, and price support activity have been declining. We do not see anything that will change this sharply and foresee no need to include oats in the feed grain legislation.

There is a relatively minor change in the committee print that we would like to recommend for greater simplification of the program in administration and in getting better farmer understanding. This has to do with the 20-acre, or so-called small farm, provision in this year's program.

The interpretation given by our General Counsel's office to this language has resulted in a rather complicated payment rate for those who come in under the 20-acre provision—50 percent on the first portion, 60 percent on the next 20 percent, and then back to a rate of 50 percent on the balance.

We would prefer a payment rate of 50 percent on the first 20 percent diverted, and 60 percent on all above that, whether it comes under the 20-acre provision or not. It is a matter of simplification of the program.

There also have been suggestions and considerations as to a bonus payment of 10 percent, or some other percent, to those who would keep the same land in the feed grain program for the 1962 crop as they diverted in 1961. We believe that such a provision would tend to encourage continued participation by those who were in the 1961 crop. It would have the effect of deterring the use of acres diverted to conserving uses under the 1961 program and which will have greater fertility in 1962 for this reason. It would encourage people to maintain the same land in conserving crops.

We would suggest one modification in the committee print having to do with the relation between commodities. As the committee print—the amendment—stands, it would require, in effect, the producer who raises corn-sorghums and barley to come into the program for all three in order to be eligible for price supports on any one. In the interests of greater flexibility to the farmer, clarity of understanding, and simplification of administrative procedures under the program, it would be better to require that if a farmer came in on corn and sorghums, he would not be required to come in on barley, but he could not increase his acreage of barley over that in the 1959-60 period. Vice versa, in the case of barley, if he wanted to come in on barley he would not be required to come in on corn and sorghums, but he could not increase his acreage on those crops.

In areas that grow barley predominantly and where they have a little corn or sorghum—all of which is used for silage or feed—our suggestions would give producers a better opportunity to participate by not requiring them to come in under the corn-sorghum program.

Section 156(d) (1) of the proposed bill follows this year's procedure of providing for payment in kind payments only on acreage diverted in excess of the initial 20 percent. From the standpoint of simplified program administration, we believe that payment in either cash or in kind, at the producers option, for all of the diverted acres would be more desirable. It would avoid the situation whereby part of a payment is made in cash and the other part in certificates, requiring the farmer then to come in with the certificate and have the Commodity Credit Corporation market it for him. We make it simpler and easier to understand from the farmers' standpoint. It would not change the final analysis of any costs incurred in the program and would involve less redtape and record keeping in the administration of the program.

One other point that has been raised has to do with the limitation on price supports contained in the 1961 program under which a producer could not obtain price support on yields in excess of his 1959-60 average. The purpose was to try to deter the use of fertilizers and other devices to increase the production on the acres left in production.

Based on information and preliminary reports from the field, we do not think that this provision is completely accomplishing the job and the goal it was set out to do. We do not have final data yet, and we will not have it until this fall, but we do know that the provision has caused some difficulty in administration and will likely cause more at harvest time. There is some feeling also that it discriminates against corn and sorghum producers since no other commodities have such a provision.

Some people feel that it discriminates against the farmer who comes into the program by limiting his price support, even though he is going along with all of the other provisions of reducing his acreage.

The Department will, of course, follow the judgment and the wisdom of this committee. We did want to point out these factors concerning this particular provision.

Mr. Chairman, that concludes our comments.

Mr. POAGE. Thank you very much.

I am not talking about the basic proposition, but simply about this bill:

You state that there are some people who feel it discriminates against corn and sorghum producers and the like. Should we move in the direction of not giving any incentive to produce more corn on a limited number of acres?

Mr. JAENKE. In the case of this particular program—because such a great majority of feed grains are fed right on the farm and used right on the farm and therefore, do not enter into the marketing channels—there is some evidence to indicate that this provision is not effective in accomplishing the purpose it was set out for.

Mr. POAGE. I think that is very true. I think it would be more effective in cotton and wheat than it would be in feed grains, but if we remove the provision from feed grains, we certainly are not going to put it in for wheat, are we?

Mr. JAENKE. There would certainly be a possibility.

Mr. POAGE. Does not the Department feel that we do not want to reward the more intensive use of the acres that are left in production—is that not what we want to accomplish?

Mr. JAENKE. As a part of the omnibus farm bill, we have requested as one of the tools to be made available, pounds, bushels, and bales quotas. Insofar as the producer advisory committees would find it necessary and the Secretary in future years finds it necessary to use these tools, they would be available.

At this point I am not in a position to comment on the overall general position. I think it is indicated in the bill.

Mr. POAGE. It is not one of the most effective complaints offered against the whole controls program that we often do not control production at all, because as we take out acres, the farmer will produce the same volume on a lesser number of acres?

Mr. JAENKE. This is certainly a charge that has been leveled against acreage controls; yes, sir.

As I indicated in this case, we are not sure that this particular provision is accomplishing what it was intended to.

Mr. POAGE. We probably started this on the wrong commodity. We have a program here which obviously does not work as well as it would on wheat and cotton, because such a large percentage of the product is grown by farmers who are going to feed it themselves and never sell it as grain. Obviously, we took the wrong commodity with which to start. But did we not make a start in the right direction?

Mr. JAENKE. Well, again commenting on this particular case, we do not know yet. Maybe this fall when the final results of this program are in, it may prove to have been very effective, but as of now it would not appear to be as effective as we hoped it would.

Mr. POAGE. My theory is that if we were to repeal this section, it would set a precedent which would mean that we could not hope to do anything of this kind for the other commodities where it might work a great deal better.

Mr. JAENKE. We would certainly think there are different circumstances with other commodities which would not make the rule we are discussing here applicable to them, but it might be used that way; yes, sir.

Mr. QUIE. Will you yield?

Mr. POAGE. Certainly.

Mr. QUIE. Following up on that, you say it is difficult to administer the Smith amendment. I do not see why it would be, because each farm has an average yield determined already. He is being paid on this basis. All you have to do is to multiply the average yield times the acres left in production, and that is the amount of grain that he is to receive price supports on.

Mr. JAENKE. That is true. The difficulty, of course, is that in this overall determination of average yield. Since it applies not only to payment rates under this program but to the price support limitation, it just compounds any difficulty we have had with it. I think perhaps in the second year of the administration of the program, many of these difficulties will not be there, but they have been there this year.

Mr. QUIE. You mean that it is compounded because there is more money involved when the price supports are being paid on the average yield, rather than just payment in kind?

Mr. JAENKE. The administrative procedures required in placing a limit on price support and in checking through the different steps,

as when the farmer comes in for a loan, et cetera, adds to the administrative difficulties of the program; yes, sir.

Mr. QUIE. You also said that it has not been effective. I have not read any place in the material that has come out from the Department of Agriculture that they have made any mention about the fact that the price support will be paid only on the average yield. I may have overlooked some of the publications that were sent out.

What kind of publications have been sent out? What kind of information has been made available to the farmers that might have explained that provision?

Mr. JAENKE. It was initially done through press releases announcing the provisions of the program from Washington. It was also done in the field meetings we have had with the State committees throughout the States. It is pointed out in material to be used by the county committees in explaining the program. It was included there. And of course, it is included in the regulations. This provision is apparently well known because it has appeared in news articles I have seen.

Mr. QUIE. You are familiar with this brochure or release, "More \$\$\$ for Feed Grains." I was looking for that provision in here someplace and could not find it. I thought that it would be explained in this. I thought that it would be explained in signing up the farmers.

Mr. JAENKE. I was not aware of that.

Mr. QUIE. Do you think you will come upon the fall months, and the farmers will be asking for a loan on their corn, and suddenly they find out that they can only get it on the normal yield basis which he probably accepted as one of the features of price supports, and did not think of when it was given to him in terms of the payment in kind, and that they will not get pretty upset about it?

Mr. JAENKE. I would think so. Farmers are not used to this sort of limitation in the Corn Belt area. I would think there would be some feeling this way. There always is on something like this.

Mr. QUIE. That is all.

Mr. POAGE. I wanted to ask you further about the barley question. The wording on page 2, lines 8 and 9, where it states: "Special agricultural conservation program for 1962 for barley to the extent prescribed by the Secretary."

"To the extent prescribed by the Secretary" is what I want to get clearly understood, because in all fairness I think it would be a tragic mistake to try to support the price in barley in one State and not in another.

Is it the intention to use those words to enable the Secretary to set the support price in California and not in Texas?

Mr. JAENKE. It is not the intention of the Department to limit this program to any specific areas of the country, sir.

Mr. POAGE. What does "to the extent prescribed by the Secretary" mean—what is it intended to mean?

Mr. COFFMAN. Mr. Chairman, those are the same words that are in last year's law. That is, the 1961 law. I am not sure what the Congress had in mind, because at the same time those words were in there, there was also legislative history to the effect that a 20 percent cut should be made. It may serve a useful purpose in the case of a farmer who gets an erroneous notice about his acreage. We think it does

offer enough leeway for 1961 that if a farmer should be off or over by 2 or 3 acres as a result of an erroneous notice by the county office, that this would give the secretary sufficient authority to permit him to qualify for price support.

Mr. POAGE. You do not mean by "to the extent prescribed by the Secretary" to assume that the Secretary—

Mr. COFFMAN. I do assume that in 1961 the Secretary can issue regulations—this is common in all of our programs and has always been.

Mr. POAGE. There is no doubt about that, I know.

Mr. COFFMAN. It says, "to the extent prescribed by the Secretary."

Mr. POAGE. It states:

The Secretary shall require as a condition of eligibility for price support on the 1962 crop of corn, grain sorghums, and barley that the producer shall participate in the special agricultural conservation program for 1962 for corn and grain sorghums and in the special agricultural conservation programs for 1962 for barley to the extent prescribed by the Secretary.

In other words, the Secretary has the right to prescribe the extent of participation, as I understand it.

Mr. JAENKE. As I indicated, we have no intention or plan or design to do that. So unless there is some specific legal reason, for putting it in, we see no reason for it remaining in there.

Mr. POAGE. I do not, either.

You originally contemplated that for the year of 1961 the Secretary might want to include other feed grains, and you wanted to be able to include barley or oats. That is what we had in mind. That is, to the extent that the Secretary might want to include these other feed grains.

It just seems to me that this gives an open invitation to limit the barley program to specific areas.

Mr. JAENKE. We certainly—

Mr. POAGE. And we certainly do not want to be a party to that. Unless those words are essential, "to the extent prescribed by the Secretary," we ought to take them out.

Mr. JAENKE. We certainly would not quarrel with that.

Mr. POAGE. Unless they give some specific authority that you want in.

Mr. COFFMAN. I would say this, Mr. Chairman: We do have an amendment that Mr. Jaenke mentioned earlier. We do have words that would take care of the problem mentioned earlier, that if the farmer does not knowingly exceed his acreage of barley, in the case of a corn farmer, would take care of the problem we have.

Mr. POAGE. I am always perfectly willing to give any man a chance, not to penalize him, if he does not knowingly violate the rules, but how can a man act on this program where he is assigned at the beginning of the year his quota or amount; he is told how much, and if he does not like that, he does not go in the program.

Under the old cotton program, it did not make any difference whether you liked it or not, but under this, the fact is if he does not like what he gets, he can refuse.

Mr. COFFMAN. And errors are made both ways. If a farmer comes in and participates on the basis of what he is told as to his acreage, and then he finds out when he comes in to get his payment in the fall that a mistake was made back there earlier—

Mr. POAGE. And he overplanted.

Mr. COFFMAN. He has not really reduced 20 acres, but only 19 acres—

Mr. POAGE. I have no objection to allowing some leeway where a man makes an honest mistake, where the Department has to point it out to him. I think that we have done some rather rough things in the past that have caused much trouble and made it very difficult for the Government because of fellows who went an acre or two over. It will not wreck the program to be lenient with them, if you think they did not do it deliberately.

What about the support price on oats? Under the present program you are supporting oats at a higher figure than we would otherwise, although there is no control on oats. Will you continue that?

Mr. JAENKE. This amendment would not do anything to the oats situation; that is right.

Mr. POAGE. Under the existing law, as I understand it, actually the support price on oats was merely an administrative action; was it not?

Mr. JAENKE. The law reads "In relation to the price support on corn," I believe, sir.

Mr. POAGE. So that would remain; in other words, oats would continue to be supported at approximately 60 cents—

Mr. JAENKE. Seventy-four percent of parity, the same as in the case of corn.

Mr. POAGE. And they would continue at that level?

Mr. JAENKE. Yes; keep it in relation to corn.

Mr. POAGE. You suggested that you would like to see a bonus paid to those producers who kept the same land in retirement for the next year. I think that your original suggestion was that those producers who went into the program in 1961 and who again go into the program in 1962—it is your suggestion now that we confine any bonus amendments to those who retire the same land?

Mr. JAENKE. Yes. This is the suggestion from the subcommittee. This was what I was commenting on this morning. We would have no objection to such a provision.

Mr. POAGE. Just what, if any, advantage does the Government get out of this? I know the question was discussed, but why does the Government get a greater advantage if the same land is taken out?

Mr. JAENKE. There are two major advantages. No. 1, it would tend to encourage continued participation in the program which is to the advantage of the Government in net savings, and, secondly, it will tend, I think, to deter the turning over of the conserving use land diverted this year and bringing in other conserving use land as was suggested here last week.

If these acres are put into 1962 production, the yields will be increased because of the increased fertility resulting from the conservation treatment. Therefore it would be desirable to keep that same land in the conserving uses instead of bringing it into production.

Mr. POAGE. On the other hand, does it not have the effect in some areas of requiring a man to engage in rather bad farming practices? I believe that would be true in some areas of the United States.

At one time I was farming out on the plains, at a time when we had the first cotton program in 1934—the first one in 1933; but the pro-

gram came in in 1934—and I had a section of land—640 acres. We had up to about 40 acres of pasture and 600 acres in cultivation.

I thought I had a pretty good program of conservation for those days. I put in 200 acres of wheat, 200 acres of cotton, 200 acres of feed grains. I carried on a rotation program. Not many farmers at that time were doing that on the Plains.

If I had had to lay out the same land in order to participate in a part of the country like that, in the dry land country, I would have completely destroyed my rotation. Would it not probably be a bad thing there to require me to keep the same land out of cultivation 2 years in a row? If I were going to put it into permanent pasture and never plow it up, that would be a different story, but otherwise not.

I have asked many representatives of the Department what new crop I could grow on that land, and I do not want to embarrass you, but do you know of any crop we can grow other than cotton and wheat and feed grains?

Mr. JAENKE. In your part of the country?

Mr. POAGE. On dry land, do you know any other crops we can grow?

Mr. JAENKE. I guess I will just have to follow my predecessor and pass on that at least at this time.

Mr. POAGE. Whenever they tell me what else we can grow, and pay for the cost of the cultivation, then I agree with my friend Lester that what we are carrying on is bad practice. So long as we are confined to those crops, we cannot grow anything else. We cannot grow cover crops. So we do the best we can. We use that land in that fashion to keep it from blowing away. That wind hits it—and it hits it nearly every day—and we have to do something with it to keep it from blowing away.

The Department has not been able to tell us what else we can do. The climatic conditions are not suitable for much else.

All I am trying to say is that if we try to urge that this land be the same year after year, I do not think that it would be good everywhere.

Mr. JAENKE. I certainly feel that an argument can be made for that position. However, it is voluntary.

Mr. POAGE. I know that.

Mr. JAENKE. It is not a requirement to do it.

Mr. POAGE. I know that it is voluntary, but it is difficult to do with that land other than we have been doing.

Now let me turn to this question of cross compliance. You suggested you felt that the man who was growing corn or grain sorghums should probably not be required to comply on barley.

Mr. JAENKE. But should be required to maintain it—not to increase it.

Mr. POAGE. That is, if he is going to go into the program in barley, he should not be required to comply on grain sorghums and corn so long as he did not increase his plantings of those crops?

Mr. JAENKE. Right, sir.

Mr. POAGE. What is the difference between the man planting barley and the man planting grain sorghums? We have said to the grain sorghum people that "You cannot increase the acreage of corn," and I think that is correct. Certainly in the irrigated areas.

I think we rightly impose that cross-compliance requirement on the grain sorghum man, and if so, why should we not put it on the barley man. If that barley man is going to get the benefit of this program, why should he not be prohibited from going out and growing corn?

Mr. JAENKE. What we are talking about here would not—

Mr. POAGE. You would not control it otherwise.

Mr. JAENKE. He would be at exactly the same level.

Mr. POAGE. You are not requiring him to make any reduction.

Mr. JAENKE. That is right. In order to receive price support, in the case of barley or corn or sorghums, they must come into the program and reduce such acreage by at least 20 percent.

Mr. POAGE. They are both feed grains, both competitive with barley.

Mr. JAENKE. The way the committee print is right now, he would. We feel this adds a great degree of flexibility. He must come in on all three, if he grows all three, in order to be eligible for the price support on any one. There are areas where barley is the major cash crop, and corn or sorghum are just minor crops.

We have found that in areas of the Dakotas where the farmers would very much like to come in on the programs, if they did not have to cut back on the corn, because they would like to keep a dairy cow or a few beef animals. They may be raising 2,500 acres of barley and would like to get the barley into the program and cannot because they grow 10 or so acres of corn to be used for silage. It would prohibit them from coming in on barley if the corn had to be taken out.

Mr. POAGE. I suppose it is true where barley is the major crop that these others are relatively minor. Of course, it would not be true where barley is just a minor crop, as it is in my area, but where it is a major crop, I do not suppose that you would find anybody growing a substantial amount of corn or grain sorghums.

Mr. JAENKE. We do not think so. There is another point. Barley being fall seeded, the person has to make his decision in the fall as to whether to come in the program. By the same token, next spring it must be done before signing up for the other commodities.

Mr. POAGE. I expect that there is a good deal of merit to what you say. The reason I raise the question is, I am not familiar with the big barley raising areas, not being a major crop with us.

I want to ask you about the situation that has arisen with the existing grain program. I think it would be the same under this extension. I think something must be done about this. I do not know whether we need to make any change in the law or whether it is merely administrative.

I have on my desk this morning a letter from a gentleman who is not in my district, who asks about the operation in another county which is not in my district. He wants only an opinion. He owns five farms. He lives in the city of Fort Worth.

He says:

I rent those farms as I have always rented them on the basis of one-fourth on cotton, one-third on feed to the landowners. I have rented them that way for many years, but when we found we were going to have the feed grains program, I realized that some of my renters would not go into that, and if they did not go into it, then I could not receive payment from the Government from any of those farms.

He means because of the regulation.

Mr. JAENKE. There is one other provision. We are getting into a detail of program regulations that I would like to have an opportunity to check into and to correct the record on if there is any mistake in it.

Mr. POAGE. It seems to me that it is working wrong at the present time. We do not want to perpetuate something that is working wrong.

Mr. JAENKE. Right.

Mr. POAGE. That man is right in saying that if a third and fourth farmer like his renter refuses to go into the program he, the landlord, cannot ordinarily make him go into it, except by threatening to displace him next year.

At least the way many of us rent land, a tenant can put in what he pleases. One man may say, "I am not going to go into that program," whereas he may have three or four other tenants who want to go into the program.

As I understand it, if they went into it, that man will receive no payments whatever on any of these farms, because tenant A refuses to go in the program.

Mr. JONES of Missouri. Will you yield there?

Mr. POAGE. Yes.

Mr. JONES of Missouri. I had a discussion with someone in the Department along that same line. It was my information at that time where this landowner had given these tenants the right to make their own decisions, that they would be treated as separate farms, and that this thing that Mr. Poage spoke of occurring would not occur.

Is that not the policy of the Department?

Mr. JAENKE. This is what I was about to say in answer to the chairman's question. I would want to check it to be positive, but I believe the regulation reads just as Congressman Jones has suggested.

In addition, there are provisions in the case of a jointly owned farm whereby if one of the owners of the farm cannot get to his coowner—if they have made every possible effort to get the other owner's consent and that of other parties to get into the program, and they cannot do it, the county committees and the State committees have authority to make an exception to the rule. I would like to check it.

Mr. POAGE. I wish you would. I think it can work a grave injustice. At least in our section, most of the rented land is handled on one-third and one-fourth basis. This particular individual went so far as to change his rental contract in April, 5 days before the bill was passed, to make it a cash deal with one particular renter who wanted to go into it, where the others did not want to go into it—four of the five did not want to go in. So he rented the land on a cash basis.

The county committee said: "You did that fraudulently, because you knew this bill would be passed."

He said that he did it because conditions had changed since he and the tenant made their first agreement, and they changed their contract to make the new agreement. I do not know of any law that prevents people from changing their contracts if they mutually agree on changing it. He says they mutually did agree on this. He let the tenant pay him cash.

The cash renter can do as he pleases with the land, but the county committee said to the landlord: "You cannot draw anything on this

farm because you have four other farms where you are not doing that."

Something must be done; otherwise we will tie up a lot of farms and make it impossible for those farms to participate in the program. I am not suggesting just what must be done.

Mr. LATTI. Will you yield?

Mr. POAGE. Yes.

Mr. LATTI. I had the same trouble in my district. I called the Department about one farmer who owns several farms. He has several tenants. This thing that Mr. Jones has talked about never came up at all, even though some of these farmers wanted to go into the program. I do not understand why they should keep them out, if they are trying to get them into the program.

Mr. JONES of Missouri. The thing about it, I think, is this: I think you have to go back to the history as to whether this landowner has been exercising control over this tenant, which is a different situation from where the landowner has permitted the tenant to make the decision. I think that would be the difference.

I do not think we want to set up a situation where we give the landowner, who has many farms, an opportunity to select the best farms for certain things, and then let the Government take the poor farms, whereby they try to take advantage of the Government.

I know that when I talked with the Department, they told me that if he had the privilege of exercising his own judgment on this, and it was not dictated by the landlord, that would be held as a separate farm. And I think that is the way it should be. I think that is the way the committee intended it to be.

I think you can see why the Department would not want to make a special case of a fellow who says, "because I own separate farms," that he is exercising control, just like his own, as in the soil conservation program, where he would take out his worst land and then collect on the basis of his best land.

I think the Department has done a pretty good job in making the determinations.

I do not know about the case that Mr. Poage was taking about, charging the man with fraud. I would be inclined to think that there were some other mitigating circumstances that might have caused the committee to take the position it did.

Mr. HARVEY. What is the policy along this line right now?

Mr. POAGE. Would you answer that?

Mr. JAENKE. The controlling rule is the definition of a farm. It permits the use of an exception for this particular program to solve part of these problems that came up. Secondly, as I indicated before in the case of joint ownership, in order to prevent one from being locked out of the program, if he has made every possible effort to get his coowner, such as his sister in another State, to participate in the program and maybe cannot communicate with her, and he can show to the satisfaction of the county committee that fact, then he would not be excluded from coming into the program.

Mr. HARVEY. I might follow that up very briefly. In other words, you do not actually have a hard and fast policy. I suppose that you are trying to use commonsense and the best of your ability in interpreting these various situations, what you think is the best way to handle them.

Mr. JAENKE. We have tried that. The problem came up in the cases indicated by Mr. Poage and Mr. Latta, where one person has owned four or five farms with different operators with different plans for operating. We had to provide some degree of flexibility in order to keep from locking one out or forcing all of them in.

Mr. JONES of Missouri. However, where you had multiple ownership of farms, you have permitted some farms to come in and some to be kept out where the tenant was making the decision as against where the tenant was not.

Mr. JAENKE. Where it was not being forced on him.

Mr. JONES of Missouri. Yes. I think that is important.

Mr. POAGE. I want to make it quite clear that I am not saying they are wrong in what they are doing, except we must have some way in which these men who own multiple farms can participate. There must be some way by which it can be done. We do not want to keep people from participating. Otherwise, we will not do the good that we want to do.

This instance I have reported this morning is of a man whom I do not know—he does not live in my district, and the farms are not in my district—and I do not know the facts. I do not know his county committee, either, but I do know that if the situation is as he describes it, then you have a bad situation. But if that is the situation, we should make provision for that.

Mr. SHORT. Mr. Chairman, I think a consideration that comes into the picture here is the old-established provision in the law in regard to compliance with quotas. You have to clarify the difference between quotas and a price-support program.

Under the feed grains program we are dealing with a price-support program and the criteria of eligibility for price supports.

Under the wheat program, for instance, you are dealing with a situation where the crop is subject to quotas.

I think long ago they established in the Department of Agriculture—maybe it is written into the law—that if an owner who has several tenants is out of compliance with quotas on wheat production, for example—and I suppose this would be true of cotton and corn, et cetera—that all of the farms shall be construed as being out of compliance. In other words, to put it in the reverse, if you are out of compliance with your quota on one farm, you will not be permitted to be eligible for price supports on the other farm.

Is that not one of the differences here?

Apparently in administering the feed grains program they have attempted to apply this principle, assuming that this farmer who did not participate in the feed grain program was out of compliance. They were not technically out of compliance because there were no quotas involved—but they were just not participating in the feed grain program.

Mr. JAENKE. What we have tried to avoid is the case of a person having control of two farms and coming into the program on one farm and then going over on the other farm and producing an even greater amount of feed grains and defeating the purpose of the program.

Then we have the case of the management company in the Midwest which has 25 or 26 or more farms under its control. We had to pro-

vide flexibility whereby each and every one of those farms did not have to be in the program, since it was voluntary, in order for any of them to be eligible to retire their land and get price support.

Mr. LATTA. I would like to come back to this statement of Mr. Jones we were talking about before.

If you have a farmowner with five farms, all of them are not going to be of the same productive capacity. The argument is that the farmer would put his least productive farm in the program and his more productive farm he would leave out of the program.

It seems to me that if the Department were administering the law as it was intended to be administered, we would not have this problem at all, because this farm that was the least productive would be getting paid on the basis of its past production.

So this question just does not come into the picture, actually. Do you agree with that?

Mr. JAENKE. What you say is correct.

Mr. LATTA. Assume that you have a farm with 50 bushels per acre in 1959 and 1960, farm A, and that landlord and tenant are in agreement that it should be in, whereas on four or five other farms they have 100 bushels to the acre. They are not going to take those farms. And you should not pay that farmer on farm A on the basis of 100 bushels per acre, on a farm that only produces 50 bushels per acre.

You just pay him on the basis of 50 bushels per acre.

Mr. JAENKE. That is right.

Mr. LATTA. The question that Mr. Jones raised is just not of any importance when it comes to making up this program.

Mr. JAENKE. It is, though, if you follow the initial rule that every farm must be in compliance in order for anyone to be eligible.

Mr. LATTA. There is no question about that—that everyone has to be in compliance. The only question that I see involved here is whether or not the landlord has any control over this contract so that he can force the tenant in or out.

Mr. JAENKE. Yes, I follow you.

Mr. LATTA. Where the landlord has no control over the tenants, and they can make the choice whether they want to go into the program is another question. Whether that discretion is with the tenant or the landlord, it seems to me, is the question. It is not a question of whether he has the poor or the better farm in the program. We will pay him on the basis of the production of the farm.

Mr. JONES of Missouri. Let me point out one other thing, Mr. Latta. You have some people who say, "I do not want to cooperate with the Government program. I have never accepted a dime," and they do that as a matter of principle. And they will not go into it.

By that position which the man takes, the other four farms are being penalized and prevented from going into the program, because this man says, "I will not go in."

Mr. LATTA. You may be right.

Mr. JONES of Missouri. That is what we are talking about here. I think the thing we always overlook is this: We are criticized about decisions that are made—I think that we are all intelligent enough to know that it will not benefit any one of the administrators of this program, either at the State or local level, as to whether the man goes

in the program or does not go in the program, and that nobody is trying to penalize the man to do it.

We always proceed on the theory that somebody has an ulterior motive in trying to operate a program, and that we are doing this as a personal approach to the farmer.

I think it certainly does not make any difference to the man at the county level as to whether this man does it. They are trying to do a job. I am sure they are trying to be fair.

I get letters, and I am sure that you do, from people who say the county committee does not like him and they are not giving him what he is entitled to. I do not go along with that at all.

Mr. LATTI. You mean you do not go along with any of those statements, but that the county committees are all right and these people who make the complaints are all wrong?

Mr. JONES of Missouri. I would say that in the majority of cases the county committee is right and the fellow who makes the complaint is wrong; yes.

Mr. POAGE. There is one more item I would like to ask about. We hear a good many complaints, particularly from the dry area. My State is still dry. Some of it has had a good rain in the last few weeks.

In those dry areas, the grasshoppers have become a terrible problem. They always become a problem in our part of the country in dry years.

The grasshoppers always develop in those unkept areas of land. What should we do about it?

If the land is unkept, it will produce grasshoppers; it may also produce rodents; it may also produce in some areas coyotes and that sort of thing. Certainly we get infestation of grasshoppers, and you may get infestation of other insects as a result of this situation.

Is there anything that we can say to answer the farmer who asks, "Why is Bob Poage putting his land in retirement and just eating me up by doing it? If he were farming that land, I would not have lost this crop." What do we say to that man?

Mr. JAENKE. We would want to see if there is some way of eliminating the grasshopper problem by itself, instead of bringing it into the feed grains program.

Mr. POAGE. The point is that this always aggravates the problem. Of course, the worse it gets, the more bitter the neighbors become about it.

Should we require some kind of clipping of this land? You cannot graze it. And I understand why we do not want it grazed. You cannot turn sheep into it, although they would cut this weed and rodent problem down. You cannot do that. The only thing you can do with it is to clip it with a mower. Should we require something of that kind for the protection of the neighbors?

Mr. JAENKE. I would like to take a real careful look at this and see what can be done. I am sure that it would vary from section to section.

Mr. POAGE. I would call your attention to the fact that it is a problem. And we are not doing justice to some neighbors by it.

Mr. LATTI. Will you yield there?

Mr. POAGE. Yes.

Mr. LATTI. I have had the same problem in my district; that is in part of it. I contacted the gentlemen from the Department. We had a complaint from a fire department in a little village. They wanted the farmers to cut the dry grass.

I agree with you, that it is a problem.

Mr. POAGE. Are there any further questions?

Mr. QUIE. I would like to follow up what we discussed the other day, that is, how you calculated the yield on these farms.

Will you explain that to us again?

Mr. JAENKE. Yes, sir.

The AMS yield and production information for the particular county in question was obtained. Adjustments were made for overall abnormal weather conditions, such as drought, et cetera, if it applied to the entire county.

Then productivity indexes were established for each farm. The committee took into consideration the indexes established initially, I think in 1957, under the soil bank program. These were then applied to the county average yields.

To take an example, if the county average yield was 50 bushels per acre and the farms in the county ranged on the updated 1959-60 productivity index from 75 to 135, each farm was assigned a normal yield for 1959-60 by multiplying the county yield by the farm index.

Mr. QUIE. How much of a variation was there between the farms?

Mr. JAENKE. It varied a great deal depending upon conditions in the county. In many counties it would range from 65 to 175 or thereabouts. In other cases we found that there was a tendency—of which I know you are aware—for a smaller range.

We repeatedly urged—in messages and telegrams which went out to the State people—urging the farmer-elected county committees to do everything possible to have productivity ratings which reflect the true differences. If all the farms in a county were nearly equal and therefore are all within the 90 to 110 range, that is fine, but if they are not, they were instructed to go back and look at them again.

The State committees reviewed the indexes. If, in the judgment of the State committee they did not seem to reflect what they should, they would send them back out to the county committees and ask the committees to review them again to see if they were really reflecting the relative productivity of the different farms in the county.

Mr. QUIE. Where do you feel you got the authority to do this, as to this expression, "average yield"—this yield for the year 1959-60?

Mr. JAENKE. There was no individual farm yield data for 1959-60, as you know. We did have the productivity index which had been established for soil bank farms. These had been developed through a process of appeals and reviews 2 years prior. They were used by county committees as they established an index for 1959-60, and reflected, as nearly as it was possible to reflect, the actual conditions in 1959 and 1960. They were sent out to the farmer. He then had the opportunity, if he thought there was an error, to appeal.

Mr. QUIE. How did he find out what the yields were in 1959 and 1960 in order to determine each farm index, or how did you find that out?

Mr. JAENKE. The Department's AMS—Agricultural Marketing Service—with the State statisticians, gather each year, crop estimates

and actual yields as to the different crops in the State or in the county.

Mr. QUIE. These are county averages?

Mr. JAENKE. Yes, sir. The productivity indexes were used by the community and county committees in arriving at individual farm indexes.

Mr. QUIE. How did they find out about the particular farm?

Mr. JAENKE. The county and the community committees made this review.

Mr. QUIE. They estimated it from their knowledge of the farm?

Mr. JAENKE. Or from discussion with the particular farmer when they visited with him. These are the community committeemen, right down the lane from him.

Mr. QUIE. How did they do it? Did they go and talk to each farmer and sit down with him, or did they do it from memory as to how they felt the farm produced to determine it, that is, the yield?

Mr. JAENKE. It would vary in different counties and communities.

In my home county they actually went out and talked to the people. When they were gathering the acreage data, they actually talked to the people with regard to the particular yield.

Mr. HAGEN. Will you yield?

Mr. QUIE. Yes.

Mr. HAGEN. What advantage was accomplished in using averages, because you had to arrive at a figure for each farm—at least for those farms which were protested?

Initially it was the average production on that farm. Why did you not get that, or did you fear the possibility of the county committeemen coming together and raising the average for the whole county?

Mr. JAENKE. No, the county committeemen had the AMS average yield figures for that particular county. This was then the basis on which they started rating the relative productivity of the different farms in the country with the productivity index.

Mr. HAGEN. What I am asking is, Where do you save any time or effort by that? You have to actually rate every farm with this average.

Mr. JAENKE. No, the productivity index accomplishes this.

Mr. HAGEN. The amount is not the same for every farm.

Mr. JAENKE. No.

Mr. HAGEN. You were saying that every farm is exactly average or up or down from an average—you have to make a determination in the case of every farm.

Mr. JAENKE. The productivity index was established and updated to reflect each farm's production in 1959 and 1960.

Mr. HAGEN. That is the whole thing?

Mr. JAENKE. Each individual farm is rated with an index. So if, for example, both farmers in the same county, one farm might have a productivity index of 125—

Mr. HAGEN. That is right.

Mr. JAENKE. And another might have a productivity index of 105. Thus, if the county average yield is 100, the yield on one would be 105 and the other would be 125.

It is a method whereby you can relate the county average yield figures to the individual farms.

Mr. HAGEN. I may be dense or something, but I still think you are making the determination on an individual farm basis, so what value is the county average?

Mr. JAENKE. The productivity index had been established.

Mr. HAGEN. For each farm?

Mr. JAENKE. For each farm and had been checked and reviewed under the system of appeals. This had taken place just 2 years prior to this.

There were cases where significant changes had occurred since then and here the particular index was adjusted. In other cases there had been an overall increase in the yield, and that could be adjusted into the productivity index but for each and every farm this had been indicated.

Mr. HAGEN. Was this in just one case, or for corn and sorghums both?

Mr. COFFMAN. The productivity index was developed not in respect to corn and grain sorghums, but a formula which had been worked out, based on the productivity of the land as compared with other farms in the county. It had been done, actually, for purposes of the soil bank.

Mr. HAGEN. That is the point. It might not be good for grain sorghums. It might be good for corn.

Mr. QUIE. It was developed for the acreage reserve program for corn?

Mr. COFFMAN. There was one developed for that, too, I believe, in 1958, but also one had been developed for the conservation reserve program.

Mr. QUIE. How could that be in the conservation reserve—you do not take particular crops out in the conservation reserve; you take out acres.

Mr. COFFMAN. You establish how productive the farm is in the crops that are grown in that area. That is what the index reflects. Then when you have the county average yield for the corn and grain sorghums, one way of breaking that down to the individual farms is on the basis of their relative productivity.

Mr. QUIE. It seems to me that the only way that you could find out the accuracy of the index in 1957 is with the farms that complied with the acreage reserve that had appealed or accepted the figure which was given. You remember that in 1956 there were no appeals. In 1958 there was no appeal. In 1957 you allowed an appeal, if I remember it correctly, that is, the years correctly, in the 3-year program. So the farmers did not know, and the law said that it shall be the yield for 1959-60 on each farm.

Mr. JAENKE. In the case of determining these indexes, under the appeal and review proceedings in 1958, they looked at more than just those who had showed an interest in coming into the program. It was worked out for the entire area, for every farm in the county.

Mr. QUIE. But you do not know the accuracy of that?

Mr. JAENKE. No. Of course, I do not, and I am sure that no one else will say that this is perfect and that there is never a mistake. I think it is a most realistic method when you have 3 weeks to get a program into effect—I think it is the most realistic and sensible method of accomplishing the purposes of the law and it minimizes the inequities.

Mr. QUIE. I happened to look at the statement that was put out by the Department, which is USDA 1798-61; and for the State of Mississippi the preliminary base acreage on grain sorghums was 17,500, and then the base acreage on signed farms was 24,925.

How could there be more base acreage on signed farms than there was acreage in the State? When you run through it, you find that is true in South Carolina and in Kentucky the same way.

It makes me wonder how accurate the figures are, when there is more base acreage on signed farms than there is in the State.

I understand you increased the official figures by 5 percent for all of these, but I wonder where you got that authority.

Mr. JAENKE. In the case of acreage, we obtained from the farmers their history, what they said they thought they grew in the particular fields for their entire farm for 1959-60.

Mr. QUIE. That was just the acreage.

Mr. JAENKE. Yes.

Mr. QUIE. You never went to the farmer and asked him anything about the yields?

Mr. JAENKE. There was not a form to fill out to set down field X, over here I had 40 acres of this, and on field Y, no. No, sir; we did not do it on that basis.

Mr. QUIE. Nor was there any plan whereby the county ASC committeeman was contacting the farm in any way to determine what the yield was; is that correct?

Mr. JAENKE. Except as part of the review of the productivity index. There was no specific instruction that "You must interview every person in the area"; no, sir. It was an instruction to update and to make any appropriate changes in the productivity index and to discuss their acreages with them.

Mr. QUIE. That shows the inaccuracy of this, if that is the case.

Mr. JAENKE. Yes, sir; except it does not relate to the productivity index. The inaccuracy here, if any, can come initially in the AMS report on acreage in an area. There may be greater chance for inaccuracy with regard to the amount of acreage in the county than in terms of the yield of a particular county in a particular year.

Mr. QUIE. How could that be?

Mr. JAENKE. In determining production in the sorghum part of the country or in the corn country, the AMS reporters will check with the marketing people in the area, the elevators, et cetera, and will find out at these more nearly centralized locations the production for the county.

In the case of acreage, there is no such exact way. AMS sends out post cards to certain farmers asking them to report the acreages. Then these records are checked and comparisons made. If there seemed to be an error in them, they were checked with the census reports, with the assessor reports in the local area, and otherwise to try to find any particular errors.

We did find, in one or two instances, where there were significant errors. On the whole, they reflected very well what the acreage was in the area.

Mr. QUIE. These were cross-checked, but not with every farmer?

Mr. JAENKE. They were checked in the particular county area, and the particular farm.

Mr. QUIE. It was cross-checked. The questionnaire was not only as to the acreage, but as to the yield. If you were a farmer and you get a form to fill out, what can you most accurately fill out on corn or sorghums, the number of acres or the yield that you received per acre?

Mr. JAENKE. I think it would depend upon the area of the country you were in. In rolling country, where the fields are not perfectly square, it is very difficult to determine exact acreage. In certain areas where the fields are laid out on the square, of course, it would be very easy.

Mr. QUIE. You have farmers in hilly country?

Mr. JAENKE. There are farmers in hilly, rolling country.

Mr. MCINTIRE. Will you yield?

Mr. QUIE. Yes.

Mr. MCINTIRE. Did I understand correctly, Mr. Quie, that the AMS reported the estimate of the total acreage as being 17,000 and then stated that the base acreage was 24,000?

Mr. QUIE. Yes.

Mr. MCINTIRE. If I understand your observation, you stated that the AMS figures are in error, and certainly it is possible that they may be, in some instances. But are you also saying that in view of the fact that there is error in these AMS estimates of acreages, which are the basis of crop reporting and also the basis of estimated production of the crop, there is also a factor of error in the estimate of how many acres were planted to a crop in estimating production on these reports from month to month? Are you saying that there is this factor of error in the crop reports?

Mr. JAENKE. I say that the AMS reports, being an inexact reporting method, are not precise measurements of acres or of yields. These are estimated figures and are subject to error. And the smaller the unit, the division, the greater the chance of error.

In other words, on a national basis, I think you have the highs and the lows which tend to wipe each other out in the average. When you get to a county, particularly a small county, that high or that low is more significant.

AMS reports are not exact figures. They are estimates, and as such, they are subject to error.

Mr. MCINTIRE. Would you say then that the factor of error for establishing those figures is the reason for the difference of estimate here?

Mr. JAENKE. I would think not. I don't think this is indicative of the other figures. I am not aware of the reason for this particular one. I will check and find out.

In other cases I do not think you will find there will be such a wide discrepancy.

Mr. MCINTIRE. Thank you.

Mr. QUIE. What was your reason for the big difference in Mississippi?

Mr. JAENKE. I do not know the specific reason for it. I will be happy to check and provide for the record what the facts are.

(The information referred to follows:)

The 17,500 acres entered on the 1961 feed grain program progress report as of June 2, 1961, "Preliminary Base Acreage" for grain sorghums in Mississippi represents the official AMS estimates of the 1959-60 average acreage of grain

sorghums harvested as grain and does not include sorghums of a grain or dual-purpose variety harvested as silage or fodder. The "Base Acreage of Signed Farms" represented the 1959-60 average acreage on which grain sorghums of a feed grain or dual-purpose variety were planted for harvest as grain, silage or fodder as reported by the individual producers. Thus, the sorghum base acreage on signed farms in Mississippi is not inconsistent with the grain sorghum base acreage.

Mr. QUIE. What will be the price support level on some of these commodities next year? Do you think they will move upward or stay about the same—on corn, grain sorghums, barley, et cetera?

Mr. JAENKE. The determination of the price support is a policy decision of the Secretary. It is normally not made this far in advance of the new crop year, as you know. I would not be able to speak definitively and exactly with regard to the price support level of next year in the case of these commodities.

Mr. QUIE. Do you think you can still plan on supporting grain sorghums at a percent of parity higher than corn?

Mr. JAENKE. The grain sorghum support rates were in terms of the feeding value equivalent of that grain, bringing it more nearly in line with corn.

Mr. QUIE. Seventy-eight percent for sorghum and 74 for the other?

Mr. JAENKE. This works out to be roughly 95 percent of the feeding value equivalent of corn.

Mr. QUIE. Are you going to continue to do that?

Mr. JAENKE. I would think that any change in the price support level would be related to all grains, as the law requires.

Mr. QUIE. Do you have the figures of how much corn you have sold under section 407?

Mr. JAENKE. We have those figures. I do not have them with me this morning. I can provide them for the record.

Mr. QUIE. Would you make those available?

Mr. JAENKE. Certainly.

(The information follows:)

Sales of corn by CCC under authority contained in sec. 407 of the Agricultural Act of 1949, as amended, based on operating records

Marketing year	Domestic bushel	Export bushel	Total bushel
1957-58.....	70, 565, 112	99, 261, 779	169, 826, 891
1958-59.....	141, 618, 548	58, 376, 511	199, 995, 059
1959-60.....	113, 227, 384	31, 180, 001	144, 407, 385
1960-61 ¹	143, 326, 550	59, 031, 672	202, 358, 222

¹ Through June 2, 1961.

NOTE.—Includes all export and domestic sales, with exception of donations.

Quantity of corn delivered for emergency feed assistance under sec. 407, of Public Law 439, 81st Cong., as amended

<i>Fiscal year ending June 30—</i>	<i>Bushels delivered</i>
1955-----	18, 766, 055
1956-----	4, 955, 329
1957-----	50, 807, 079
1958-----	1, 574, 477
1959-----	59, 674
1960-----	97, 282
1961 (through Apr. 30)-----	706, 280
Total-----	76, 966, 176

Mr. QUIE. Do you also have the same amount for last year? I would like to compare the figures, the same figures for last year.

Mr. JAENKE. If I might, Mr. Chairman, I should like to have permission to insert a table, which shows the out-of-condition sales of corn for the last 5 years in bushels, plus as a percentage of inventory at that particular time. I wonder if I might have permission to insert that as part of my testimony?

Mr. POAGE. Yes, you may have that permission.

(The information follows:)

Commodity Credit Corporation domestic corn sales by crop year

[Millions of bushels]

1956-57 crop year				1957-58 crop year				1958-59 crop year				1959-60 crop year				1960-61 crop year			
Period, week ending—	Total sales	Cumulative sales	Percent of cumulative sales to Jan. 1, 1957, inventory	Period, week ending—	Total sales	Cumulative sales	Percent of cumulative sales to Jan. 1, 1958, inventory	Period, week ending—	Total sales	Cumulative sales	Percent of cumulative sales to Jan. 1, 1959, inventory	Period, week ending—	Total sales	Cumulative sales	Percent of cumulative sales to Jan. 1, 1960, inventory	Period, week ending—	Total sales	Cumulative sales	Percent of cumulative sales to Jan. 1, 1961, inventory
1956 Oct. 5	1.3	1.3	0.1	1957 Oct. 11	0.7	0.7	0.1	1958 Oct. 10	3	3	0.4	1959 Oct. 9	2.2	2.2	0.2	1960 Oct. 7	1.9	1.9	0.1
Oct. 12	1.1	2.4	.2	Oct. 18	.6	1.3	.1	Oct. 17	2.4	5.7	.7	Oct. 16	1.6	3.8	.3	Oct. 14	1.6	3.5	.2
Oct. 19	1.2	3.7	.4	Oct. 25	.5	1.8	.2	Oct. 24	2.2	7.9	.9	Oct. 23	1.6	5.1	.4	Oct. 21	1.6	5.1	.3
Oct. 26	1.3	5.0	.6	Nov. 1	.5	2.3	.2	Oct. 31	2.6	10.5	1.1	Nov. 6	1.6	6.7	.5	Oct. 28	1.4	6.5	.4
Nov. 3	1.2	6.2	.8	Nov. 8	.5	2.6	.2	Nov. 7	2.6	12.3	1.3	Nov. 13	1.5	8.4	.7	Nov. 4	1.5	8.0	.5
Nov. 10	1.9	7.8	.9	Nov. 15	.3	2.9	.2	Nov. 14	2.2	15.0	1.5	Nov. 20	1.5	9.9	.8	Nov. 11	1.1	9.1	.6
Nov. 17	1.9	9.2	.9	Nov. 22	.3	3.2	.3	Nov. 21	3.4	17.2	1.5	Nov. 27	1.1	11.0	.9	Nov. 18	.8	9.9	.7
Nov. 24	1.4	10.8	1.1	Nov. 29	.3	3.5	.3	Nov. 28	3.4	20.6	1.9	Dec. 4	1.0	12.6	1.0	Nov. 25	1.1	11.0	.7
Nov. 30	2.3	13.1	1.5	Dec. 6	.2	3.7	.3	Nov. 28	1.1	23.5	2.0	Dec. 11	1.0	13.5	1.1	Dec. 9	.8	12.8	.8
Dec. 7	2.0	15.1	1.8	Dec. 13	.1	3.8	.3	Dec. 12	1.1	24.5	2.1	Dec. 18	.9	14.4	1.2	Dec. 16	.6	13.4	.9
Dec. 14	2.9	18.0	2.3	Dec. 20	.1	4.0	.3	Dec. 19	2.3	26.8	2.3	Dec. 24	.7	14.8	1.2	Dec. 23	.5	13.9	.9
Dec. 21	4.6	22.6	4.1	Dec. 27	.2	4.1	.4	Dec. 26	2.3	29.1	2.5	Dec. 31	.7	15.5	1.3	Dec. 30	.3	14.2	1.0
Dec. 28	2.3	24.9	2.5	1958 Jan. 3	.2	4.3	.4	Dec. 28	1.3	30.4	2.6	1960 Jan. 8	6	16.1	1.3	1961 Jan. 6	9	15.1	1.0
1957 Jan. 4	3.5	28.4	2.9	Jan. 10	.2	4.5	.4	Jan. 9	1.4	31.8	2.7	Jan. 15	8	16.1	1.3	Jan. 13	9	15.1	1.0
Jan. 11	4	32.4	3.5	Jan. 17	.5	5.0	.4	Jan. 16	2.0	33.8	2.9	Jan. 22	15	17.1	1.4	Jan. 20	1.1	16.2	1.1
Jan. 18	5.9	34.3	4.0	Jan. 24	.6	5.6	.5	Jan. 23	2.4	36.2	3.1	Jan. 29	15	18.3	1.5	Jan. 27	2.2	18.4	1.2
Jan. 25	4.7	39.0	4.4	Jan. 31	.5	6.1	.5	Jan. 30	2.8	39.0	3.3	Feb. 5	19	19.5	1.6	Feb. 3	3.2	21.6	1.5
Feb. 1	6.2	43.7	5.1	Feb. 7	.3	6.4	.5	Feb. 6	3.6	42.7	3.7	Feb. 12	5	20.7	1.7	Feb. 10	3.6	25.2	1.7
Feb. 8	9.1	49.0	6.0	Feb. 14	.2	6.6	.6	Feb. 13	4.4	47.1	4.0	Feb. 19	16	22.0	1.8	Feb. 17	3.8	29.1	2.0
Feb. 15	6.4	55.4	6.6	Feb. 21	.3	6.9	.6	Feb. 20	3.8	50.9	4.4	Feb. 26	19	23.6	1.9	Feb. 24	5.8	34.9	2.4
Feb. 22	6.5	61.9	7.3	Feb. 28	.2	7.2	.6	Feb. 27	3.6	54.5	4.7	Mar. 4	26	25.9	2.1	Mar. 3	6.8	41.7	2.8
Mar. 1	7.6	70.5	8.1	Mar. 7	.3	7.5	.7	Mar. 6	2.7	57.2	4.9	Mar. 11	23	28.2	2.3	Mar. 9	5.4	47.1	3.2
Mar. 8	8.6	85.1	8.6	Mar. 14	.3	7.8	.7	Mar. 13	3.8	61.1	5.2	Mar. 18	25	30.1	2.4	Mar. 17	5.1	52.0	3.5
Mar. 15	8.8	93.9	9.0	Mar. 21	.5	8.3	.7	Mar. 20	5.3	64.9	5.6	Mar. 25	22	32.2	2.6	Mar. 24	6.1	57.0	3.9
Mar. 22	9.4	103.3	9.4	Mar. 28	.3	8.6	.8	Mar. 27	3.5	70.2	6.0	Mar. 31	19	34.8	2.8	Mar. 30	8.4	63.1	4.3
Mar. 29	5.6	97.9	9.9	Apr. 4	.4	9.3	.8	Apr. 3	3.8	73.8	6.6	Apr. 8	18	38.7	3.1	Apr. 7	9.9	71.2	4.8
Apr. 5	5.6	103.5	10.5	Apr. 11	.7	10.0	.9	Apr. 10	3.8	80.4	6.9	Apr. 15	22	41.5	3.4	Apr. 14	8.4	80.6	5.5
Apr. 12	5.1	108.6	11.0	Apr. 18	.4	10.9	.9	Apr. 17	4.2	86.6	7.2	Apr. 22	33	44.9	3.6	Apr. 21	10.6	89.5	6.1
Apr. 19	4.4	113.0	11.5	Apr. 25	.6	11.5	1.0	Apr. 24	3.9	88.5	7.5	May 6	6	48.4	4.1	Apr. 28	9.6	100.1	6.8
Apr. 26	4.6	117.6	11.9	May 2	.3	11.8	1.0	May 1	3.4	91.9	7.9	May 6	6	51.1	4.1	May 5	7.5	109.7	7.5
May 3	3.8	121.4	12.3															117.3	8.0

Mr. QUIE. How do you propose to dispose of the grain that you now hold, with respect to the certificates? I believe that you redeemed one-half of the value of the certificates in cash—was it not something like \$339 million?

Mr. JAENKE. Yes.

Mr. QUIE. How do you plan on disposing of that?

Mr. JAENKE. Here again it gets into—

Mr. QUIE. That would be about \$600 million?

Mr. JAENKE. Since this is one-half, it would be about that in total. This is a question on which the Department has not made any official statement.

Mr. QUIE. Is there any plan of using these grains to hold the price down this fall, in order to induce more farmers into the feed grain program next year?

Mr. JAENKE. I personally know of no such plans.

Mr. QUIE. Would this bill enable you to pay cash or only to advance cash?

Mr. JAENKE. Well, under the existing program, we have cash or in-kind payments on the first 20 percent, and in kind only on the second 20 percent. This would authorize us to pay cash or in kind on all 40 percent or all acreage diverted, rather, than on just part of it.

It would extend the provision that exists on the first 20 percent to all of it.

Mr. QUIE. Have you paid any cash this year?

Mr. JAENKE. No.

Mr. QUIE. Do you intend to utilize the provision next year?

Mr. JAENKE. Well, it would offer a little greater degree of flexibility with regard to the program. We would not be in a position to market producer certificates at a time when it would be disadvantageous to the producers, and when the market might be very low. In other words, at this point, in looking a year and a half ahead, it gives a greater degree of flexibility to have the provision we have requested, as opposed to the mandatory payment-in-kind provision.

Mr. QUIE. What kind of regulation have you set up to give the farmer the privilege to merchandise his own certificate?

Mr. JAENKE. The farmer has the option. When he gets his payment-in-kind, he has the choice of using it to redeem a loan on his own grain, taking it to his local elevator operator, or anyone else, and taking the grain actually. In addition he can ask for delivery from the Commodity Credit Corporation or ask us to market the certificate for him. These are the ways of handling it.

In other words, what I am saying, sir, is that they have these alternative ways.

Mr. QUIE. Have any of the farmers turned any certificates in for grain yet?

Mr. JAENKE. Yes.

Mr. QUIE. They have?

Mr. JAENKE. I think this press announcement indicates how much. Through June 2—I am quoting from the same press release that you mentioned before, USDA 1798-61—

Through June 2, farmers had used \$289,898 worth of certificates to purchase from CCC 281,332 bushels of corn, \$1,869 worth to buy 2,803 bushels of barley, \$278 worth to buy 497 bushels of oats, and \$2,183 worth to buy 1,385 hundred-weight of grain sorghum, all from quantities that had been under price support loan.

Mr. QUIE. Were any of these certificates sold to the elevators, who in turn redeemed them?

Mr. JAENKE. It could be. I do not think it would be in this particular figure here. The next part of that paragraph indicates the farmers had received so many bushels of CCC-owned corn.

Mr. QUIE. You are talking about two different things in those sentences, are you not?

Mr. JAENKE. I am not sure whether that particular figure, that is, the first sentence in that paragraph, includes all certificates, including those for which he requested CCC to be his marketing agent. I believe these figures only show the quantity and value of certificates used to redeem loans; that is, the figures that I read would be in answer to your question. Where the farmer has taken it to the merchant himself or where he has asked us for that help, he has that opportunity.

Mr. QUIE. Will you clear this up for me, then? One, what is the value of certificates turned back to the Commodity Credit Corporation for an advance in cash; two, the amount sold to elevators; and three, the value redeemed in grain? That will be helpful. Will you supply that for us?

Mr. JAENKE. We are, in compliance with section 4 of the act, preparing a complete report for the Congress due on June 22. I am sure that from the information we gathered for that report I will be able to provide the information you are asking for here.

We will do that.

(The information follows:)

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 21, 1961.

The PRESIDENT OF THE SENATE,
U.S. Senate.

DEAR MR. PRESIDENT: Submitted herewith is a report on the 1961 feed grain program, as required by section 4 of Public Law 87-5, 87th Congress, 1st session, approved March 22, 1961:

"Not later than 90 days after the effective date of this act, the Secretary shall submit to the Congress a detailed report, including estimates where final figures are not available, setting forth but not limited to the number and percent of cooperators under this act, the acreage retired from production by States, the cash payments made, the quantity and kind of feed grains made available under the payment-in-kind provisions of the act and the value thereof, the overall cost of the program, the estimated savings compared with the program in effect before this act became effective, and such other information as will indicate the progress, cost, and reduction of surpluses under this act."

This report is largely based on the latest data available from the field. Since the period between the closing date of sign-up and the submission of field reports has been brief, it has been necessary to make a number of estimates. For this reason, the data in this report must be considered preliminary, and the full effects of the program will not be known until some time after harvest.

Nevertheless, the enthusiastic response of farmers to the new feed grain program indicates that the objectives of the program will be achieved. This response also demonstrates that farmers are interested in supply adjustment programs—which would be possible under the proposed Agricultural Act of 1961—and in continuation of the 1961 feed grain program for the 1962 crop.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary*.

BACKGROUND INFORMATION

In February, a committee of feed grain farmers met with representatives of the Department and fashioned a feed grain program. It was an emergency program, developed under the pressure of planting deadlines. It was designed to increase farm income, to prevent further buildup of the feed grain surplus, to reduce ultimate feed grain program costs to taxpayers, and to help assure consumers of fair and stable prices for meat, poultry, and dairy products.

On March 22, legislation authorizing the program was enacted and Department officials left that evening to carry the program to State ASC committees. Within 3 days every State committee in the Nation had been informed on program provisions. In record time, the State and county committeemen carried the story to producers. Although planting was already underway in Southern States at that time, sign-up by June 1 exceeded expectations and justified the action of Congress in giving farmers the opportunity to cooperate together toward solving the feed grain problem.

The legislation provided for a 1-year voluntary program that called upon producers to reduce their 1961 corn and feed grain acreage 20 to 40 percent below the average of 1959 and 1960 acreage. Price support for feed grains was raised to the following levels: Corn, \$1.20 per bushel; grain sorghums, \$1.93 per hundredweight; barley, 93 cents per bushel; oats, 62 cents per bushel; and rye, \$1.02 per bushel. In order to be eligible for the higher price supports, producers are required to reduce 1961 acreages by 20 percent of the 1959-60 corn and grain sorghum acreages. Producers who do not elect to participate are not eligible for price support on any of the feed grain crops.

To maintain income for farmers reducing their acreages of corn and grain sorghums, payments are made in certificates redeemable in kind from feed grains in CCC inventory. Payments compensate farmers for carrying out approved conservation practices on the retired acres. Cooperators who wish to receive the cash equivalent of grain may ask CCC to act as their agent in marketing their certificates. As agent for the producer, CCC advances the payment to the producer in cash through county ASC offices and subsequently markets the grain. Half the estimated total payment for a farm was offered to the producer as soon as he signified that he would cooperate in the program.

For retiring acreages equal to 20 percent of their base, producers are eligible for a payment equal to 50 percent of their normal production on their diverted acreage times the county support price. Actual payment computation is based on a payment rate per acre for the county multiplied by the acreage diverted and by the farm's productivity index. Such index reflects the farm's 1959-60 average yield, relative to the county average.

As an added incentive, the program provides for further reductions at a higher payment rate. This additional reduction can be any amount up to 20 percent more, and the higher rate is based upon 60 percent of the 1959-60 average yield.

The program also provides an inducement to farms with small base acreages to participate. Where the minimum reduction of 20 percent amounts to less than 20 acres, the producer may elect to divert for payment either the actual computed minimum or up to 20 acres. In addition, he may divert another 20 percent. Therefore, farms having a feed grain base of 25 acres or less may retire their entire base acreage and receive compensation.

Producers who participate in the program are required to devote the acreage diverted from corn or grain sorghum production to conserving uses. This is in addition to the average 1959-60 acreage devoted to soil-conserving uses of the farm. Diverted acreage cannot be harvested or pastured, except under special conditions in designated disaster areas.

Producers are eligible to receive price support for feed grains even though they divert acreage to the production of castor beans, safflower, sunflower, or sesame. They will not, however, be eligible for program payments on such acreage.

LIMITATION OF THIS REPORT

The requirement, that submission of this report be made not later than 90 days after enactment of the authorizing legislation, limits its preparation to the use of data which could be obtained from the field in the short time since the closing of the sign-up. Consequently, a complete and final appraisal of the effects of the program is impossible at this time. This is true because some participants might change their intentions between sign-up and harvest time, and nonparticipants may increase their acreages of these crops. These changes would effect total harvested acreage. Even if participants plant and harvest exactly as intended on the day they signed up and nonparticipants plant about the same acreage as they did in 1960, production will be materially affected by weather. Since these are variables, estimates of production, carryover, CCC activity, and program costs cannot be accurately determined at this time. The full effects of the program will not be known until well after harvest.

Total reduction in inventory and CCC costs depend on what happens to feed grain production, but no official production estimates will be available until after July 11, when the midsummer crop report is released. Lack of official estimates, therefore, constitutes a limitation on appraisals of program results.

PROGRAM RESULTS

The results of the program, based on the most recent data available, indicate that the program will be highly successful. Pertinent data regarding aspects of the program requested in section 4 of the legislation are provided in a series of tables in the appendix. These data and the conclusions drawn are discussed in this section of the report.

Farmer participation

Nearly 1.2 million farms were signed up for participation in the 1961 program. This represents close to 42 percent of all farms with base acreages of these two crops. The number of farms, as a percentage of those producing corn and grain sorghums, varies by States, as shown in table 1. The largest percentage participating is in such States as North Dakota, Nebraska, Kansas, Missouri, and Iowa.

Of greater significance, however, is the total 1959-60 base acreage on farms participating in the program. These participating farms have about 56 percent of the 1959-60 adjusted corn base acreage and about 75 percent of the 1959-60 adjusted sorghum base acreage. The percent of total acreages in the Nation and in individual States is shown in tables 2 and 3.

Acreage to be retired

As of June 1, producers signified their intention to retire about 26.7 million acres from the production of corn and grain sorghums. This represents about 25 percent of the U.S. total 1959-60 adjusted base acreage of about 108 million.

Farmers agreed to retire 20.1 million corn acres to conserving uses, representing about 23 percent of the 1959-60 adjusted base acreage of corn. As might be expected, much of the retired acreage is in the Corn Belt. Of the corn acres to be retired, approximately 2.9 million are in Iowa, 2.3 million in Illinois, 1.8 million in Missouri, 1.7 million in Nebraska, and 1.6 million in Minnesota (table 2).

Sorghum farmers have signed to put nearly 6.6 million acres into conserving uses. This is over 31 percent of the U.S. adjusted base acreage of sorghums. Of the sorghum acres to be retired, approximately 2.6 million acres are in Texas, 1.9 million in Kansas, 0.7 million in Nebraska, and 0.5 million in Oklahoma (table 3).

The acreage to be retired from feed grain production also represents a large percentage of the 1959-60 plantings on participating farms. For the United States as a whole, the figure is 41 percent for corn and 42 percent for sorghum acreages (tables 2 and 3). This high percentage indicates that most corn and grain sorghum farmers are retiring considerably more than the initial 20 percent required for price support eligibility. In fact, it indicates that many farmers are diverting the full eligible acreage including that eligible under the 20-acre provision. This enables farms with small base acreages to divert their full acreage. More than half the acreage signed up—13.8 million of 26.7 million acres—represents voluntary retirement beyond that necessary to be eligible for price support. The intended acres to be diverted as a percent of the base acreage is listed by States in tables 2 and 3.

Conservation payments (cash and kind)

As indicated previously, the acreages which will be retired for payment will importantly depend on farmers' actual compliance. Current reports from the field indicate that about 7 percent of the acres signed up to be retired will be planted. On this basis it is likely that around 18.7 million acres of corn and 6.1 million acres of sorghum grain will be retired for payment. Only a very small acreage retired is being devoted to the production of castor beans, sunflower, safflower, and sesame—approximately 12,700 acres, principally in California, Texas and Nebraska.

Assuming the retired acreages indicated above, total payment may be equal to approximately \$730 million. The final payment cannot be determined accurately at this time, and the figures given above should only be used as a rough approximation.

The legislation permits such payment to be made in cash or kind, including advance payments made at signup time. However, under regulations issued, all payments are being made through the issuance of certificates redeemable in kind.

Total advance payments made through June 1 totaled \$265 million. Producers received cash advances and requested CCC to market certificates equal to \$241 million and redeemed, in grain, certificates equal to \$0.5 million. Of the certificates issued, producers have not requested CCC to market or redeem in kind certificates valued at approximately \$23.5 million.

Producers have, in the main, requested cash and are depending upon CCC to market the certificates. As of June 21, CCC has not disposed of any corn or grain sorghums to redeem the certificates received from producers. The Department, however, has announced that CCC will continue to offer grain sorghums, after July 1, for the summer period at about the current sales prices by selling CCC-owned sorghums represented by certificates issued under the 1961 feed grain program.

Table 4 shows, by States, the computed value of advance payments, value of certificates issued, and the extent to which such certificates have been redeemed by producers.

The majority of certificates exchanged for grain have been made by producers who redeemed corn under loan. The total quantity of corn redeemed by loan sales through June 1 amounted to 281,000 bushels valued at \$290,000. Details with respect to the quantity and value of certificates redeemed by commodities out of loan stocks and from CCC inventory stocks are shown in table 5 of the appendix.

Certificates held by producers may also be redeemed in CCC grain stored either in CCC bin sites or in commercial warehouses. The grain so redeemed is valued at the market price. Corn, oats, barley, and grain sorghums in CCC inventory will be eligible for certificate redemption as made available locally. While the certificates are negotiable, cash may be obtained only by those to whom the certificates are issued. When grain is accepted, redemption is made at the full value if presented to the county ASC office within 30 days of issuance. If submitted for redemption after the 30-day period expires, charges will be deducted from the face value of the certificate at the rate of one-twenty-fifth of 1 percent per day.

Production

The high participation in the 1961 feed grain program should result in lower feed grain production and assure the program's success in obtaining reductions in CCC stocks, increasing farm income, and assuring consumers of fair and stable food prices.

The combined production of corn and grain sorghums will be substantially below estimated requirements, and will make possible a reduction in carryover of feed grains. Such a reduction is in sharp contrast with effects of previous programs, when carryover increased consistently year after year. The extent of this reduction will depend, however, upon the number of acres to be harvested on participating and nonparticipating farms, the yields per acre, and the possible effect of reduced production on total utilization of feed grains. The full effect of the program on production—and the resulting effect on CCC activities—cannot be accurately determined at this time. The first official estimate of 1961 production will be announced on July 11 and will provide a basis, at that time, for determining the effect of the program on total stocks, CCC activities, and cost savings.

Another important goal of the program will be achieved in that it will increase 1961 farm income above that of 1960, although an important part of this achievement will depend upon the prices received by farmers for their 1961 production.

Overall program costs

The amount to be paid to farmers for retiring land from production is estimated now at approximately \$730 million, based on indicated acreage to be retired.

The total administrative expenses at all levels of operations which can be directly attributed to the 1961 feed grain program are estimated at about \$50 million. Some of the expense for this initial program provides information of continuing value if this same activity is carried on for subsequent crops, and such items would properly be prorated over more than the one program.

Estimated savings

In hearings on the emergency feed grain program on February 21, 1961, before the Subcommittee on Livestock and Feed Grains of the Committee on Agriculture of the House of Representatives, the Secretary of Agriculture stated that adding 600 million bushels to the feed grains in storage by continuing the 1960 program would involve outlays of \$1,562 million of which \$562 million might be recovered over a period of 7 to 10 years. He further stated that a land retirement program requiring payments of about \$500 million would avoid a large part of these outlays and that the resulting net savings to the Government would total about \$500 million.

This estimate was based on an estimated reduction in harvested acreage of corn and grain sorghums of approximately 15 to 16 million acres. With a total of 26.7 million acres actually signed up, and even after allowing for slippage due to acres that may be withdrawn from the program, and possible increase in acreage by noncooperators, it seems apparent that the reduction in actual harvested acreage will be somewhat in excess of early estimates. With this larger reduction in acreage, production would be expected to be reduced more than was anticipated and CCC stocks would be reduced by a greater quantity. Payments for land retirement will be larger than contemplated in the early estimates, but it is expected that the increase in savings in carrying charges which would have been ultimately incurred by the Corporation will more than offset the increase in land retirement costs. This is indicated by the fact that the carrying charges to ultimate disposition of corn and grain sorghums acquired by the CCC considerably exceed the average land retirement cost expressed in terms of cost per bushel at base-period yields on the acres signed up.

As indicated previously, an appraisal of final results can only be made after the 1961 crops of corn and grain sorghums are harvested and marketed.

TABLE 1.—1961 feed grain program—Extent of participation in 1961 feed grain program

State	Indicated total number of corn and/or grain sorghum farms	Number of farms participating in program	Percent of total farms participating	State	Indicated total number of corn and/or grain sorghum farms	Number of farms participating in program	Percent of total farms participating
Maine.....	946	44	4.7	North Carolina.....	169,422	54,019	31.9
New Hampshire.....	970	-----	-----	South Carolina.....	67,269	18,035	26.8
Vermont.....	3,880	85	2.2	Georgia.....	83,032	14,091	17.0
Massachusetts.....	1,911	13	.7	Florida.....	15,143	4,610	30.4
Rhode Island.....	291	1	.3	Kentucky.....	92,501	39,629	42.8
Connecticut.....	2,325	92	4.0	Tennessee.....	106,576	36,147	33.9
New York.....	41,206	16,092	39.1	Alabama.....	108,263	29,760	27.5
New Jersey.....	6,447	1,944	30.2	Mississippi.....	85,573	18,043	21.1
Pennsylvania.....	81,526	15,033	18.4	Arkansas.....	33,340	5,602	16.8
Ohio.....	147,795	61,047	41.3	Louisiana.....	33,045	5,302	16.2
Indiana.....	156,730	66,475	42.4	Oklahoma.....	50,838	22,906	45.1
Illinois.....	208,445	104,125	50.0	Texas.....	168,357	80,386	47.7
Michigan.....	96,664	34,351	35.5	Montana.....	2,815	1,662	59.0
Wisconsin.....	120,565	34,589	28.7	Idaho.....	6,486	446	6.9
Minnesota.....	126,995	63,810	50.2	Wyoming.....	2,168	538	24.8
Iowa.....	191,603	108,108	56.4	Colorado.....	17,758	8,089	45.6
Missouri.....	140,440	82,698	58.9	New Mexico.....	3,573	2,316	64.8
North Dakota.....	27,474	20,270	73.8	Arizona.....	2,529	1,202	47.5
South Dakota.....	61,376	30,272	49.3	Utah.....	2,145	691	32.2
Nebraska.....	106,827	76,362	71.5	Nevada.....	164	41	25.0
Kansas.....	121,606	84,428	69.4	Washington.....	3,289	1,156	35.1
Delaware.....	5,077	1,805	35.6	Oregon.....	2,806	1,113	39.7
Maryland.....	21,714	4,151	19.1	California.....	5,969	2,830	47.4
Virginia.....	66,471	15,332	46.4				
West Virginia.....	13,899	895	6.4				
				U.S. total.....	2,816,244	1,170,636	41.6

TABLE 2.—1961 feed grain program—Corn—Total base acres, base acres on participating farms, and diverted acres, by States ¹

State	Total base acres	Base acres on participating farms	Intended diverted acres	Percent base on participating farms is of total	Acres diverted as percent of—	
					Total base	Base on participating farms
	Thousand acres	Thousand acres	Thousand acres	Percent	Percent	Percent
Maine.....	11.0	0.5	0.4	4.5	3.6	80.0
New Hampshire.....	11.5					
Vermont.....	59.5	1.3	.9	2.2	1.5	69.2
Massachusetts.....	51.5	.2	.2	.6	.6	100.0
Rhode Island.....	6.0					
Connecticut.....	41.0	(²) 1.7	(²) 1.0	4.1	2.4	58.8
New York.....	662.8	315.6	190.3	47.6	28.7	60.3
New Jersey.....	188.2	68.8	38.8	36.6	20.6	56.4
Pennsylvania.....	1,286.7	271.4	167.4	21.1	13.0	61.7
Ohio.....	4,115.4	1,968.1	1,031.4	47.8	25.1	52.4
Indiana.....	5,481.2	2,994.5	1,377.9	54.6	24.4	46.0
Illinois.....	10,823.0	6,346.3	2,286.4	58.6	21.1	36.0
Michigan.....	2,315.4	984.6	550.2	42.5	23.8	55.9
Wisconsin.....	2,989.5	1,228.3	603.4	41.1	20.2	49.1
Minnesota.....	7,131.2	4,390.4	1,553.1	61.6	21.8	35.4
Iowa.....	13,118.3	8,592.5	2,921.4	65.5	22.3	34.0
Missouri.....	4,483.5	3,610.5	1,833.7	80.5	40.9	50.8
North Dakota.....	1,389.2	1,046.5	414.7	75.3	29.8	39.6
South Dakota.....	4,497.4	2,520.6	848.5	56.0	18.9	33.7
Nebraska.....	7,248.4	5,570.8	1,698.3	76.8	23.4	30.5
Kansas.....	2,142.4	1,532.9	654.8	71.6	30.6	42.7
Delaware.....	157.2	75.0	38.5	47.7	24.5	51.3
Maryland.....	522.7	161.0	79.1	30.8	15.1	49.1
Virginia.....	814.1	237.0	134.8	29.1	16.5	56.9
West Virginia.....	147.9	14.9	9.5	10.1	6.4	63.7
North Carolina.....	2,054.4	948.4	514.6	46.2	25.0	54.2
South Carolina.....	967.1	397.4	205.1	41.1	21.2	51.6
Georgia.....	2,880.0	756.5	322.2	26.3	11.2	42.6
Florida.....	632.3	275.9	120.8	43.6	19.1	43.8
Kentucky.....	1,860.9	941.6	577.5	50.6	31.0	61.3
Tennessee.....	1,663.4	716.0	446.2	43.0	26.8	62.3
Alabama.....	2,024.9	791.3	432.7	39.1	21.4	54.7
Mississippi.....	1,386.4	442.6	237.2	31.9	17.1	53.6
Arkansas.....	398.2	122.9	78.0	30.9	19.6	63.5
Louisiana.....	550.0	135.6	76.0	24.6	13.8	56.0
Oklahoma.....	276.7	92.7	58.7	33.5	21.2	63.3
Texas.....	1,514.2	783.7	342.6	51.7	22.6	43.7
Montana.....	110.4	83.8	39.8	75.9	36.0	47.5
Idaho.....	81.0	10.2	6.4	12.6	7.9	62.7
Wyoming.....	62.5	25.7	12.0	41.1	19.2	46.7
Colorado.....	481.4	247.1	103.8	51.3	21.6	42.0
New Mexico.....	46.0	8.6	4.5	18.7	9.8	52.3
Arizona.....	33.6	4.3	1.7	12.9	5.0	39.5
Utah.....	50.8	10.9	7.5	21.4	14.8	68.8
Nevada.....	4.5	1.0	.8	22.2	17.8	80.0
Washington.....	87.2	37.0	18.3	42.4	21.0	49.4
Oregon.....	65.0	25.8	15.4	39.7	23.7	59.7
California.....	141.6	77.9	34.1	55.0	24.1	43.8
U.S. total.....	87,047.5	48,870.3	20,090.6	56.1	23.1	41.1

¹ Preliminary.² Less than 50 acres.

TABLE 3.—1961 feed grain program—Grain sorghum—Total base acres, base acres on participating farms, and diverted acres, by States ¹

State	Total base acres	Base acres on partici- pating farms	Intended diverted acres	Percent base on partici- pating farms is of total	Acres diverted as percent of—	
					Total base	Base on partici- pating farms
	Thousand acres	Thousand acres	Thousand acres	Percent	Percent	Percent
Pennsylvania.....	9.7	1.2	0.8	12.4	8.2	66.7
Ohio.....	3.2	.5	.2	15.6	6.2	40.0
Indiana.....	18.7	11.8	5.0	63.1	26.7	42.4
Illinois.....	25.1	14.3	6.2	57.0	24.7	43.4
Michigan.....	(2)	(2)	(2)			
Wisconsin.....	.1	.1		100.0		
Minnesota.....	4.3	1.8	.6	41.9	14.0	33.3
Iowa.....	65.7	46.2	15.1	70.3	23.0	32.7
Missouri.....	552.3	493.2	228.9	89.3	41.4	46.4
North Dakota.....	.5	.5	.2	100.0	40.0	40.0
South Dakota.....	225.2	145.3	68.0	64.5	30.2	46.8
Nebraska.....	1,824.4	1,677.4	709.9	91.9	38.9	42.3
Kansas.....	5,709.8	4,720.3	1,874.4	82.7	32.8	39.7
Delaware.....	(2)	(2)	(2)			
Maryland.....	.9	.1	.1	11.1	11.1	100.0
Virginia.....	18.5	4.3	2.2	23.2	11.9	51.2
West Virginia.....	.2	(2)	(2)			
North Carolina.....	120.4	43.8	29.2	36.4	24.3	66.7
South Carolina.....	25.7	10.2	5.6	39.7	21.8	54.9
Georgia.....	34.7	19.4	9.5	55.9	27.4	49.0
Florida.....	6.9	2.0	1.4	29.0	20.3	70.0
Kentucky.....	54.6	34.1	26.5	62.5	48.5	77.7
Tennessee.....	53.2	30.1	18.2	56.6	34.2	60.5
Alabama.....	35.2	15.5	7.3	44.0	20.7	47.1
Mississippi.....	67.1	24.9	11.4	37.1	17.0	45.8
Arkansas.....	74.0	27.5	12.2	37.2	16.5	44.4
Louisiana.....	33.2	6.0	2.9	18.1	8.7	48.3
Oklahoma.....	1,626.9	949.3	476.2	58.4	29.3	50.2
Texas.....	8,890.8	6,347.8	2,608.8	71.4	9.3	41.1
Idaho.....	2.8	.2	.1	7.1	3.6	50.0
Wyoming.....	3.7	.8	.4	21.6	10.8	50.0
Colorado.....	721.8	596.5	241.6	82.6	33.5	40.5
New Mexico.....	499.0	284.9	105.2	57.1	21.1	36.9
Arizona.....	204.4	134.2	55.9	65.7	27.3	41.7
Utah.....	.8	.3	.2	37.5	25.0	66.7
Nevada.....	1.6	.1	.1	6.3	6.2	100.0
Washington.....	19.6	4.7	2.2	24.0	11.2	46.8
Oregon.....	.5	.2	.1	40.0	20.0	50.0
California.....	277.8	173.7	70.5	62.5	25.4	40.6
U.S. total.....	21,213.3	15,823.2	6,597.2	74.6	31.1	41.7

¹ Preliminary.

² Less than 50 acres.

TABLE 4.—1961 feed grain program—Estimated total value of advanced payments, certificates issued, cash advanced, and certificates redeemed in kind for corn and grain sorghum through June 1, 1961

[In thousands of dollars]

State	Computed total value of advanced payments	Value of certificates issued	Cash advanced	Value of certificates redeemed in kind
Maine.....	5.1	2.8	2.1	-----
New Hampshire.....	-----	-----	-----	-----
Vermont.....	5.1	4.1	1.7	-----
Massachusetts.....	3.4	-----	-----	-----
Rhode Island.....	-----	-----	-----	-----
Connecticut.....	16.1	11.7	11.4	-----
New York.....	3,025.0	3,025.0	3,024.8	-----
New Jersey.....	774.6	553.6	453.0	-----
Pennsylvania.....	2,938.5	2,856.7	2,832.8	-----
Ohio.....	19,099.8	12,060.2	9,511.3	3.6
Indiana.....	24,227.6	17,081.6	14,443.1	7.1
Illinois.....	39,589.3	25,034.5	22,590.1	2.8
Michigan.....	7,372.8	6,280.1	5,535.7	15.0
Wisconsin.....	10,302.0	8,009.5	7,249.8	67.3
Minnesota.....	21,136.0	20,074.2	19,247.4	5.3
Iowa.....	46,275.6	36,794.2	32,885.4	96.3
Missouri.....	31,511.8	29,002.2	27,548.0	242.3
North Dakota.....	1,793.5	1,631.1	1,431.8	2.8
South Dakota.....	6,878.1	6,508.4	6,088.5	12.8
Nebraska.....	29,489.6	19,187.3	15,151.3	24.9
Kansas.....	23,021.0	12,020.5	11,000.8	11.9
Delaware.....	572.5	537.0	497.5	-----
Maryland.....	1,182.6	1,055.6	940.1	-----
Virginia.....	1,891.1	1,853.0	1,850.3	-----
West Virginia.....	162.3	109.3	105.6	-----
North Carolina.....	7,684.7	7,593.4	7,538.6	-----
South Carolina.....	2,070.5	1,697.7	1,687.1	-----
Georgia.....	2,669.1	2,469.9	2,402.1	-----
Florida.....	1,106.4	1,085.4	1,085.0	-----
Kentucky.....	7,311.1	7,005.3	6,467.9	3.2
Tennessee.....	5,002.9	4,933.3	4,880.7	-----
Alabama.....	2,909.9	2,802.9	2,786.5	-----
Mississippi.....	2,572.2	2,225.4	2,219.9	-----
Arkansas.....	920.2	832.6	810.3	-----
Louisiana.....	861.9	844.0	842.3	-----
Oklahoma.....	3,178.8	2,630.8	2,503.5	-----
Texas.....	24,578.8	21,761.2	19,983.3	13.9
Montana.....	199.6	143.7	135.3	-----
Idaho.....	131.6	95.6	90.2	-----
Wyoming.....	152.4	129.6	125.2	-----
Colorado.....	2,437.0	1,932.4	1,743.0	-----
New Mexico.....	1,139.6	934.9	871.5	-----
Arizona.....	956.0	853.4	802.9	-----
Utah.....	79.1	47.9	35.0	-----
Nevada.....	9.0	-----	-----	-----
Washington.....	521.0	463.2	450.1	.6
Oregon.....	332.4	280.6	265.2	-----
California.....	1,713.1	1,026.1	922.5	-----
U.S. total.....	339,810.7	265,481.9	241,050.6	509.8

TABLE 5.—1961 feed grain program—Redemption of certificates by kind and value through June 1, 1961

Commodity	Redeemed from loan sales		Redeemed from CCC stocks		Total redemptions	
	Quantity	Value	Quantity	Value	Quantity	Value
	<i>Thousand bushels</i>	<i>Thousand dollars</i>	<i>Thousand bushels</i>	<i>Thousand dollars</i>	<i>Thousand bushels</i>	<i>Thousand dollars</i>
Corn.....	281.3	289.8	185.2	195.8	466.5	485.6
Barley.....	2.8	1.9	7.2	5.2	10.0	7.1
Oats.....	.5	.3	.5	.2	1.0	.5
Grain sorghums.....	2.5	2.2	14.8	14.4	17.3	16.6
Total.....	287.1	294.2	207.7	215.6	494.8	509.8

Mr. QUIE. The appropriation bill we passed had \$15 million to be used for administering the program. You had an estimate of \$20,500,000. How would that jibe? Are you going to have enough money to administer the program? Is it working out all right?

Mr. JAENKE. We do not feel the \$15 million will be completely adequate for carrying out the program. We are asking for \$20 million.

Mr. QUIE. In regard to the \$680 million, the value of the certificates, about how much will you be able to reclaim by selling the grain?

Mr. JAENKE. I would have no estimate. If you sold it all, you would reclaim all of it. If you sold one-half of it, you would reclaim one-half. It would depend upon how much—

Mr. QUIE. You would have to sell all of the grain?

Mr. JAENKE. You are right. What I meant is that it would depend on two things: when you sold the grain and particular price at which you sold it. I would have no estimate of that.

Mr. QUIE. Are you going to take a loss in cash or will you make up the full \$680 million by the sale of grain?

Mr. JAENKE. I think this would depend a great deal on the price at the time of the sale and the amount of the sale at different levels of prices. Since, as I indicated, I am not able to comment on what the particular price may be next fall, I could not comment as to whether we would get it all back or not.

Mr. QUIE. I do not see that the price makes any difference. Let us assume that the price would be lower than the support level. If this is the case, will you sell enough grain so that the market gets the full \$680 million, which will be the amount of the certificates, or will there have to be a cash refund from Commodity Credit Corporation on this program?

Mr. JAENKE. Your question is: There are approximately 680 million dollars' worth of certificates for the feed grains outstanding, and when all of those are completed or are sold, will they return a number of dollars or will it be the equivalent of the \$680 million? The answer is the certificates are based on a dollar's worth of feed grains. In other words, the \$680 million, or whatever the exact figure is, will eventually come back into the Commodity Credit Corporation hands.

Mr. QUIE. You will sell enough bushels to see that the money comes back?

Mr. JAENKE. Yes. That is the law.

Mr. SHORT. Mr. Jaenke, a great many questions have been asked and there are a great many questions that I would like to ask, but I will try to confine my questions to the field that I am most interested in, in the limited time we have available to us.

One question I would like to have cleared up a little bit is in relation to the policy of the Department in regard to the securing of these feed grain acreage reports.

Not long after it became apparent that the feed grains bill would pass Congress, an order was sent out from the county officers, at least in my State, to the farmers, indicating or requesting acreage reports of corn and grain sorghums raised on the farm in 1959-60.

The county committees indicated in various phraseology that these reports were mandatory or that they must be submitted, that they

were not optional. I have copies of those that were sent out. They are in my office, from several counties in North Dakota.

I checked with the Department of Agriculture. From the amount of information that I was given, it was not the intention of the Department that anyone who did not intend to participate in the program should have to file any acreage report if he did not so desire.

I got out a newsletter on the subject because I thought it was important to the farmers to understand this in its proper relationship. I tried to be rather careful in explaining that it would be to the advantage—that it would be helpful to the ASC offices to have this information, that it must be furnished if the farmer intended to participate in the program, but that they were not mandatory for those who did not intend to participate. I have been also advised by the Department that they would send out clarifying instructions on this subject. I do not know whether such clarifying instructions were ever sent out or not. Were they?

Mr. JAENKE. If there was any question then, certainly there was need for clarification. I do not know whether any further regulations or any further instructions went out on that particular subject. I will be more than happy to check to see.

Mr. SHORT. Was I right in my assumption that these reports were not mandatory or compulsory?

Mr. JAENKE. I am certain that they were not.

Mr. SHORT. I think that is an important point. It certainly was not my intention to sabotage the program by sending out the newsletter.

Now if we extend the feed grains program for 1962, do I understand the bill rightly that the history that would be used for the purposes of establishing the base would be based on the production acreage of barley on each farm in 1959–60 and not 1961?

Mr. JAENKE. That is the way it is; yes, sir.

Mr. SHORT. I think this is important as a consideration, because there will be a tremendously larger acreage of barley produced in North Dakota this year than ever before in history.

Mr. JAENKE. This also does keep the program consistent with corn and sorghum. Using the same provisions for the barley program, as for the corn program will offer equal opportunities to the producers.

Therefore we feel they should be based on the same history base.

Mr. SHORT. Right along that line I might ask you, while we are on that subject, you indicated here a while ago, I believe, that you believe, as most of us do, that if we are going to have price-support programs, we should have some observance of past performance, the maintenance of the soil-conserving base in each farm.

Why was not that principle exercised in North Dakota?

Mr. JAENKE. In what respect was it not?

Mr. SHORT. It seems to me that what was done could have been a means of encouraging more people to participate in the program. Certainly it was an encouragement.

While the instructions indicated that the soil conserving base on each farm should be maintained, the very next sentence in the instruction said for 1959–60 summer fallow should not be considered as a soil conserving practice, and in the very next sentence it said that for purposes of the feed grain program for 1961, summer fallow would be an approved practice on the land to be retired.

Does that not seem a little inconsistent?

Mr. JAENKE. Well, summer fallow is an accepted conservation measure in many areas. Its purpose is to conserve water. It is not an error that we should include summer fallow as a conservation use. The producers have still to reduce the acreage of corn and sorghum by 20 percent in order to be eligible for the program.

Mr. SHORT. Yes, but if he desires—and many of them are doing it in North Dakota—on a farm with 100-acre corn base and a history of summer fallowing, a couple of hundred acres that would normally be the practice out there, this year he could retire 20 percent of that corn base; that would be 20 acres, and summer fallow it. Following the practice that he can use this year in retiring land, but under the provision which did not construe summer fallow as a soil conserving practice for 1959–60, the farmer could put the other 180 acres of his normal summer fallow into barley or oats or rye.

Does that seem consistent?

Mr. JAENKE. Not to permit, certainly not to permit the loss of the reduction in production—of course, that was not the intent of the program. One of the reasons we wanted to include barley in the program this year is to avoid the situation you are mentioning.

If producers were eligible for price supports, and if barley was brought in under the committee print, as is proposed here, we would avoid that situation.

If the producer wanted to come in on barley and reduce his acreage 20 percent and be eligible for price support, he could. If he wanted to go ahead and produce it, he would be uninhibited by any portion of the program.

Mr. SHORT. Would you make a provision in administering the program next year that would stop this sort of thing in regard to oats?

Mr. JAENKE. We would want to look at it. I think oats is in a little different situation, in that we do not even have what is regarded as a normal carryover.

Our uncommitted stocks in May were 8.5 million bushels, which is a very small supply of oats.

Mr. SHORT. If I may interrupt you, I think that this would be a very logical position for the Department to have taken this year with regard to barley. Had barley been in the same situation, in surplus, as oats, but it was not in that position.

Mr. JAENKE. It was not.

Mr. SHORT. To move on here just a little bit, Mr. Chairman, do I understand you rightly to say that the provisions of the bill, the 1961 feed grains bill, precludes cash payment for the second 20 percent land retirement?

Mr. JAENKE. Yes, sir. It prescribes payment in kind.

Mr. SHORT. In other words, it is not possible and it is not going on that people can sign up for the 40 percent land retirement and receive 40 percent payment in cash?

Mr. JAENKE. In the terminology used in the bill, there are no cash payments being made this year. All payments are payments in kind which may be represented as a certificate for X dollars' worth of feed grains.

Under provisions of the bill, the farmer has the option of taking the grain; taking the certificate and going to his merchant or his Ford

dealer or anyone else and using it as legal tender; or of asking the Commodity Credit Corporation to act as his marketing agent.

If he takes the latter course, the Commodity Credit Corporation is authorized to advance him the money for it and subsequently sell the certificate.

Mr. SHORT. To clarify this point, he would not be eligible to receive a certificate which could be redeemed in cash for the second 20 percent of his land retirement?

Mr. JAENKE. That is correct. All payments under this program are being made as payments-in-kind, so that if you retire \$500 worth of corn or sorghums, you would receive a certificate for \$500 worth of feed grains. Then you have these three alternatives with the certificates. You can take the \$500 worth of grain at the current market price in your area. You can keep the certificate and deal with your cooperative or your grain handler in your community, or you can come into the Commodity Credit Corporation and say, "Would you market this for me?"

If you do this latter, we are authorized to advance you the payment for that certificate.

Mr. SHORT. In other words, he can get the payment in cash for it through that method?

Mr. JAENKE. Yes, by this route he receives cash in advance from the Commodity Credit Corporation, and then the Commodity Credit Corporation in turn markets his certificate.

Mr. SHORT. Right there, is it possible for someone to sign up for 40 percent land retirement and at a later date change his mind, and only retire 20 percent, and have actually received a full cash payment in advance?

Mr. JAENKE. No, sir. The law prohibits any greater than 50 percent of the payment being made in advance. So if he went to the 40 percent figure and then came back and decided only to go to the 20 percent figure, he would have received less than one-half of his payment. Before the final payment is made, we will have known what his degree of compliance has been. If he followed his intention, then he will be eligible for the remaining 50 percent payment.

Mr. SHORT. What is the penalty for him doing that—for his not retiring the additional 20 percent?

Mr. JAENKE. There are no penalty provisions.

Mr. SHORT. What?

Mr. JAENKE. There are no penalty provisions in this program. It is voluntary, and there are no penalty provisions.

Mr. SHORT. In other words, you can sign up for 40 percent and receive payment for it?

Mr. JAENKE. No. You can only receive one-half of your payment now. The other one-half comes later on in the fall, after compliance has been checked.

Mr. SHORT. All right. But if you sign up for 40 percent today and you receive payment for 40 percent retirement—

Mr. JAENKE. But the law provides that you can only get an advance payment, prior to checking of compliance, equal to one-half of the amount you have earned, so you do not get a payment for the full 40 percent.

Mr. SHORT. Is not one-half of 40 percent payment 100 percent of payment on a base of 20 percent?

Mr. JAENKE. It would be less than that.

Mr. SHORT. A few dollars difference. Actually, under the program, if I understand it correctly, it is possible to receive 100 percent cash payment for the 20 percent that you, perhaps, in your own mind, intended to retire, by simply stating that you are going to retire 40 percent?

Mr. JAENKE. That is right, with the minor exception that the payment would not quite be 100 percent of what was earned—it would be something less than that.

He has the option you are pointing out, but when compliance is checked later on in July and August, if he has not gone along with his initial intention, his earned payment will be computed. If he has been overpaid, if he has gotten more cash than he should have received, he will have to refund it. If he has gotten less, he will get the difference he has earned.

Mr. SHORT. To move along, there are several questions that I would like to ask, but this is one of the more important ones that seems to be coming to a head right now, that is the actual mechanics of redeeming these certificates.

I think it has been clarified how the farmer can redeem his certificates. He can take them to the local grain dealer and receive payment-in-kind at the local market price or at the adjusted terminal price, whichever is the highest.

If the farmer elects to redeem his certificates with his local grain dealer, how does that grain dealer redeem that certificate at the terminal level which the instructions mention? It does not clarify whether he can redeem the certificate in cash or in kind at the terminal level; that is, the grain dealer.

Mr. JAENKE. The redemption would be in kind.

Mr. SHORT. At the terminal level on behalf of the local grain dealer?

Mr. JAENKE. No, whoever holds the certificate may ask for redemption at a CCC commodity office which may or may not be a terminal.

Mr. SHORT. Now wait a minute.

Mr. JAENKE. In that county.

Mr. SHORT. The letter I have from the Department wherein I asked for instructions on this, because the people at home are writing me every day wanting to know how it works, the letter I received indicated that the farmer could redeem his certificate with his local grain dealer if the grain dealer was willing to do so, and that the grain dealer could redeem that certificate at the terminal level.

It did not clarify whether that would be in kind or in cash.

Mr. JAENKE. First it would be in kind. Second, the redemption may be at the local point, if CCC finds that would be in the best interest of the Government. In other words, he could not just come in and say, "I want some grain here," in a part of the country distant from what is considered his place.

Mr. SHORT. This is really important. I hope the Department will clarify it, because it is important to get these commodity credit stocks of grains at local points drawn out of the Commodity Credit Corporation hands somehow. The percentage of farmers who have redeemed their certificates in cash is a little bit disturbing to many people. It is not getting the grain out of the Commodity Credit Corporation hands.

It is still there; it has not been drawn out. Many people, dairy and poultry, as well as livestock people, are interested in getting their hands on some of that grain.

Right here I would like to ask just one more question. It is 12 o'clock, I note.

I think it is extremely important that the Secretary or the Department announce some policy as to the release price on Commodity Credit Corporation stocks of grain. This is in addition to the redemption of the certificates.

The Secretary has the authority to release all Commodity Credit Corporation stocks of feed grains. Certainly he has an obligation, as talked about here a moment ago, as Congressman Quie stated—he has an obligation to redeem these certificates. He has redeemed them in kind but the great majority have been redeemed in cash. To provide a degree of stability to the livestock industry in particular, I think it is most important that the Department announce within some practical degree what their policy will be on the price level at which these stocks of feed grain are going to be released onto the market.

It is going to be somewhere near last year's price-support level. Is it going to be below that? Is it going to be above that?

If we are going to have any stability in the livestock market, we are going to have to have this additional unknown removed, it seems to me, to the degree it can be, as quickly as possible.

Mr. Chairman, I have other questions that I would like to ask, but it is 12 o'clock and I do not want to take up all of the time.

Mr. LATTI. You were here before the committee in executive session. This is a new committee print that we did not have then.

I ask you whether in this committee print you are attempting, shall I say, to legalize this unauthorized practice that you were pursuing of basing payments on this county average idea? Are you attempting now to authorize that practice in this bill?

Mr. JAENKE. I will let Mr. Coffman answer as to the legal question. It was prepared by the lawyers in the Department at the request of the chairman of this committee. Is this exactly the same language on this particular point, as the law passed this year?

Mr. COFFMAN. No. We did add the one provision which the chairman and yourself asked us to add which directs that the Secretary use the actual production for years that are established by the producer if he proves what they are. That has been added in this bill. It was not in the last year's bill, but it is in the committee print.

Mr. LATTI. You have not changed the wording of last year's bill, so that this countywide average can be used in making payments where records are available?

Mr. COFFMAN. I am not sure I caught your question, but this bill has been changed from last year's law, so that if the producer proves what his actual yields are, then those yields will be used in making determinations under this program.

Mr. JAENKE. This is what you requested our lawyers to draft?

Mr. POAGE. This bill, as far as we can write it, is what we understood the majority of the committee agreed upon.

We hope that it reflects the original ideas of the committee, up to the time it was suggested. It has this wording in it that I thought

Mr. Latta himself suggested, to the extent that a producer proves the actual yield.

Mr. LATT. What page?

Mr. POAGE. This is on page 4, line 4, that a producer prove the actual acreage and yields for his farm for 1959-60 crop years. That is to prevent the use of the county average record—that is to require the use of the individual yields that the farmer proves.

Mr. COFFMAN. Let me ask you this, Mr. Chairman. There are cases where that yield is simply not available.

Mr. POAGE. I understood that. But it says to the extent that—

Mr. COFFMAN. Well, yes.

Mr. POAGE. That he could prove it, the actual acreage and yields. And if he proves it can be used for determination regardless of the county average.

Mr. COFFMAN. That is what this says.

Mr. POAGE. If I can show that I had 100 acres and I grew 100 bushels per acre, and the county average was 10 bushels, why, I get what I grew.

Mr. JAENKE. That is correct.

Mr. LATT. Is your interpretation the same as the chairman's?

Mr. COFFMAN. The same as his is. If the farmer proves what the yield is.

We have to have some method to take care of the other farmers who do not have those figures. If we can establish the actual yields, then that would be used and not the productivity.

Mr. LATT. This language on line 6, page 4, to the effect, subject to such adjustments as may be made pursuant to the foregoing authority—as I understand it, that refers back to this abnormal yield matter. The other day we mentioned that we would insert the word “adversely” in this bill; is that correct?

Mr. COFFMAN. “Adversely” is in here. Actually I think there is an error. I think that the sentence is in the wrong place. I think it should have followed the next sentence, where it says, “The foregoing authority.”

It means the authority in the next sentence, but the word “adversely” has been inserted, so that the yield could not be reduced because of abnormal conditions. It could be increased but not reduced.

Mr. LATT. You think that the sentence then should follow there?

Mr. COFFMAN. Actually it was intended to follow the next sentence, so that the reference, “foregoing authority” refers to that sentence between lines 9 and 14.

Mr. LATT. Yes.

Mr. COFFMAN. Just the two sentences were reversed.

Mr. QUIE. You could change that.

Mr. COFFMAN. We could change that and say “the following authority,” which would be just as good.

Mr. QUIE. If you will yield?

Mr. LATT. Yes.

Mr. QUIE. How does the farmer prove his total yield?

Mr. JAENKE. As you know, any farmer who has proof of his yield can prove it by means of our using warehouse receipts, or loan papers from the previous year, as to the number of bushels.

As a general rule it is left up to the county committee. We do not believe you can sit here in Washington and say such and such is true in one case and not in another.

We can cite examples in the regulations, and then let the county committee decide if they are satisfied with the proof.

Mr. POAGE. In any case, you could let two neighboring farmers come in and testify. You do not define it. If the county committee believes they are liars, they would not have to take their testimony.

Mr. JAENKE. Warehouse receipts are the most used of all.

Mr. LATTA. The other day I raised a question about writing a provision into this bill which would prohibit the Department from using these production figures that have been collected for 1961 and 1962 without any right of review, so to speak, by the farmer who wants to come into the program in 1962, who was in the 1961, and also the farmer who did not agree with the production figures given him in 1961—where is that language in this bill?

Mr. JAENKE. I indicated the other day—

Mr. LATTA. I think that you understand what I am talking about.

Mr. JAENKE. I indicated the other day I am not a lawyer, but from the administrative standpoint, we would follow the appeal procedure we had this year, where, if any farmer wanted to and could prove his yield or acreage, we would accept that, and this was put in the bill. This would apply.

Mr. LATTA. You had better put it in the bill, so that we would not have to depend upon any regulation. I thought that we were going to do that.

Mr. HARVEY. Could not that be put in the report?

Mr. LATTA. Possibly it could be put in the report—it could be put in the regulations, but I prefer it in the bill.

Mr. COFFMAN. Of course. It is in here now, in effect, by this statement that if he can prove it—it is in here now, if he can prove his yield, the Department would be required to use that instead of the figure it has established, so it is in here by this other provision.

Mr. LATTA. It is in this?

Mr. COFFMAN. I do not see how we could avoid accepting these figures if it is proved.

Mr. JAENKE. Since the bill spells out 1959-60 has to be used as the yield, that is in the previous section, I think what Mr. Coffman is saying here would apply.

Mr. POAGE. I am sorry, but the committee will stand in recess until tomorrow morning at 10 o'clock.

Thank you.

(Whereupon, at 12:15 p.m., the subcommittee recessed, to reconvene at 10 a.m., Tuesday, June 13, 1961.)

AGRICULTURAL ACT OF 1961

Feed Grain Program

TUESDAY, JUNE 13, 1961

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON LIVESTOCK AND FEED GRAINS,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met at 10:05 a.m., pursuant to recess, in room 1310, New House Office Building, Hon. W. R. Poage (chairman of the subcommittee) presiding.

Present: Representatives Poage, Jones of Missouri, Jennings, Matthews, Harding, Hoeven, Quie, Short, Mrs. May, Latta, and Harvey.

Also present: Representatives Hagen, Johnson of Wisconsin, Breeding, McIntire, Dole, and Reifel.

Christine S. Gallagher, clerk; Hyde H. Murray, assistant clerk; John Heimbarger, counsel; and Francis M. LeMay, consultant.

Mr. Poage. The subcommittee will come to order.

We will proceed with the hearing on the committee print of the feed grain section of H.R. 6400.

Mr. Jaenke was testifying yesterday and we had not finished with him. If you will come forward, Mr. Jaenke, and Mr. Coffman and Mr. Cox.

STATEMENT OF EDWIN JAENKE, ASSOCIATE ADMINISTRATOR, COMMODITY STABILIZATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY CLAUDE COFFMAN, ASSISTANT GENERAL COUNSEL, AND CHARLES M. COX, ASSISTANT DEPUTY ADMINISTRATOR, PRODUCTION AND ADJUSTMENT—Resumed

Mr. JAENKE. Mr. Chairman, there were yesterday a number of questions which pertained to the specific regulations and the detailed procedure under this year's program. I have asked Mr. Cox, the Assistant Deputy Administrator for Production Adjustment, to come along this morning to assist the subcommittee if more of these detailed questions should come up.

Mr. POAGE. Are there any questions?

Mr. HARVEY. I had some questions but most of the questions that were asked were concerning things that I had in mind which were brought out in the discussion yesterday, so I do not know that I have any.

I was wondering, however, as a result of some of the discussion we had yesterday which had to do with the disposal of these grain certificates that the Government will hold as an agent for the cooperator,

I do not know whether I fully understand exactly how the cooperator would be reimbursed. Give me a little detail of the mechanics of that.

Mr. JAENKE. I will be happy to do so, sir. The farmer who desires to come into the program earns a certificate for retiring the first 20 percent of his acres at the rate of 50 percent of his normal yield. He then has three options: He may take the certificate, market it with his local grain dealer, or with any other person. Second, he may take grain from CCC stocks. And, third, he may ask the CCC to market the certificate for him.

If he takes the third alternative, the CCC is authorized to give him an advance payment on it and then to market his certificate, as, in the language of the bill, so as to best effectuate the purposes of the Feed Grain Act of 1961.

Mr. HARVEY. Do you have any estimate as to what a cooperator might expect under this last alternate?

Mr. JAENKE. As to what he might expect, sir?

Mr. HARVEY. How much a bushel? Suppose I turned my certificate in under the last alternate that you suggested asking the CCC to act as my agent in the disposal of it. First of all, what amount, what percent of it, what value per bushel do you give as your first payment?

Mr. JAENKE. That is on the basis of the local county support rate which is based upon the national average support rate of \$1.20.

Mr. HARVEY. How much would you advance him, how much money?

Mr. JAENKE. One-half of his conservation payment.

Mr. HARVEY. In other words, we will say if the local rate were \$1.10 in my county and I had 500 bushels in the certificate, you would advance \$550?

Mr. JAENKE. That is correct.

Mr. HARVEY. And would that conclude the deal? That would be it?

Mr. JAENKE. The farmer could only receive half of it in advance. So he would receive the other half in the fall, after his compliance had been checked.

Mr. HARVEY. But that is the arrangement then; in other words, there is no brokerage, there is no commission?

Mr. JAENKE. No.

Mr. HARVEY. There is no deduction for the cost to the Government for carrying out this bargaining operation?

Mr. JAENKE. There is none, sir.

Mr. HARVEY. I just wanted to clarify that because I had received some letters in which there seemed to be a good deal of confusion in that one respect. I wanted to clarify it.

Thank you very much.

Mr. HOEVEN. We have passed a 1-year feed grain program for 1961. There was no indication whatsoever at the time that bill was considered that it would be anything but a temporary piece of legislation. Now we are confronted with a request for an extension of the bill for another year. What is the prospectus for the future? Is 1962 the last year?

Mr. JAENKE. This is all that the bill before this subcommittee would embody: a 1-year program, the 1962 program.

Mr. HOEVEN. You do not contemplate a further extension of the feed grain program for 1963?

Mr. JAENKE. I would not, sir. The omnibus legislation that the Department has presented would provide for the development of a new program but even if the bill were passed today, there would not be adequate time to get a new program in time for the 1962 crop. After enactment it would be necessary to elect and select the advisory committees and develop the program. This would be done during the fall when Congress would be gone and the new program recommended by the committee and the Secretary and the President, and would be sent to the Congress when Congress came back in January.

So allowing for the 60-day time period for consideration by the Congress as embodied in the bill, there would be insufficient time prior to the earliest planting. So we think it is essential that a program be legislated for 1962.

Mr. HOEVEN. It seems to me that we are legislating in the dark. We do not know very much about the present program. We have no statistics other than some information on the degree of compliance. We have no information whatsoever as to what this program is costing.

Do you have any idea what the present program is going to cost?

Mr. JAENKE. The initial estimates that the Department presented are being modified to reflect the actual signup, which is larger than was anticipated. But I have no specific figures at this time as to what it will be.

Mr. HOEVEN. I heard one estimate that the cost might be a billion dollars? Is that out of line?

Mr. JAENKE. I would think that would be out of line. I would think that on the basis of the advance payments, there would appear to be a total amount of payments in the vicinity of approximately \$650 million.

Mr. HOEVEN. I can well visualize that the cost might well reach about three-quarters of a billion dollars, perhaps a billion dollars.

Mr. JAENKE. I do not think so on the basis of the signup which is firm and final. The most likely direction of change would be for a slight downward adjustment in the case of people who, as one of the Congressmen mentioned, had gone in for 40 percent and might not participate for that full amount.

This would, of course, reduce the amount of payments. So this estimate would be, probably, in the maximum range.

Mr. HOEVEN. How essential is it that this act be extended for another year?

Mr. JAENKE. If it is not extended, we would revert to the program of 65 percent price support with unlimited production, which we had for the 2 previous years.

As you well know, sir, this resulted in a corn production in each of those years of about 4.4 billion bushels at a time when our total disappearance was about 4 billion bushels. During that 2-year period we added some 800 million bushels of corn to our inventory. This program will reduce that inventory by a considerable amount.

If we did not have a feed grain program next year we would expect that we would add 400 or 500 million bushels to CCC inventory.

Mr. HOEVEN. Personally, I would feel much better about the proposed extension if I had some statistics—something to work on. I have no idea, at the end of the year when the figures will be available as to just what we have accomplished and what the program has cost.

Mr. JAENKE. I think as I indicated, we will have fairly good estimates. No one will have any definite, positive, final data until the following spring when the final report is in, insofar as it relates to the program for next year.

Mr. JONES of Missouri. I would like to make a little comment on what the gentleman from Iowa has said there. The fact of the matter is that if we had passed this bill, H.R. 6400, or some comparable bill earlier in the session, we would have had time to have had a program brought up here but the more we delay here the more apparent it is that we are not going to have time to bring a program up. It is an emergency. And we have been getting into that situation each year.

I want to make one other observation. In the absence of a better plan which has not been presented, I think we are justified in continuing the plan that we have put into operation this year.

Mr. HOEVEN. Will the gentleman yield?

Mr. JONES of Missouri. Yes.

Mr. HOEVEN. There is——

Mr. POAGE. Mrs. May.

Mr. JONES of Missouri. I have yielded to the gentleman to reply to that question.

Mr. HOEVEN. I just want to have Mr. Jones yield to me.

Mr. POAGE. Go right ahead.

Mr. HOEVEN. Does the gentleman agree with me that we are dealing with temporary legislation?

Mr. JONES of Missouri. I think that it is perfectly evident that the Republican leadership has said, "We do not want any bill to pass." I think that is apparent. And I think that indication has been here. I think the normal thing would be we would have had a bill out here and gotten a bill out by compromise.

Personally, if you are not willing to accept some kind of a program, you are going to be in an emergency from now on.

Mr. HOEVEN. I do not know on what premise the gentleman says that the Republican leadership is against any bill. Where do you get that?

Mr. JONES of Missouri. The main thing is that in this session the Republican leadership said, "We are opposed to this plan presented by the administration," and you have not come up with anything else.

Mr. HOEVEN. We are violently opposed to title I. We may not have as serious objections to other sections of the bill. And let me say to the gentleman that the Republican minority has not been taken into the confidence of the majority in an attempt to work out a compromise bill.

Mr. JONES of Missouri. We have been here for hours upon hours.

Mr. HOEVEN. The minority has been kept completely in the dark as to proposed amendments. We never have been asked to work out a compromise.

Mr. JONES of Missouri. I do not know what we have been doing for all of these days that we have been sitting here in this committee.

Mr. HOEVEN. We have been changing the rules in the middle of the game. We do not know where we are. One day we have a full committee meeting, the next day a subcommittee meeting, then back to the full committee meeting. We are completely in the dark. We do

not know what you propose in the way of amendments. What amendments are there? Let us hear them.

Mr. JONES of Missouri. This will be one of them, as I understand it.

Mr. HOEVEN. Are you going to eliminate certain provisions from the bill?

Mr. JONES of Missouri. This will be in effect a 1-year program—the one we are working on right now.

Mr. HOEVEN. I do not want to belabor the point, but the gentleman knows that there is nothing quite as permanent as temporary legislation. What is temporary today becomes permanent tomorrow.

I think we are entitled to have some information about how the present feed grain bill is working out. Except from meager reports about the degree of compliance we know practically nothing. Do you not think that we are entitled to some information before we again extend the legislation?

Mr. POAGE. Mrs. May, to get back to the subject on hand, because we are not doing anything by this discussion—it seems to me that possibly we are in the dark whenever we discuss these things and we get engaged in that kind of recrimination and achieve nothing.

Mrs. May will discuss something that will be important to all of us.

Mrs. MAY. The question being discussed is important, too. I would like to talk for a few moments on this bill as it relates to malting barley. I received a telegram this morning, which, with the chairman's permission, I will read. This comes from Mr. A. J. Le Jeune, director of the Malting Barley Improvement Association, in which he says to the members of the Livestock and Feed Grains Subcommittee:

We understand that your committee is now studying a feed grain bill for 1962 in which barley is being considered along with other grains for acreage retirement. We wish to bring to your attention that there is a very sharp distinction between barley which is used for malting and barley used for livestock feed. Malting barley is a speciality crop which can be grown only in certain areas and sells as a cash crop at premium prices. There is no surplus of malting barley. In fact in recent years high quality malting barley has been in short supply. An arbitrary across-the-board requirement to retire barley acreage without distinguishing between malting barley and feed barley would place the malting and brewing industries in serious jeopardy. We urgently recommend that if any action is taken to require acreage retirement for barley in 1962 that growers of malting barley be exempt from production controls as malting barley is not a surplus crop.

May I go back a little further? I know that when the feed grains bill was introduced for 1961 and passed the Senate, Senator Morse of Oregon made a point of this on the floor. And at that time, assured the Members of the Senate that he had talked to Secretary Freeman and that the Secretary did not intend to do anything with regard to malting barley.

Would there be any objection to spelling out in this legislation a special wording within the bill as to malting barley that it would be eligible for price support on the 1962 crop but without participating in a special agricultural conservation or acreage program?

Mr. JAENKE. We would be more than happy to look into this very carefully.

One of the difficulties is that it is hard to determine, either at the time of planting, at the time of harvesting, or at the time the farmer

comes in for price support, between various kinds of barley. In other words, barley that might not be intended as malting barley may, because of weather conditions and other factors, end up with a quality which will make it desirable for malting. So there is a problem inherent here.

I would like an opportunity to have the specialists in the Department take a look at this and see if there is some way in which we can work out a practical plan to differentiate between the two types of barley.

Mr. POAGE. Will you yield on that? How does this program interfere with anybody who is growing malting barley? They can grow all of the barley they want to under this program, as I understand it. If he grows malting barley and takes better care of it than he would otherwise, he gets a better price for it.

Mr. JAENKE. Yes, sir. In the legislation we have before us, which is a voluntary program, only a producer who wants to get price supports must reduce by 20 percent.

Mr. POAGE. If the barley is worth more for malting purposes—and I assume that it is, is it not?

Mr. JAENKE. Yes.

Mr. POAGE. There is no reason he would have to go into the program, if he wants to grow malting barley, is there?

Mr. JAENKE. He may be able to obtain a price equivalent to or above the support rate without coming into the program.

Mr. POAGE. What I cannot understand is how does he get hurt by the program?

Mrs. MAY. Evidently—I am not sure of this—it came to my attention, there are some areas, as I understand—Mr. Hagen might be able to comment on this—where they would like to have the security of the program, perhaps for advance of cash that might be made.

Mr. POAGE. They get that.

Mrs. MAY. There are some of them that are anxious about it.

Mr. POAGE. If they simply want to grow malting barley, nothing in the world, not a single word in the bill will keep them from doing that. Is there?

Mr. JAENKE. Absolutely not.

Mrs. MAY. There might be a program coming up that would change before it came out as to a mandatory proposition.

Mr. JAENKE. The Department, certainly, has testified that we would like to continue the program along this line.

Mrs. MAY. The Department and the Secretary himself again, I believe, said, this is in explanation, this is purely a voluntary program.

Mr. JAENKE. Yes, ma'am.

Mrs. MAY. Thank you.

Mr. MCINTIRE. I have one short question. Coming from a feed deficit area, I am interested in the trend of feed grain prices under the 1961 program and this proposal for 1962. Would it be appropriate for producers in my area or in the Northeast to anticipate increased costs of feed by virtue of this program?

Mr. JAENKE. I think the Secretary, when he initially came before the committee last February to discuss this program, indicated that he was well aware of the problems in the feed deficit areas. He felt—I am trying to paraphrase his remarks—we needed to move from a

low feed price-high supply situation which results in low price livestock and high livestock numbers. He also indicated that he would, to the extent he possibly could, make this a very gradual and careful transition, so that the livestock producers in the feed deficit areas and elsewhere would not be harmed as a result.

Mr. McINTIRE. But my problem as a manager is not the Secretary's broad statement. I am asking from a management standpoint, what our people should be planning on in relation to feed costs? Should we be planning on the prices going up?

Mr. JAENKE. I do not know that I or anyone can answer the long-range economic aspects of this question with any preciseness. I would think that—

Mr. McINTIRE. Hundreds of farmers have got to make farm plans. You are the representative of the Department, can you give us some insight as to how we should be planning?

Mr. JAENKE. Yes. I think that the statement which the Secretary made is the guideline upon which I can answer your question. That was that any movement from the present feed-livestock relationship will be made in a very orderly and careful manner.

As to the price of feed in the immediate future, I do not believe that I or any other person could specifically state it will be exactly the same or be up 1 percent or be down 2 percent.

Mr. McINTIRE. This transition that the Secretary refers to is even uncertain; is it not?

Mr. JAENKE. Yes, it is.

Mr. McINTIRE. Does it not follow that the prices are going to go up?

Mr. JAENKE. For the long-range trend, I think that may be correct. But you are asking me, as I understood your question, what would be the price level next December or some particular time in the fall or next year, and this I cannot say. I would say that as the transition takes place, there would be a gradual increase in the feed-livestock relationship. But this is over a longer period of time.

Mr. McINTIRE. The sales policy will not protect the deficit areas adequately to avoid this increase in cost.

Mr. JAENKE. Now we are back to a specific question about this feed grain program regarding the price of corn, or oats, or any other grain this fall. I did not say that. I indicated over the longer range the objective was to maintain livestock and feed prices in proper relationship.

Mr. McINTIRE. Am I correct, that so far as any immediate increase in price, your sales policy will be such that you do not anticipate an immediate increase in price but, that the long trend of prices will be upward?

Mr. JAENKE. I do not believe that the feed grain program, and the certificates issued thereunder will put the Commodity Credit Corporation in the position of being able to absolutely control the price level. Certainly, as the certificates move into the market, they will have their effect. But there are many, many other factors. The certificates would equal about only one-seventh or one-eighth of the total supply. We can have flood conditions in the Middle West—how will they affect it? Will they mean less corn production? Will the extra moisture mean higher yields per acre? We do not know. I would not want to try to be precise in giving you an exact estimate. I indicated the long-range picture.

Mr. McINTIRE. Just to finalize—it will result in higher feed costs?

Mr. JAENKE. A more favorable and higher feed-livestock relationship.

Mr. POAGE. Thank you very much.

Mr. HAGEN. I am interested, as Mrs. May was, in the barley subject. I can see where there might be somewhere a farmer who buys or produces or grows grain sorghums where there is some corn, perhaps, and then, in addition to it, malting barley.

I think you could have some problems there unless you had a rule on malting barley.

I have another problem. I have some double croppers where they harvest barley, say, in April and plant potatoes and some other crop following. And they have high value land and high taxes, and so forth. And they have to do something to make that an economic operation. I think consideration should be given to a special ruling there.

Mr. JAENKE. I would like to have Mr. Cox comment as to how we handled the double cropping situation this year.

Mr. Cox. We did run into the very same situation that you refer to this year.

Mr. HAGEN. I am not talking about double cropping of feed grains.

Mr. Cox. I am talking about a situation where the entire farm was double cropped. We had to make a special rule to take care of situations of that kind in order to get some reduction in grain sorghums. Particularly, as I recall, it came up in Arizona. I think, also in your State. We were able to handle it all right.

Mr. HAGEN. Do you permit this type of double cropping?

Mr. Cox. We made them reduce their acreage of feed grains.

Mr. HAGEN. Yes.

Mr. Cox. But we let them grow their normal acreage of other crops in connection with it.

Mr. HAGEN. I see.

Mr. Cox. But this was only in situations, primarily, where the entire farm was double cropped and there was no acreage that he could designate as diverted acreage. For example, these farms had already put all of the acreage in some crop before the feed grain program was announced.

Mr. HAGEN. I cannot conceive of any farmer having his entire farm in that double cropping. I would like to ask Mr. Jaenke this question. It is not stated in the bill, I do not think, but the import I think is there: You measure compliance by planted acres rather than harvested acres, do you not, under this program?

Mr. JAENKE. Under this year's program, Mr. Cox advises me that we are measuring acreage as we find it when compliance checking is done, which would be in the case of corn, for instance, in the latter part of July or early August.

Mr. HAGEN. Inspection would be early enough so that the farmer could not select those areas where he had a crop failure as the part to put in the program?

Mr. JAENKE. Yes.

Mr. HAGEN. In other words, you are conducting a survey to verify compliance, is that correct?

Mr. JAENKE. Yes. Were you thinking that the farmer could go ahead and plant everything and pick the worst part to leave out?

Mr. HAGEN. As they do under the wheat program.

Mr. JAENKE. No. Because we also have to check on the conservation use of this land. It has to be in an approved conservation use, approved by the county committee in the area under the general guidelines we set up.

Mr. HAGEN. So you are measuring—instead of harvested, you are measuring planted acres?

Mr. JAENKE. Yes.

Mr. HAGEN. You check it for compliance?

Mr. JAENKE. Yes.

Mr. POAGE. Mr. Latta, I do not want to cut you off, but we have a number of witnesses. We do not want everybody to come back with another set of questions that were asked yesterday because we would never finish.

Mr. LATTI. I appreciate your suggestion. I am still disturbed by the phraseology used in this bill, beginning on line 7, in view of the fact that you made a statement that bushel control goes against the Department's position, but still we have it in the bill. I have read and reread this language and compared it with the present act and I cannot see any difference, only the change of the dates.

Now then, how do you propose that we amend this to eliminate that bushelage discrimination?

Mr. JAENKE. First, I believe that I stated yesterday that we were offering suggestions. One point in connection with this provision is that it was discriminatory. That is No. 1.

Second, it has also been proposed that the statement, beginning on page 1, line 7, which provides for a limitation on the eligibility for price support equal to the normal production in 1959-60, be stricken from the bill.

I said that the Department's position on this was not an inflexible one. We do not think it is accomplishing the goals that it was designed to.

On the other hand, we recognize the reason it was put in there. We wanted to point out these aspects to the committee and leave it to the committee's wisdom as to which way it went on the particular provision.

Mr. LATTA. I understand what your suggestion is, this section has a twofold purpose, No. 1, the restriction the way it is now, provides for the payment of price support for 1961 on the basis of his average production of 1959-60.

Secondly, it also helps the farmer to get his production for 1959-60 based on his actual production. That necessary language is "in each eligible farm" and you are not proposing to delete it.

Mr. JAENKE. This sets a limitation on the quantity eligible for price supports.

Mr. LATTA. The basis for paying this man for the land that he takes out of production, you reserve that the same as it is in the present act?

Mr. JAENKE. That is under a different section. It is under the section providing that payments are to be made at a rate equal to 50 percent of the normal yield in 1959-60, et cetera.

Mr. LATTA. Thank you.

Mr. POAGE. Page 3, lines 8 and 9.

Mr. QUIE. Will you yield right there?

Mr. LATTA. Is this to my question? I will yield for a question.

Mr. QUIE. To clarify this, this fall when the farmer comes in for a loan on his normal production for 1959-60, are you going to use the exact same figures on his yields as you did for his in-kind payments?

Mr. JAENKE. That is right.

Mr. QUIE. And will not allow him to appeal?

Mr. JAENKE. The appeal procedure was available this spring and will be again in the 1962 program, but when he signed up for the program he agreed to this limitation embodied in the law.

Mr. QUIE. Was this clearly stated in the contract?

Mr. JAENKE. That is the question you raised yesterday about this. I would have to get a copy of the contract that was signed, the paper that the farmer signed—

Mr. QUIE. Was this in the contract?

Mr. JAENKE (continuing). And send a copy to you to have a look at it. I am not sure whether it was or not.

Mr. QUIE. Will you put it in the record?

Mr. JAENKE. Yes, sir.

(The information follows:)

FORM CSS-477 (3-27-61)

FORM APPROVED BUD. BUR. NO. 40-6135

(FARM NO.) (NAME AND ADDRESS) (FARMLAND) (CROPLAND)

U. S. DEPARTMENT OF AGRICULTURE
COMMODITY STABILIZATION SERVICE

**1961 FEED GRAIN PROGRAM
INTENTION TO PARTICIPATE
AND APPLICATION FOR PAYMENT**

NO'S OF OTHER FARMS IN WHICH INTERESTED

OWNER OPERATOR

Is an advanced payment desired?

Yes ☐ No ☐

Are any diverted acres to be devoted to designated crops in lieu of payment?

Yes ☐ No ☐

PART I — STATEMENT OF INTENTION TO PARTICIPATE

I intend to participate in the 1961 Feed Grain Program to the extent shown in Part II, column E. SIGNATURE OF OPERATOR (Or Owner) DATE

PART II — COMPUTATION OF PAYMENTS

CROP	FEED GRAIN BASE	MINIMUM DIVERSION ACRES (20% of Col. B)	MAXIMUM DIVERSION ACRES	DIVERTED ACRES		FARM PAYMENT RATE PER ACRE (From CSS-471)	ACRES FOR PAYMENT		ADVANCE PAYMENT	TOTAL EARNED PAYMENT
				INTENDED	FINAL		MINIMUM	ADDITIONAL		
				(E)	(F)	(G)	(H)	(I)	(J)	(K)
1. Corn						Minimum Acres			\$	\$
						Additional Acres			\$	\$
2. Grain Sorghum						Minimum Acres			\$	\$
						Additional Acres			\$	\$
3. Total - for farm									\$	\$

PART III — PRODUCER'S AGREEMENT AND CERTIFICATION

I, the undersigned, agree to comply with the provisions of the 1961 Feed Grain Program. I further agree that my share of the advance payment as shown in Part IV is fair and equitable, and if for any reason this farm does not comply with the provisions of this program, or if my share in the payment does not remain the same as indicated, I shall refund any advance payment to which I am not entitled. My signature in Part V certifies that I have complied with all the requirements of the 1961 Feed Grain Program, including the necessary increase in acreage devoted to soil conserving crops and practices, and that the 1961 feed grain base (if established, otherwise the average acreage for 1959-1960) has not been exceeded on any farm in which I have an interest. My share of the final payment as shown in Part V is fair and equitable.

PART IV — ADVANCE PAYMENT

PRODUCER	SHARE	AMOUNT	SIGNATURE OF PRODUCER	DATE SIGNED	CERTIFICATE NO.
(L)	(M)	(N)	(O)	(P)	(Q)
4.		SET-OFF \$ BAL. \$			
5.		SET-OFF \$ BAL. \$			
6.		SET-OFF \$ BAL. \$			

PART V — FINAL PAYMENT

PRODUCER	SHARE	AMOUNT	ADVANCED (From Col. N)	BALANCE DUE	SIGNATURE OF PRODUCER	DATE SIGNED	CERTIFICATE NO.
(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)
7.		\$	\$	SET-OFF \$ BAL. \$			
8.		\$	\$	SET-OFF \$ BAL. \$			
9.		\$	\$	SET-OFF \$ BAL. \$			
10. TOTALS	100%	\$	\$	\$			

PART VI — APPROVALS OF ASC COUNTY COMMITTEE

APPROVAL OF ADVANCE PAYMENT DATE APPROVAL OF FINAL PAYMENT DATE
BY BY

Mr. LATTI. The second question that I have—actually this should not be considered as mine because it was raised by Mr. Poage.

Mr. POAGE. I will accept it. Go ahead.

Mr. LATTI. It was the suggestion that you have to insert something in this bill to take care of this multiple-ownership—the farmer who owns four of five farms and wants to bring in three farms.

Do you have any language to cover that?

Mr. JAENKE. We can do this administratively, certainly.

Mr. LATTI. Yes; but you have not been doing it. You ought to take care of that.

Mr. JAENKE. We authorize the county committee to make this determination. We have issued these instructions from Washington. The county committee decides this for each farm after considering the facts of the case. They may do that this year.

Mr. COFFMAN. It has been done.

Mr. POAGE. May I ask this question?

It would seem to me that if you were to adopt a rule—and I think it is your rule—but I mean if we had it publicized, that any man who controls the plantings on these farms would be subject to this multiple rule, so he could not put one farm in and keep another one out if he controlled the plantings, but if he did not control the plantings even though the landlord, that he would not be subject to that rule. It seems to me that should be the basis on which you should proceed. I think you do act on that basis now, but I don't think it is very clear. I think maybe you ought to make a presumption that if the tenant is paying the costs of the feed and providing all of the machinery and providing all of the labor, the tenant then has the right of control merely as a rebuttable presumption. And if the landlord contributes to the feed costs, there was a presumption that he controlled the plantings.

Mr. JAENKE. We have. As you indicate, this is the provision that we are following this year, with the final determination left with the county committee, and Mr. Cox will comment on that.

Mr. Cox. That is correct. I have talked to Congressman Poage about this subject before, and we are, perhaps, not giving the county committees as much direction in this regard as some of you might think we should but they are making the determination.

The thing that we were concerned about was that we do not let a farmer participate on one farm and then completely offset that performance on some other farm that he has control of.

Mr. POAGE. The county committee, obviously, has not understood that that is the fact. The discussion which I read this morning made not the slightest reference who controlled the determination of what would be planted on it.

Mr. Cox. I am sure that we would be willing to undertake to give them more guidelines, for example, but leave the final decision to the local people to make.

Mr. POAGE. Thank you.

Mr. LATTI. Would it not be much easier and clear up a lot of misunderstanding if you would submit some proposed amendment to take care of this so when the bill passed, everyone who looks at it will know exactly what the Congress had in mind? Then there would not be all of this misinterpretation that we now have down at the county level.

Mr. JAENKE. If an amendment could be worked out to apply in all cases and yet be flexible, that would be fine.

Mr. LATTA. They can control the production as mentioned here.

Mr. COFFMAN. It has this disadvantage. Once you put it in the bill, it is frozen and you have no chance to modify it. This rule we are talking about now has been improved as people have made additional suggestions. The final version of the rule that went out is, certainly improved over what we might have started out with.

And if we do that in the bill, then we cannot improve it after that. We are stuck by what is in there. So it has that disadvantage. I could not assure you now of writing language that we might not all be disappointed with a month from now after we have had some experience.

Mr. LATTA. We are all disappointed with the way the thing has been working today. I would think anyone—

Mr. JONES of Missouri. I would take exception.

Mr. MATTHEWS. I would like to say, too, that I do, too.

Mr. LATTA. You do not have any corn down there.

Mr. JAENKE. I think one thing—

Mr. LATTA. I have talked to members on this side—they have had the same problem. And certainly if we could get clear language, we ought to make it easier for them to participate. We should not have county committees making one determination in one county and right next to them, have other committees making different determinations as to this subject.

The only way to do it is to put it in the bill. I think that can be done without too much trouble.

Secondly, this is my second question, Why do you have barley in this bill when barley surpluses have not been increasing?

Mr. JAENKE. I believe—

Mr. LATTA. Not specifically.

Mr. JAENKE. I believe we have a carryover of some 165 million bushels. During the last 10 years both the acres planted to barley and barley production have increased. And we think it probably will increase further as a result of this year's program where there was no opportunity for barley producers who wanted to reduce their production.

Mr. LATTA. That same question came up in this committee, whether barley should be put in or whether it should be left out.

Mr. JAENKE. That is right.

Mr. LATTA. At that time it was thought it should be left out. What changed the thinking to put barley in?

Mr. JAENKE. We were considering the 1961 program in March, and the barley was already planted. It is a fall seeded crop. It was in the ground. If we had brought barley into the program, we would have been in the position of requiring producers to plow up their barley in order to come into compliance or we would have automatically prevented them from coming into the program. Now we have an opportunity to have this legislation in time to bring barley in this fall and next spring.

Mr. LATTA. He can participate in the corn program—if he raises corn—it does not prevent him from that?

Mr. JAENKE. No, sir.

Mr. LATTI. You say the barley producer shall participate in the special agricultural conservation program for 1962—has that been taken out?

Mr. JAENKE. I presented to the subcommittee what the Department would prefer to have instead of that language or in lieu of that language, which prescribes absolute cross-compliance between the two. We would prefer to see a provision whereby a person could come in, on corn and sorghums, and not in barley so long as he did not increase his acreage of barley. Vice versa he could come in, on barley and not in corn and sorghums so long as he did not increase his acreage of corn and sorghums.

Mr. LATTI. You are not for this language as it is in this bill?

Mr. JAENKE. We suggested some changes in it.

Mr. LATTI. I hope we can amend it with all of these suggested changes, but I thought this cross-compliance was in, but this print must have been printed after our executive session.

That is all I have.

Mr. POAGE. Thank you.

Any further questions?

Mr. QUINN. I just want to ask one question. Suppose a farmer chooses to go into the program and you proceed to advance 50 percent of the money and then later he changes his mind and has to pay the money back. Has he had free use of the money for about 4 months?

Mr. JAENKE. He does. If he had come in for the 20 percent and then does not go in at all, we will collect the money as soon as we check compliance in July, so the effect is that he will have had the free use of the money from May until July, or whatever time it is. May would be probably the first date. It would be from May to July, yes, sir.

Mr. POAGE. If there are no further questions of Mr. Jaenke, we are very much obliged to you and your associates.

We will now hear from Mr. John C. Lynn of the American Farm Bureau Federation.

STATEMENT OF JOHN C. LYNN, LEGISLATIVE DIRECTOR, AMERICAN FARM BUREAU FEDERATION; ACCOMPANIED BY MARVIN L. McLAIN, ASSISTANT LEGISLATIVE DIRECTOR

Mr. LYNN. Mr. Chairman, since we have a very brief statement, I would like to read it, if I may, and Mr. McLain and I will be available for any cross-examination that you might wish.

We appreciate the opportunity to present Farm Bureau's views on the extension for 1 year of the special feed-grain program.

We oppose extension of this act for several reasons.

From reports that have come to us, the cost of this program for 1961 may be between two-thirds of a billion and a billion dollars. We would like to see more evidence of what actually has been accomplished by this expenditure before proceeding with any type of extension. Accurate figures on 1961 production of all feed grains and oilseeds will not be available until later in the year.

We therefore recommend that consideration of this proposal be postponed until the facts with respect to its operation are available.

Mr. JONES of Missouri. Do you anticipate that the Congress will be here after all of this to determine what to do?

Mr. LYNN. It looks like you will be here, from all reports we can get.

To proceed: We are firmly convinced that all feed grains, oilseeds, and wheat should be considered together in one program. If we are ever to arrive at a workable solution to the overall problem of excess stocks of grain, they all must be considered together. Feed is interchangeable among feeders; and because most feeders' use of any feed depends upon supply, availability, and price, we should all work for a program that covers all grains that are used for feed, including wheat and oilseeds.

The table below shows the supply situation.

Average output, disappearance, and carryover of wheat and feed grains, 5 crop years, 1956-60

Crop	Average production	Average use ¹	Production as percentage of use	Estimated 1961 carry-over	Estimated 1961 carry-over as percentage of 1960-61 use
Wheat.....million bushels..	1,181.0	1,111.0	106	1,522.0	121
Corn.....do.....	3,862.0	3,697.0	104	2,000.0	48
Sorghum grain.....do.....	521.0	392.0	133	725.0	146
4 feed grains ²million tons..	152.5	144.7	105	85.5	54

¹ Including exports.

² Includes corn, sorghum grain, oats, and barley.

Mr. LYNN. We have consistently told this committee that wheat is our No. 1 surplus grain problem. We will never arrive at a workable solution to the wheat or feed grain problem until a workable program is developed that will permit more wheat to be fed. Historically, substantial quantities of wheat have been used for feed.

Mr. POAGE. Do I understand that you are saying that you think we should feed more wheat?

Mr. LYNN. That is right. Mr. Poage, there are only three things you can do with it. You can eat it, ship it abroad, or feed it. That is all you can do. We are shipping all we can abroad. If anybody wants a cargo of wheat, I expect if they would make their application to Mr. Jaenke, he can get it tomorrow.

We are eating all the doctors will let us eat. And the only other thing to do is to feed it.

Mr. POAGE. We have got all of the feed we need, have we not?

Mr. LYNN. We have all we need, sure we have. But what we are simply saying is—and we get into it a little later—if we do not watch ourselves, we are chasing acres, we are reducing in one commodity and it will pile up some place else.

To proceed: This will happen again as soon as proper price relationships come about. Certain areas need their wheat for feed, but shift to other feed grains when the price is forced out of line by price supports that do not recognize the normal market price pattern.

The situation can easily be seen in the table below.

Wheat utilization—5-year averages 1937-41 and 1948-52, annually 1953-59

Period	Domestic human consumption		Feed		Seed and industrial uses	Total domestic use	Exports	Total disappearance
	Per capita	Total	Volume	Percent of crop				
	<i>Bushels</i>	<i>Million bushels</i>			<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
1937-41 average.....	3.77	494	117	14	76	687	64	751
1948-52 average.....	3.23	490	102	9	89	681	392	1,073
1953.....	3.05	487	77	7	70	634	217	851
1954.....	2.99	486	60	6	65	611	274	885
1955.....	2.91	482	51	5	68	601	346	947
1956.....	2.87	482	47	5	58	587	550	1,137
1957.....	2.83	484	39	4	63	586	403	989
1958.....	2.83	493	54	4	65	612	443	1,055
1959.....	2.78	492	49	4	64	605	510	1,115
1960.....	2.74	495	51	4	64	610	650	1,260
1961 estimated.....	2.73	499	47	4	64	610	625	1,235

MR. LYNN. If a land retirement program for grains is to be effective in reducing production, it must be designed to keep the same land out of production for more than 1 year. A 1-year program permits the rotation of diverted acres and thus curtails its effectiveness in reducing production. Many farmers are rotating their retired acres in a normal fashion and thus receive payments for really doing nothing more than they normally would do. It is very difficult for farmers to make long-time plans for shifts in their operations and their rotation on a year-to-year basis.

There certainly should be no bonus paid for second-year participation in any land retirement program unless the identical land is kept out of production. This is the only real justification for such a proposal.

Individual crop allotments for feed grain and oilseeds are not what farmers want. This approach will not solve the overproduction problem of feed grains and oilseed crops. The history of these programs should be convincing with regard to this point. We think that we will simply be "chasing acres" if we attempt to make adjustments on the basis of individual crop allotments.

The use of a historical 1959-60 pattern in setting corn and grain sorghums allotments under the current program is outright discrimination. Farmers who have carried on a good rotation program and are not causing the problem are now being penalized. The very person who has contributed most to the surplus problem is now being rewarded for this action. This is very unfair.

Raising price supports of corn, grain sorghums, and other feed grains in 1961 has caused the cost of land retirement under the emergency program to be much higher than it otherwise would have been. Raising price supports caused the Government to bid against itself. Cutting acreage and raising price supports give farmers a strong incentive to increase per-acre yields on their remaining acreage through heavy use of fertilizer, supplemental irrigation, and other production-stimulating practices.

Instead of extending the 1961 Special Feed Grain Act for 1 more year, we strongly urge this committee to consider the bills: H.R. 4133, H.R. 4246, H.R. 4257, H.R. 4267, H.R. 4356, H.R. 4395, H.R. 4739, H.R. 4747, H.R. 4811, H.R. 818, H.R. 5295, H.R. 5390, and H.R.

5790—the Cropland Adjustment Act of 1961, which are now before you, and are commonly referred to as the Cropland Adjustment Act of 1961.

To proceed: The Cropland Adjustment Act of 1961, if enacted, would help do the following:

End acreage allotments and quotas on wheat and feed grains;

Use cropland as a basis for participation, not crop-by-crop histories;

End the shifting of surplus problems from one crop to another;

End mounting surpluses of all grains;

Use market conditions as a basis for price supports, not an outdated and arbitrary formula;

Use payment-in-kind for payment on land retired, to the extent possible without depressing market price, as a means of encouraging adjustment and to cushion farm income in the process;

Use price supports to protect farm income rather than to fix farm prices;

Hold CCC stocks off the domestic market at less than 125 percent of loan rate; and

Use a farm program to unify agriculture rather than to divide it into splinter groups.

The adoption of this type of cropland adjustment program would be a real step forward in agricultural policy.

Again, we want to thank this committee for the opportunity to present our views.

Mr. POAGE. Thank you very much, Mr. Lynn. You raise two questions which intrigue me: One was as to the cost of this program, and then you refer to the cropland adjustment program. About what level of price would you expect to pay to retire land under this Cropland Adjustment Act?

Mr. LYNN. Under our cropland adjustment program?

Mr. POAGE. Yes.

Mr. LYNN. Well, we do not know precisely, but we do know that under the acreages that were in operation at a much lower per acre price under the conservation reserve, that we got a tremendous amount of acres out at a much less price than is being paid currently for this land.

Mr. POAGE. Obviously, if a man could take any part of the land, obviously he would not be taking part of his cotton out. He would not take that out, would he?

Mr. LYNN. Our program is cropland, not corn.

Mr. POAGE. What is it?

Mr. LYNN. Our program is for cropland acreage.

Mr. POAGE. I understand; but assume that I have 200 acres in cropland and 100 acres of pasture. You do not pay me for that pasture; you want me to take out 40 acres of cropland. You let me choose the cropland I take out; do you not?

Mr. LYNN. If it is cropland, sure.

Mr. POAGE. And I have some land back there on a hillside which does not produce much. I take that out. I will not take out the best—the land that produces three times as much as that hillside; would I?

Mr. LYNN. Of course, they are not doing that this year and you know they are not. They are taking out their poorest land; the farmers who are participating.

Mr. POAGE. Sure they are.

Mr. LYNN. Sure they are.

Mr. POAGE. I take out the poorest land. I do not know any farmer who does not.

Mr. LYNN. Sure. I agree.

Mr. POAGE. Of course, you take out the poorest land. I am merely pointing out that that was the land that would be taken out first.

Mr. LYNN. In any program.

Mr. POAGE. In any land retirement program, the poorer land will be taken out first.

Let us assume I have a 100-acre allotment on my 200 acres. I am not going to reduce my cotton any, am I?

Mr. LYNN. No.

Mr. POAGE. I will keep my most profitable crops. I am growing oats up on the hillside; that is where I will take it out—that is what I will take the 40 acres out of.

My next most valuable crop is feed. Next year I will take out feed and I will still leave the cotton.

Mr. LYNN. This is the way it should be, sure.

Mr. POAGE. Now, then, how much cotton will we grow under that kind of program?

Mr. LYNN. We will grow just the amount provided for in the Agricultural Act of 1958.

Mr. POAGE. You mean you would keep all of the present allotments?

Mr. LYNN. Yes, on cotton.

Mr. POAGE. You do not have free agriculture then. You still have what you call agricultural control.

Mr. LYNN. We have never advocated a free agriculture, Mr. Poage. This is a rumor that is going around that is designed to confuse, I think, because we have made it very clear before this committee that with regard to cotton, rice, peanuts, and tobacco there would be no participation required in the cropland adjustment program for price supports, the reason being they are under acreage allotments, marketing quotas.

Mr. POAGE. You would keep the acreage allotments we have got, would you?

Mr. LYNN. No, not for wheat, not for wheat. We have repealed acreage allotments for wheat.

Mr. POAGE. Let us find out about that wheatland. Would I not keep my wheat if I can take out my oats instead of wheat? I do not make but about half as much on the oats as I do on wheat. I would not take wheat out, would I?

Mr. LYNN. This is under the current price supports for wheat, \$1.79. Under our program you would bring the price supports for wheat down to \$1.30. Then I think you would begin to choose as to whether or not you would take it out and put it in soybeans or in wheat.

Mr. POAGE. Yes, if we are to bring all prices down by something like 30 percent, then I would not bother. I would just quit.

Mr. LYNN. This is not our program.

Mr. POAGE. I know, you did not say that. That is the price support program. If you will only support wheat at \$1.30, would you hope to see the price for the wheat go back up?

Mr. LYNN. It will.

Mr. POAGE. All right.

Mr. LYNN. It will go up. That is exactly what we ought to do.

Mr. POAGE. And I will still plant wheat and corn. We will never see the price go up because we will grow 60 million acres of wheat. We are not going to sell at \$1.30, are we?

Mr. LYNN. If you get enough land retired—and we do not exactly know what “enough” is, we say somewhere from 60 to 70 million acres of cropland retired, and then with the exception of the four crops I named under marketing quotas which we would not touch, then give the farmer an opportunity to shift into whatever he thinks he can make the most profit on, with always a price support floor on corn and wheat and other feed grains.

Mr. POAGE. What has that been in the last 3 years?

Mr. LYNN. Ninety percent of the previous market.

Mr. POAGE. It is 10 percent less than the average price?

Mr. LYNN. Not necessarily; 65 is the floor.

Mr. POAGE. How can it be?

Mr. LYNN. It is 90 percent of last 3-year market price or 65 percent of parity, whichever is higher.

Mr. POAGE. If it is 90 percent of the market price of the last 3 years, it is 10 percent less than the market price for the last 3 years, is it not?

Mr. LYNN. This is in the 1956 act. We are not talking about the support price being the price.

Mr. POAGE. All I am asking you is this, is not “10 percent less than the average price for the last 3 years” the same as “90 percent of the average price for the last 3 years?”

Mr. LYNN. Ninety percent of the previous 3-year market price for a price support.

Mr. POAGE. It is less than the 3-year average price.

Mr. LYNN. For price support.

Mr. POAGE. They are identical.

Mr. LYNN. Sure, the way you said it, but if you are trying to get me to say we are for 10 percent less each year, I am not going to say it because that is not what we are for.

Mr. POAGE. That is what it is, you are for something that is identical with that, are you not?

Mr. LYNN. No, no.

Mr. POAGE. You just told me that 90 percent of the price for the last 3 years is the same thing as 10 percent less than the price for the last 3 years. What is the difference?

Mr. LYNN. Mr. Poage, your concept of price supports and ours are different. And you know we both know this.

Mr. POAGE. No; I think they are just the same. I think that they are precisely the same, and I think you agree they are the same. Explain to us what is the difference between “10 percent less than the average price for the last 3 years” and “90 percent of the average price for the last 3 years”?

Mr. LYNN. It figures out the same in dollars and cents.

Mr. POAGE. Sure. Let us get that nailed down.

Mr. LYNN. What you want to emphasize is “less.”

Mr. POAGE. You do not want to use those words, but you will use a Farm Bureau formula that gives exactly the same result.

Mr. LYNN. Mr. Poage—

Mr. POAGE. You want to use such a formula?

Mr. LYNN. We have talked about this many times. Your concept of price support, if I understand it, sir, is that the price support is the price. Our concept is that it is a floor; it is not the price. And we have used soybeans right here at this table many times as an example of the kinds of programs that we think could be operated under the recommendation we are making.

Mr. POAGE. Yes; and when the President raised the floor on soybeans, the market price went way on up, nearly a dollar from what it was; that is right, is it not?

Mr. LYNN. I am not so sure of the precise figures.

Mr. POAGE. It did last spring.

Mr. LYNN. I hope that we do not get in a surplus situation in regard to soybeans this fall. And this is one reason we would like to see some delay in extending this feed grain program.

Mr. POAGE. What would you do in the meantime?

Mr. LYNN. We would have you to enact and get signed by the President the cropland adjustment program.

Mr. JENNINGS. Don't you think we should delay to find out what the cost is going to be of yours for the same reason you say we should delay to find out what the cost of this will be?

Mr. LYNN. We have some pretty good figures, Mr. Jennings.

Mr. POAGE. That is just what I wanted to find out. What are those figures? I started out by asking about how much per acre you would expect to pay on this retired cropland. What is your estimate that you would pay?

Mr. LYNN. I think the best estimate is we go back to the 3 years operation of the conservation reserve program and this is the concept in which we are operating.

Marvin, do you have some figures?

Mr. POAGE. What would you expect that to be?

Mr. LYNN. Mr. McLain will answer that. We have written out in longhand some figures.

Mr. McLAIN. We think that from the experience we have had with both the acreage reserve and conservation reserve program—and, incidentally, you will be interested, and I am sure this committee would, because I checked these figures with the Department this morning—that under the feed grain program as has been outlined here, we are going to spend in 1961 practically the same amount of money on only two crops, corn and grain sorghums—practically the same amount of money that we spent on all crops under the acreage reserve program, the highest years farmers participated.

Mr. POAGE. That is very interesting, but I am more interested in the question I am asking and I would deeply appreciate it if you would give us an estimate of what the per acre cost would be under this cropland program.

Mr. McLAIN. That is my next step, if you will just give me 1 minute.

Mr. POAGE. I will give you 5 minutes.

Mr. McLAIN. Under the conservation reserve, the 28 million acres that are out under it, the rental cost will average less than \$15 per acre. We feel that if this is stepped on up to 70 million or 80 million or 90

million acres, that the cost would be some little higher than that. I do not think there is anyone here could tell you how much higher it would take, but we do know that in the last year the conservation reserve in 1960 that we had tremendous more applicants for participation—Mr. Short knows this and everyone on this committee knows it—than we were able to take care of simply because the funds were not available.

It is my judgment—and I have worked very closely with these land retirement programs since we have had them—that in the neighborhood of \$1 billion a year for all feed grains and wheat over a period of 3 to 5 years would solve this problem and would solve it with a lot less trouble than what we are talking about now to expend in this program just for corn and grain sorghums and barley.

We are in barley trouble; we know this. We know it from the reports we have had from the barley area and from Mr. Short's area and others, there will be a terrific increase in barley and soybean acreage, we think, this year.

Certainly, there will be a dramatic increase in soybean acres.

We think that these ought to be included together in a program and then as price dictates, like it has with soybeans this last year, let farmers increase their soybean acreage and not tie them down to a straitjacket so they cannot get around it.

This barley question that Mrs. May raised illustrates the same thing. If there is demand for malting barley, under our program your people could go right ahead and expand their acreage and not have any trouble with anything.

Mr. POAGE. Mr. Lynn, you said that you would retire some thing on the order of 70 to 80 million acres of cropland. I think that is a fair estimate, probably. I think that your figure that it would take about \$20 an acre is all right.

Mr. LYNN. This is roughly a good guess.

Mr. POAGE. If you retired that number of acres, you cannot pay but \$12.50 an acre for it and keep it under a billion dollars as you suggested. You are not going to get this land at \$12.50 an acre and I think everybody in the United States knows it.

Mr. McLAIN. We would not do it in all 1 year.

Mr. POAGE. I asked what it would cost. If you spend \$12.50 an acre on 80 million, it would be the whole billion dollars. If you are going to retire at the figure which we all know it will take, your figures show it as well as mine, and you figure it at \$20 it will take \$1.6 billion to retire that land.

Mr. McLAIN. Let us take the figures—

Mr. POAGE. Why do we talk about \$1 billion when we know we cannot do it at \$12.50 an acre?

Mr. McLAIN. I feel you could not jump it to 81 million acres all at once. This would wreck our economy by taking this much out in any one year. It would have to be stepped up gradually.

Mr. POAGE. In any one year—do you mean we will take it out 40 million acres this year and then put that back in and take another 40 over here?

Mr. McLAIN. No, no.

Mr. POAGE. You ultimately get 80 million in the same year.

Mr. McLAIN. No, step it up 20 million a year.

Mr. POAGE. But it will not cost you \$1 billion a year, it will cost you at least \$1.6 billion, as you can figure it.

Mr. McLAIN. This would be at the top limit.

Mr. POAGE. You do not get the results, if you do not go that high.

Mr. McLAIN. You gradually get into the results, if you stepped it up another 20 million. I think you would be surprised.

Mr. JOHNSON of Wisconsin. Is the 50-million figure not the figure that has been used?

Mr. McLAIN. Yes, by some.

Mr. POAGE. 20 million to 100 million.

Mr. McLAIN. I think no one knows how much land it will take for sure.

Mr. POAGE. I think unless we take out about that much it would not have much effect. That would just take out the marginal land to take out 20 million. You would not have any of the good land, and probably, as has been mentioned so many times, we would probably end up producing twice as much on what was left as we were producing on the existing acreage, because on page 3, Mr. Lynn, you say you would have increasing yields per acre. Do you favor the Neal Smith amendment to this bill?

Mr. LYNN. I do not know what it is.

Mr. POAGE. It provides on that we pay supports only on the volume of grain normally produced on the acres left in production.

Mr. LYNN. No, no.

Mr. POAGE. You do not?

Mr. LYNN. No.

Mr. POAGE. Then you would not be in favor of a policy that kept or tried to keep productions down?

Mr. LYNN. No. Let the farmer make all he can.

Mr. POAGE. So that actually you would expect to be producing within a short time as much as today. You never expect to make any actual cut in production, do you?

Mr. LYNN. I think farmers by and large, Mr. Poage, the ones that I know are doing everything they can to produce to the maximum now on the acreage they have.

Mr. POAGE. I think so, too.

Mr. LYNN. And if you take it from this that the farmer has 100 acres of cropland, he is getting everything out of it he possibly can.

Mr. POAGE. I think so, too.

Mr. LYNN. And then you take 20—

Mr. POAGE. Actually, your program does not contemplate there would be any actual material reduction in the total amount of production?

Mr. LYNN. Oh, yes, it does. This is the point I wanted to make.

Mr. POAGE. How do you bring it about?

Mr. LYNN. Assuming now that most farmers are producing to the maximum on the 100 acres they have—and I think this is true—if he is drawing price support, if he is growing price-supported commodities—wheat, feed grains, and soybeans, to be specific—if he has to take out 20 percent of that cropland in order to get price supports on those three, he is going to produce 20 percent less.

Mr. POAGE. Wait just a minute. How do you take out 20 percent less?

Mr. LYNN. This is in our bill.

Mr. POAGE. In your bill you take out 20 percent of the land?

Mr. LYNN. He takes out 20 percent of the 100 acres of cropland.

Mr. POAGE. If he has got something that he has crops on, he will do as most farmers do, and most farmers have some rather marginal land.

Mr. LYNN. We were just taking the——

Mr. POAGE. You are taking a 100 percent per farm with perfect land all over.

Mr. LYNN. This is true in any program, any land diversion program, as you have already said, farmers will take out the poorest land.

Mr. POAGE. That is right.

Mr. LYNN. It is true under the emergency feed grain program. It will be true on any program.

Mr. POAGE. That is right.

Mr. LYNN. And farmers are real smart people.

Mr. POAGE. That is right. So that very few farmers are going to take out 20 percent of their corn and 20 percent of their soybeans because they are going to take out their less productive 20 percent.

Mr. LYNN. Twenty percent of their cropland.

Mr. POAGE. That is right, the less productive. That is generally planted in oats, some is planted in barley and rye, and——

Mr. LYNN. And alfalfa.

Mr. POAGE. And sunflowers. So that those are the things that the farmer will take out. He will not take out his best paying crops.

Mr. LYNN. We are going to have situations like that, Mr. Poage, like we have heard of some in the Corn Belt area now where farmers have taken out 20 to 40 percent and they are sowing it in sweet clover. They will turn under the sweet clover this fall and put it back into corn. And I will guarantee, as an old county agent, they will make more corn next year than they would on the average of the 2 years if we had not paid out this \$1 billion. I mean I know you are a good farmer because I have——

Mr. POAGE. I am not questioning that at all. All I am saying is that these farmers will not take out their best land or their highest paying crops. They will take out this 80 million acres—it will not be out of corn or out of soybeans, nor out of cotton.

Mr. LYNN. We thoroughly agree.

Mr. POAGE. It will be out of the less profitable crops.

Mr. LYNN. Sure, it will.

Mr. POAGE. And the result is that you are not going to reduce your total production by any 20 percent; you will be lucky if you reduce it 5 percent the first year, and then the farmer comes along and he increases the production on the remaining 80 acres to such an extent that you just said that corn will increase and you will wind up, I think, clearly in getting no absolute reduction.

I am not saying that this is not good because you achieved something by keeping the production lower than it might have otherwise gone, but I think it is foolish to assume that you will gain a 20 percent reduction. You do not anticipate that, do you?

Mr. LYNN. Not the first year. I think as you step up towards the 60 million or 80 million acres, you will tend to get the better land as you step it up.

Mr. POAGE. We have 80 million acres in this country of second-class land. There are some farms where all of the acres are all good, there are some such farms. And he puts nothing in but good land in that case.

Mr. LYNN. This is cropland.

Mr. POAGE. It is cropland, of course, it is cropland. But do we not farm stuff that is so bad that we have to sharpen our sweeps every second round? You may not have as I have where we do that sort of thing, in my part of the country, and there is much of this country that does that sort of thing.

Mr. McLAIN. It is not all in Texas, is it?

Mr. LYNN. It is not all in Texas.

Mr. POAGE. It is not all in Texas.

Mr. LYNN. Mr. Poage, I think we thoroughly agree that this is true and it is true with the emergency feed grain program in 1961. It will be true with any program.

Mr. POAGE. I am not talking about the feed grain program. I am asking you about how much actual reduction you expect to get in production as the result of cropland retirement programs.

Mr. LYNN. We believe that under our program, based on the best studies we have been able to make, that within 4 years we would tend to be balancing supply with demand. On the current basis of production and consumption.

Mr. POAGE. On the current basis. Do you not agree that the current production basis will, certainly, not remain the same? Do you not agree?

Mr. LYNN. That is right.

Mr. POAGE. There will be an increase, approximately, of 10 percent in production basis?

Mr. LYNN. And increase in population, too.

Mr. POAGE. There will be an increase in population, but I am one of those who believes that our ability to increase production is far greater than the increase in population.

Mr. LYNN. I agree with you.

Mr. POAGE. Do you not think with all of our resources that we are going to be able to add at least 20 percent increase in productivity per average acre over the United States over the next 5 years?

Mr. LYNN. I believe it will be some. I just do not know. I am sure that we will—take cotton, for example, if we could control the boll weevil, we would have 1,000 pounds to the acre. If every farmer would use liquid nitrogen on corn, I would expect we would increase 25 bushels to the acre.

Mr. POAGE. Do you not think that within the next 5 years, whether we adopt the cropland program or stay with some other program, we will increase productivity by at least 20 percent?

Mr. LYNN. This will be higher than we have been doing it.

Mr. POAGE. Yes. But are we not stepping up our rate of increase all of the time?

Mr. LYNN. Yes, sir; I think, as you do, that the farmers, given the cost-price squeeze, this is their only salvation.

Mr. McLAIN. We had a dramatic increase during development of hybrid corn. I doubt if it will be repeated so dramatically in the other feed grain area.

Mr. POAGE. Fifteen years ago we did not believe that we would see what happened the last year.

Mr. McLAIN. They have been the most dramatic we have ever had.

Mr. POAGE. Do you think this is the end of progress? Do you think we have discovered all of the things we can do?

Mr. LYNN. No.

Mr. McLAIN. No.

Mr. POAGE. Right now I do not believe we have.

Mr. LYNN. Mr. Poage, I think this discussion has dramatically pointed out that we do have a problem. Nobody can be sure of the answer to this problem. We have come forth with the best proposition we have been able to develop, and to get the majority of our members to agree that this is the best proposition. And we certainly would like to see it given a try.

Mr. JENNINGS. You said the majority of your members felt that this was the best. On the emergency feed grain program for 1961, I believe you were opposed to that, were you not?

Mr. LYNN. We were opposed to the passage of it.

Mr. JENNINGS. You were opposed to the passage and so testified?

Mr. LYNN. Yes.

Mr. JENNINGS. How do you account for the fact that so many farmers have signed up for this program?

Mr. LYNN. Mr. Jennings, I started out working with these programs in 1933 and this is the most lush program that has ever been presented to farmers.

Mr. JENNINGS. Did Farm Bureau members sign up?

Mr. LYNN. Everyone that wanted to. We certainly did not do anything to stop them. We said to our Farm Bureau members: "Look at the facts; what is best for your farm; what will mean the most money to you in 1961?" And that is exactly what they have done. We have officials in the Farm Bureau that are participating in this program. We have no criticism to offer to it, either.

Mr. JONES of Missouri. This is the most lush program, you said?

Mr. LYNN. That is right.

Mr. JONES of Missouri. Is this more lush than in 1956 when we let the corn producers plant all of the corn they wanted to and supported it?

Mr. LYNN. Yes, sir; I think it is. It is interesting what farmers will do with the promise of a handout in the spring. I mean we normally are accustomed to getting the money in the fall. If you hand out \$300 million in the spring, it is very attractive to farmers. We are not being critical of farmers participating in this.

Mr. JENNINGS. Why are you opposed to it?

Mr. LYNN. We do not think it will solve the feed grain problem.

Mr. McLAIN. Or solve any other problem.

Mr. JENNINGS. Do you think this will reduce the total bushels of corn?

Mr. LYNN. I think it will reduce the total bushels of corn and it will reduce the total bushels, perhaps, of corn and grain sorghums, but what will happen in increased production in other feed grains and oilseeds which you have to take into account, we do not know.

Mr. JENNINGS. Do you favor the same program for all feed grains?

Mr. LYNN. Our program covers wheat and all feed grains.

Mr. JENNINGS. In other words, your program then is the same, except you extend it?

Mr. LYNN. No.

Mr. JENNINGS. You say that this program is going to reduce the total amount of bushels or units produced?

Mr. LYNN. No, no, I did not.

Mr. JENNINGS. I mean in corn.

Mr. LYNN. Corn, yes.

Mr. JENNINGS. But not in the feed grains?

Mr. LYNN. Not in wheat and other feed grains.

Mr. JENNINGS. You would recommend the same thing for the other feed grain areas then, would you?

Mr. LYNN. No.

Mr. JENNINGS. Why would you not?

Mr. LYNN. Mr. Jennings—

Mr. JENNINGS. Answer my question, why would you not?

Mr. LYNN. I am going to answer your question. But look, the program that you are asking to be extended is based on a reduction in acreage of corn and grain sorghums. Our program—

Mr. JENNINGS. I knew that was going to be the answer: that you were going to say that. I asked specifically about bushels and units. I did not ask about this. I asked, would it reduce the bushels or units in corn and grain sorghums, this 1961 program.

Mr. LYNN. I think it will.

Mr. JENNINGS. Then do you think this same program would do the same thing for the other feed grains?

Mr. LYNN. This is not applying it to the other feed grains.

Mr. JENNINGS. I know it is not.

Mr. LYNN. If the Congress is ready to hand out three-quarters of a billion to a billion dollars a year on the kinds of deals that this is in 1961, certainly, you will get a reduction.

Mr. JENNINGS. Would you be for it then?

Mr. LYNN. No.

Mr. JENNINGS. Why would you not?

Mr. LYNN. It is too costly.

Mr. JENNINGS. You would rather go ahead and spend that money for storage and elevators than to give it to the farmers direct?

Mr. LYNN. No, we would give it to the farmers under the cropland adjustment program as we have outlined here.

Mr. JENNINGS. The cropland adjustment program?

Mr. LYNN. The cropland adjustment program.

Mr. JENNINGS. What is the difference between the two?

Mr. LYNN. There is quite a little difference. Cropland adjustment means adjusting the total acres of cropland to meet the demand.

Mr. JENNINGS. What is the difference between that and subsidy?

Mr. LYNN. Subsidy has all kinds of meanings. It would be a subsidy in a way. That is not the title we give it.

Mr. JENNINGS. I know you do not.

Mr. JOHNSON of Wisconsin. This committee is contemplating wheat legislation. At the same time, are you in favor of taking out wheat?

Mr. LYNN. We will be up here day after tomorrow.

Mr. JOHNSON of Wisconsin. Do you like that program?

Mr. LYNN. We would not be for it as proposed. We surely would not.

Mr. SHORT. Mr. Lynn, to get back to this malting barley question which was raised before, unless we make some specific provisions for the solution of the production of malting barley or that we make provision for malting barley, are we not going to get into the position that we have already been in, in our wheat legislation, where by raising the price support we are encouraging the production of just any kind of barley that meets the requirements for price support?

North Dakota is the largest barley producing State in the Nation and what we do here is important to my State. It seems to me that it would be inevitable if we put this price support level where we have it now, or even up to 90 percent, we would tend to encourage the production of varieties of barley that are not necessarily malting barley—and there is a difference in the varieties—to the point where we would be filling up the CCC storage facilities with a feed type of barley, at least, the type of barley that is not particularly suitable for malting purposes. Is that not an important consideration in this bill that we intend to include barley as one of the crops in the next year?

Mr. LYNN. I think you are precisely right. Mr. McLain might have something to add to that.

Mr. McLAIN. The evidence has always been, Mr. Short—we have seen it with wheat—as you lift the support level you get high yielding varieties which are grown for yield only. In wheat finally the U.S. Department of Agriculture had to discount some varieties that were grown because of high yield only. The farmer is really smart, the smartest man on earth. When he turns grain over to the Government, he will raise varieties he can get the most bushels from. It is just human. If you got the price support of barley high enough, I am sure this is exactly what would happen.

Again, under our program a farmer would not have any limitation on the barley as such. He could go ahead if he had an outlet for malting barley, he could go ahead and produce it. This is what we think he ought to do. He ought to produce what the market wants and can use.

Mr. SHORT. Under the provisions of the proposed extension of the feed grain bill, as I understand it, in order to be eligible for the higher price supports, the barley producer would have to reduce his acreage of barley 20 percent. He would have the optional choice of staying out of the program with the hope that the price of malting barley would stay above the price of any kind of barley now under price support.

Mr. McLAIN. I would say this, since Mrs. May raised the question: It would be very difficult for the Department to handle a program to try to differentiate between malting barley and other barley in this area because, as was well said here, what you start out planting does not necessarily end up with malting barley, as you well know.

Mr. JOHNSON of Wisconsin. It depends upon the year.

Mr. McLAIN. That is right.

Mr. JOHNSON of Wisconsin. I was wondering about that. It was not good enough for malting. The barley was about 90 percent of the value of corn for fattening hogs. I think that is the common route of use. I know there are varieties of barley that are used for malting.

Mr. McLAIN. Yes there are. Mr. Short knows more about this than I do. He could comment on it.

Mr. SHORT. There is a great deal of difference between the varieties of barley that lend themselves to malting. There definitely are varieties of barley that are specifically varieties that can be used for feed. In between there are some varieties that lend themselves to both uses.

Mr. JOHNSON of Wisconsin. Is it not true then that those working on varieties have malting in mind?

Mr. SHORT. We have a new variety of barley in North Dakota that is very high yielding and a very desirable variety for feeding purposes and that only. This is the thing that bothers me. This new variety of barley has enabled people to come up with some spectacular yields. We had a quarter section of barley about 4 years ago that yielded 65 bushels per acre. It was not malting barley. It has yielded up to 75, 80, and even 90 bushels per acre in the eastern part of the State and again this is not malting barley.

To move on, we had quite a bit of conversation about this matter of land retirement. It seems to me that the land that the farmer is going to retire is optional to him under the provisions of the feed grain bill as it is under the conservation reserve program—that is his choice—he can choose the acres that he will retire. There is nothing in the bill which says he has to retire certain specific acres.

Now another question. What would be the comparative cost of retiring land under the provisions of the feed grains bill with the payment schedule that is set up under that bill, as compared to the price that land could have been retired under the offerings that were made and were not able to take advantage of because of the limitation of funds available, under conservation reserve programs?

Mr. McLAIN. They were less than half as much. That is, roughly speaking.

Mr. SHORT. I think this is an important factor in this whole consideration, that the farmer expressed a willingness to retire land and, incidentally, in many instances to retire whole farms, which meant that you took the best along with the poorest land at a cost to the Government considerably below the cost that is now required under the provisions of this feed grains bill.

Mr. LYNN. Another point in this connection, Mr. Chairman, Mr. Short, is that we would not have raised the price support on corn to \$1.20. We would have let the Agricultural Act of 1958 have gone into effect, which was roughly \$1.05. If we are going to try to have a land retirement program and continue to increase the price support as we say here, we are bidding against ourselves. It will take more dollars per acre to get this land as you increase the Government guaranteed price support.

Mr. SHORT. One more question.

Mr. JOHNSON of Wisconsin. I think that one point is to be made, that the cost of the price of land is worth half as much.

Mr. SHORT. What would be the difference as to the type of land?

Mr. JOHNSON of Wisconsin. You are not taking the best land out in the Corn Belt and retiring it unless the whole farm comes in. You are getting a farm which, probably, is in one of the lower levels where the people want to retire and people staying on the farm put the whole farm under.

Mr. SHORT. I do not think that follows.

Mr. JOHNSON of Wisconsin. What information do you have as to that?

Mr. McLAIN. I did not hear you.

Mr. JOHNSON of Wisconsin. What information did you have at the time as to the type of farms that were being offered to the Department?

Mr. McLAIN. The research people in the Department put out a report on this that could be made available to you. Of course, they started off with the poorest land and it got better as more land came in. This 28-million acre figure is pretty nearly the average of the land in the communities. You have to expect the poor land first with any program.

Mr. POAGE. Will you yield? I agree on the proposition that under any land retirement program you will get the poorest land. The committee and Congress will understand that. I do not think there is any question but what you will get the poorest land. You got the poorest land under the conservation reserve, under the feed grains program, under any program. The only difference with what Mr. Short is saying that I can see is that you did get a reduction in feed grains under the present program.

It is not a matter that you got good land out of this program. You got poorer land out of the program. You got the poorest land out because the man kept his best land to plant something else. But he did cut his feed grain acres. And we paid for it.

Mr. JOHNSON of Wisconsin. We planted it to corn. He could not get it out in dry land.

Mr. LYNN. I think as you step up the acres and approach the 60 million or 70 million or whatever it is, you tend to get better land each year.

Mr. POAGE. You will.

Mr. LYNN. Under our bill we encourage 3-year retirement of this land. And I am sure we are all good enough farmers, when you change these acres each year, you are tending to defeat the purpose of the program.

Mr. POAGE. If you bought the land you would be able to do this, cheaper. You could buy it much more cheaply than to pay for retiring in. There are, however, social evils that come along with that.

Mr. LYNN. They are just about buying it this year and not getting title to it.

Mr. POAGE. I mean taking title to it.

Mr. LYNN. We would be opposed to that.

Mr. POAGE. I know you would oppose it, but that would be the cheapest way to handle it.

Mr. SHORT. I think it is a true statement that in North Dakota there will be the greatest production, if we have rain, and certainly there will be the greatest acreage of barley planted this year due to the incentive that has been provided with the higher price support and no limitation on the number of acres that can be planted due to rather peculiar administrative determinations in regard to maintenance of a soil conserving base on the farm. I do not think it follows that it is true that with the feed grain bill that they are going to get any smaller production of feed grains, particularly in barley in North Dakota.

Mr. LYNN. This is precisely the reason that you wait until all of the facts are in. That is why we said that. It may be you may decide to include all feed grains under this program.

Mr. HOEVEN. The same situation might apply to the corn area; including barley might be an inducement for corn producers to go back into growing more barley. Would you like to add your comment, Mr. McLain?

Mr. McLAIN. As I understand the ruling that the Department has made, the increase in barley acreage applied primarily to the area where you had summer fallow. They said summer fallow did not count in the conservation base acreage. At least barley is being planted on this acreage in many areas.

I do not know why this determination was made but it was, according to what Mr. Short says. Of course, we do not have any fallow land in Iowa, but we have many other crops on which you can make the shift back and forth. And I think we ought to look with much interest and with real desire to be helpful as to what the crop report that comes out in July shows. We are paying for 26.7 million acres here. How much has our total depleting acres come down? That is the thing we ought to look at.

Mr. MATTHEWS. I want to thank the gentleman for his testimony. It has been very interesting. We have these two philosophies, as I see it. We have been discussing, one, shall we try to solve our surplus problem more through the crop or land retirement plan, or, on the other hand, through a program which is limited here to feed grains like corn and barley.

This is an observation that I want to make, and I am wondering if you had any facts about it. I think Mr. Johnson said a while ago that many people who have taken advantage of the land retirement program and soil conservation program, and the acreage reserve program, have been people who in my district, for example, are not the dirt farmers. I am thinking of two particular individuals, both very good friends of mine—one a doctor. He bought two or three wonderful farms and he put them into pasture. Another gentleman is a farmer who wants to retire. I think that is what Mr. Johnson spoke about. They are good men. I will not criticize them. But they are not active, so-called dirt farmers.

I have noticed in my own district the feed grains program of this spring really helped the dirt farmer. I mean the man that produces and the man that I want to try to help stay on the farm because I think we have a social problem as well as an agricultural problem.

I want to see if you have any facts about this. Do you know about how many people who go into the land retirement program who are not really farmers; who are not rotating crops and carrying on a good farm program? They are getting out of farming completely. Do you have any figures as to how many people who are actually dirt farmers are getting into the soil retirement program that we have now over against these others who are not really farmers?

Mr. JOHNSON of Wisconsin. Acres would be a figure.

Mr. MATTHEWS. I realize you may not have this information.

Mr. LYNN. I do have a comment that might be helpful. I think for the first 18 million or 20 million acres in any land retirement program, you will get a lot of the doctors and lawyers and so forth to

retire their whole farm, but I think this is perfectly good. The farmer who is out there to farm is out there to farm. He is not in the business of putting in pine trees. But I think there is not a thing wrong with what these three farmers have done. I think if you step up the land retirement toward 60 million acres you will tend to get some dirt farmers, as you say, that will participate. And I am not at all surprised that many of your farmers have participated in Florida this year because it has been a very profitable thing to do.

Mr. MATTHEWS. The only thing that worries me is that I do not want to liquidate the farmers.

Mr. LYNN. No.

Mr. MATTHEWS. I know you do not want to. My only thought is trying to keep that man on the farm, that is the entire idea, and to get some young people to stay on there.

Mr. LATTA. I have one question, but first I would like to comment on this meeting of minds between the chairman and Mr. Lynn. I might say that I concur with the meeting of the minds between you two gentlemen.

I think that Mr. Poage said that under the feed grain bill the poorer land would be taken out and put into the program. If the poorer land is taken out under the feed grain program, I am wondering what would be the purpose of giving a bonus to each farmer again in 1962 to take the poorest land of production—why should we not say, "You take the other land out, Mr. Farmer, and we will give you a bonus on that land."

Then, would we not be attracting the better land?

Mr. LYNN. Are you asking me?

Mr. LATTA. Either one of you gentlemen.

Mr. LYNN. We are going to disagree here now. We could pay him the rate that we are suggesting here for the poorer land to start with—

Mr. LATTA. My question is as to the feed grain program.

Mr. LYNN. My experience has been as a farmer and a county agent. I think definitely you are better off if you take out this land for more than 1 year for the simple reason—

Mr. LATTA. The poorest land?

Mr. LYNN. Even though it is the poorest, because you can take those acres, as is going to happen in some of these cases, and put it in red clover or sweet clover or alfalfa in August and get a growth about this high [indicating] and turn it over in February or just as soon as you can field plow, and you will increase your yield of corn, or whatever it is, a tremendous amount.

I am sure that everybody recognizes this. Then if you go over, and maybe you have a drowned-out piece that you will take out next year, and you continue this, why I do not think that you will get as much reduction as you will if you will take out these 10 acres, even though these 10 acres are the poorer land, to keep it out 2 or 3 years or as long as you can.

Mr. Poage is a dirt farmer.

Mr. POAGE. I do not want to prolong this. I disagree with you. I think Mr. Latta is probably right. It is the poorest land. If you have some other land you, probably, would be better off keeping the same land, but, of course, you are right about the productivity of the land by that method.

I think it is just as well to put it into something else.

Mr. LATTI. The question I had in mind was this. On this cross-compliance. I will ask you this question.

You heard Mr. Jaenke speak on this. They are agreeable to taking out the cross-compliance for barley and corn. Going back to the 1961 act, when we passed the feed grains bill, the conference committee took out soybeans and corn, the cross compliance between those two.

The Department made some sort of a ruling that actually vitiated the action of the conference committee by saying that you cannot get price support for any more production of soybeans than you had in some previous year. I do not know the figures they used. I wondered how the Department could do that and what regulation they used, or what section of the law did they use?

Could they then do it again as to this part in here?

Mr. McLAIN. I know about what happened.

Mr. LATTI. That is what I want to know.

Mr. McLAIN. You would have to amend the provisions that deals with feed grains and oilseed crops in order to do that. If you are going to stop this type of thing, I mean. I think the reason it has not been used previously was because there was not the particular occasion which developed, that Secretary Freeman saw on this occasion, to do what he did.

He was interested, I am sure, in getting—because of the way section 3 of the bill read, when it came up—farmers interested in complying with his program. He was very open about this. He could see, I am sure, when this restriction was lifted that there might be a tremendous increase in soybean acreage. I think he should answer this himself.

I am sure he had in mind two things. One was to help get participation in the program. And the other was to keep the soybean acreage from going clear out through the roof, which could be embarrassing if it did happen.

Mr. JONES of Missouri. Will you yield?

Mr. McLAIN. There is plenty of authority to do what he did, and he was perfectly within his authority.

Mr. LATTI. I understand that he used another section of the law.

Mr. McLAIN. This is right.

Mr. LATTI. The thing that disturbed me was that we had taken out cross compliance, at least, during that 1 year, and then when we went home to find out that actually he had moved to another section of the law and put it back in. The thing I am fearful of is that we will go along and again take out cross-compliance and then have one of these Department orders come out that will completely reverse the position we have taken.

I begin to wonder why we try to work these things out in the committee room, when the Department, by regulation can completely reverse what we thought we had adopted.

Mr. McLAIN. I am sure that competent lawyers could cite the specific part of the law he used to do this. If you wanted to amend that provision you could do that, of course.

Mr. POAGE. In the first place, section 301 and section 401(c) of the Agricultural Act of 1949 gives the Secretary vast power. It gives

him the power to control almost every commodity with the exception of certain basics. He has the power to establish price support programs for any commodity and to prescribe the conditions of eligibility.

That is what was prescribed in connection with the soybeans—the conditions of eligibility. And as one member of that conference committee I think that I recall what we did there was as to a question about cross compliance that it was stated, "Why, you do not even need that since he has the power to take care of it and can change it."

Mr. LATTI. I would like to say with respect to that, that on the House floor nothing was said as to the statement just made by the gentleman from Texas. I was very much interested in it and I raised that question. And I would like to have the privilege of submitting for the record the page from the Congressional Record as to my question on that subject at the time of the conference report.

Mr. POAGE. Without objection, you have that permission.

(The information referred to follows:)

[From Congressional Record, Mar. 21, 1961]

Mr. Speaker, I yield back the balance of my time.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. Latta].

Mr. LATTI. Mr. Speaker, I take this time to clear up a couple of points. I would like to address a question to the chairman of the committee, the gentleman from North Carolina [Mr. Cooley]. Am I to understand from the conference report that the cross-compliance feature between soybeans and corn has been stricken from this bill?

Mr. COOLEY. The gentleman is correct; that section was eliminated.

Mr. LATTI. I want to thank the gentleman and to compliment the conference committee on adopting this provision excluding soybeans from the bill. When the bill was before the House for consideration I offered an amendment to do exactly that, but it was turned down by the House. I am certainly glad that the conference committee in its infinite wisdom adopted my amendment and that the soybean-corn cross compliance feature is now out of this bill, that producers of soybeans do not now have to participate in the corn program to secure price supports.

I would also like to direct another question to the chairman of our committee, dealing with the first 20 percent. As this bill now stands, does the Secretary of Agriculture have the choice as to whether he will pay the first 20 percent in kind or in cash? Or is that left to the producer?

Mr. COOLEY. If I understand the gentleman's question correctly, the Secretary may make a determination as to what is to be paid in kind.

Mr. LATTI. On the first 20 percent.

Mr. COOLEY. That is right.

Mr. LATTI. Then if the Secretary so desires he can make all this payment in kind for the first 20 percent, also the second 20 percent.

Mr. COOLEY. That is right, and in that event he would not use the \$500 million provided in the House bill.

Mr. LATTI. In the event the Secretary decides to make payment in kind, must it be universal for each of the 50 States? Or can he designate the State of Iowa, for example, to get cash, and the State of Ohio to get payment in kind? The question is, "Can he discriminate between growers?"

Mr. COOLEY. The Secretary has very broad discretionary powers granted to him in the bill, but I am quite certain he would make all regulations and provisions uniform throughout the Nation. Perhaps he could do what the gentleman has in mind, but certainly I could not believe that he would.

Mr. LATTI. It certainly was not the intent of the conference committee to give him the power to discriminate among growers in the United States.

Mr. COOLEY. It certainly was not.

Mr. LATTI. I thank the gentleman.

This bill still contains a very objectional feature; I have reference to the bushelage controls contained therein. As I pointed out when the bill was before

the House, I am very much opposed to bushelage controls and I am still opposed to them and I was hopeful that the conference committee in its wisdom would strike this feature from the bill.

In my opinion, we are setting a very definite precedent, whether we say so or not, by going in this direction. It is progress in reverse for the American farmer. Certainly, American agriculture productionwise has progressed farther and better than any other segment of our economy. We are the envy of all the world in this field. Certainly we should not say to the American farmer, you have progressed far enough, you should not progress any farther.

Mr. LATTI. That question was never raised. We were led to believe otherwise.

Mr. HOEVEN. If the gentleman will yield, I was a member of that conference committee. I want the record to show that the House conferees did uphold the position of the House in trying to keep the cross-compliance provision in the bill.

Mr. POAGE. I think that is correct.

Mr. JONES of Missouri. The authority is for the Secretary under the law to make the decision and issue these regulations. Is it your understanding that if H.R. 6400 would be adopted that the Secretary would be deprived of some of the authority, and that he would have to come to Congress with these proposals?

Mr. McLAIN. I think that he would be deprived of very little authority, Congressman Jones, and would be granted tremendous added authority.

Mr. JONES of Missouri. In other words, he would be deprived of the authority which he used in this particular instance, would he not?

Mr. McLAIN. I would not see it that way, no, because I think that H.R. 6400, as I understand it, does not deprive the Secretary from continuing to operate the current programs that are on the statute books as regards price supports.

Mr. JONES of Missouri. But then on any other program that is brought up here, he would, if another program is adopted, lose that authority that he had?

Mr. McLAIN. If he brought you a specific program, for instance, on soybeans, in this case, and brought that up here, this, probably, would be true, but to say that he loses his authority because of this act I think is very erroneous.

Mr. JONES of Missouri. All I am trying to get is this, in other words, he would under that program be deprived of some of the authority he has as these other programs were brought in here?

Mr. McLAIN. If you brought in another program it would be just like Congress finally passing another program, because the effect of what the Secretary would do under H.R. 6400 would be to pass another bill, to bring it down here for you to reject, if you wanted to.

When you do that, of course, you change what he currently has authority to do, but H.R. 6400 does not take any authority away from him in setting price supports the way I see it.

Mr. JONES of Missouri. It does not take any away from him?

Mr. McLAIN. From these statutes currently on the books. He could keep right on operating all of the laws as they currently are.

Mr. JONES of Missouri. Maybe I misunderstood it. My understanding is that if H.R. 6400 had been adopted he could not have raised that question.

Mr. McLAIN. I see nothing in H.R. 6400 that says that. I think there is a lot of erroneous feeling on this score. I say this with all sincerity. I think it would not deprive the Secretary of authority to carry out all of the statutes that are on the books today. This does not repeal any statutes on price supports.

Why should he not be allowed to do so? Why should he be deprived of the right that he currently has under existing law?

Mr. JONES of Missouri. I think that H.R. 6400 would deprive him of some of the rights he has and require him to bring the programs up here for approval.

Mr. McLAIN. There is no requirement that he bring any program to you.

Mr. JONES of Missouri. No requirement, but the statement was made here at the time the Secretary was here, he pointed out some of the authorities that he would lose if H.R. 6400 was adopted.

Mr. McLAIN. Well, assume for the sake of illustration that if passed and the Secretary decided not to move and to do anything under it. Every authority that is currently existing he would still have. Nothing is amended or changed.

Mr. POAGE. Will you yield there?

Is it not true that at the present time the Secretary has almost unlimited authority—the Secretary can prescribe price support programs for almost all commodities?

Mr. McLAIN. That is right.

Mr. POAGE. He can do that?

Mr. McLAIN. This would not be changed by H.R. 6400.

Mr. POAGE. I am saying that at the present time the Secretary has the power to put in price supports for soybeans, for rice, for sunflowers or for most anything else he wants to.

Mr. McLAIN. Yes, he has liberal authority.

Mr. POAGE. And he has the authority under the existing law to prescribe the conditions of eligibility, has he not?

Mr. McLAIN. Yes.

Mr. POAGE. Which means that he can require reductions, he can require limitations before any participation?

Mr. McLAIN. He cannot require marketing quotas.

Mr. POAGE. He cannot require that, but he can require acreage allotments.

Mr. McLAIN. That is correct.

Mr. POAGE. So that he has those powers today. If he wanted to abuse those powers he would not have the slightest need for H.R. 6400, title I.

Mr. McLAIN. He could put acreage allotments on soybeans under law currently.

Mr. POAGE. That is right. He could do it under existing law. But the Secretary does not want to act as a dictator so he says, "I would like to have some method whereby we can have the farmers participate, whereby we can have the Congress participate, whereby the producers of the commodity can say, 'we will turn it down'"—as would be the case if two-thirds are not in favor of it. That is what he says in H.R. 6400.

Nobody wants to be a dictator in a country like this. No man thinks it is good politics to act as a dictator. You did not when you

were in the Department. You did not so act. I am not charging that you did.

Mr. Benson had the powers; did he not? He had the same powers that Mr. Freeman has. He did start a program of price supports on live cattle at one time. He did under section 301, did he not? That is the power that he used when he prescribed the program in 1954. He had the power under section 301.

Mr. McLAIN. He did have some authority under that.

Mr. POAGE. Maybe it was not adequate, but I mean he exercised the power. He exercised the power to influence the market. I am not criticizing. The power was there. And the power is there today. There are people who are trying to come up here and tell us that this Secretary is grabbing for power, I think this is very unfortunate and unseemingly, and for the American Farm Bureau Federation to call this the Cochrane-Freeman bill, when there is a well-established practice in Congress to call a bill by the name of the author. The author of this bill is Harold D. Cooley, the chairman of the Committee on Agriculture of the House of Representatives.

And I think it is the Cooley bill.

Mr. McLAIN. I saw yesterday a release, and this will amuse you, which contained Senator Ellender and another gentleman's picture, Secretary Freeman's, in fact, that was put out by the Department, in which it called the bill the Freeman-Kennedy bill. So this was officially out of the Department. So I do not know which it is.

Mr. POAGE. The fact is long established that the bills are called by the names of the authors. Last year it was the Poage bill.

Mr. McLAIN. What I am saying is that the Department sent out officially, a picture and a letter that called it the Freeman-Kennedy bill.

Mr. POAGE. They can call it whatever they please, but the purpose of calling this something else is to try to say, "Why this thing is the idea of somebody out of Congress, and it did not come from there." That is the purpose of this—it is to try to use ridicule to try to destroy that which we cannot discredit with logic. Is that not the purpose of that type of name calling?

Mr. LYNN. We read Mr. Cochrane's book he wrote about 5 years ago, and we want to give him full credit for it. It was so apparent.

Mr. POAGE. You wanted to give him credit? Of course, I would like to say something about that. After all, this same type of bill was introduced in the last session.

Mr. LYNN. Your bill did not go so far.

Mr. POAGE. It did not go so far as this one, that is true. Neither did Senator Humphrey's bill nor anyone else's bill. It was the same type of legislation, trying to bring back stability to the market.

And to try to stabilize and to establish a general overall policy. So what I am trying to say here and what Mr. Jones is saying is basically correct, that while technically this bill does not repeal the power the Secretary has it would be an unusual Secretary who would actually, given the powers under H.R. 6400, fail to use the procedures established under H.R. 6400, and who would set himself up as a dictator to be identified as such by everybody in the Nation.

I do not think that Mr. Freeman would set himself up to be shot at in that way.

Mr. LYNN. This is permanent legislation, though, that you are talking about, and there might be a Secretary of Agriculture some time who might do that.

Mr. POAGE. Do you think that is probable?

Mr. LYNN. It is probable.

Mr. POAGE. I am glad you think it probable.

Mr. LATTA. Will you yield there?

Mr. POAGE. Yes.

Mr. LATTA. I have read H.R. 6400 backward and forward. I would like to have you point out to me sometime after we adjourn here—we do not have the time now—tomorrow or next week where it provides in this bill that the farmer himself shall initiate the programs or participate in them. The way I read this bill the Secretary shall appoint the advisory committee, who shall be elected by the county committees, the county committees will be elected by the township committees, and the farmer finally gets into the picture by helping elect the township committees. I do not find where the farmer himself elects the advisory committees.

Sometime in the future, before we vote on this, I would appreciate it if you would point out to me that section where it states that the farmer shall write these programs.

Mr. POAGE. Are there any further questions?

Mr. HARVEY. I would like to ask some questions, but I am going to have to go to a luncheon engagement at 12:15 and I will have to leave. I do not want to prolong this, but I wonder if you might not continue the hearings this afternoon, if the chairman would be amenable to the idea of continuing the hearings this afternoon.

Mr. POAGE. If you could ask these gentlemen the questions that you want to now, it would be very helpful.

Mr. HARVEY. I have waited a long time—waited patiently, I think.

Mr. POAGE. I think you realize what I am talking about. If we ask these gentlemen to come back we will spend more time with them.

Mr. HARVEY. My questions will not take an hour and a half.

Mr. POAGE. If you could ask them right now and we could get through with them.

Mr. HARVEY. I have an appointment in 5 minutes.

Mr. POAGE. You want to ask these gentlemen questions? I think everybody has asked them questions. I had only hoped that you could question them now. Do you want to ask some more questions, Mr. Short?

Mr. SHORT. Yes.

Mr. POAGE. Does anybody else want to ask these gentlemen questions? How many questions have you got now? Will you come back and answer Mr. Harvey's questions this afternoon?

Mr. LYNN. Yes, sir; we are at your disposal.

Mr. POAGE. We will let you come back to answer Mr. Harvey only this afternoon—nobody else is to ask these gentlemen any questions this afternoon—Mr. Harvey only.

Mr. SHORT. In regard to the authority provided in H.R. 6400 for the Secretary, quite a point has been made of the fact that this bill does not give the Secretary any authority above and beyond that which he has now. I think one point that is of real importance in this respect is that H.R. 6400 would give the Secretary authority, with the

advice and consent of these advisory groups, the authority to establish quotas for farm commodities, which is an authority which previous Secretaries have never had.

Mr. POAGE. If there are no further questions we will recess until 2 o'clock. Mr. Harvey then will have the opportunity to ask you gentlemen questions. Beyond that we will hear Mr. Bruns, Mr. Johnson, and Mr. Rowe.

(Whereupon, at 12:15 p.m., the subcommittee recessed, to reconvene at 2 p.m., the same day.)

AFTERNOON SESSION

Mr. POAGE (presiding). The subcommittee will please be in order.

The subcommittee is going to continue with the questioning of Mr. Lynn and Mr. McLain. Mr. Harvey?

Mr. HARVEY. I listened this morning with a great deal of interest to the colloquy we had within the committee concerning not only the feed grains bill, but the direction in which we proceed afterward. I think admittedly, we are all in agreement in our opinion that the feed grains bill is simply an expedient method of disposing of present surpluses of feed grains.

That is not definitely an answer to the problem. It is sort of a stopgap provision that, possibly, has a great deal to justify it. By eliminating present surpluses (if it does), it will have performed, at least, one desirable function.

It seems to me that the debate back and forth was along that line, but the big question we are facing, the position that we should be advocating, is that we ought to be at the same time considering a long-range answer to the program. Is that correct?

STATEMENT OF JOHN C. LYNN—Resumed

Mr. LYNN. This is correct, sir.

Mr. HARVEY. Of course, the proponents of H.R. 6400 are now saying that it does that, that they want to include as a part of title I of H.R. 6400, thinking of it as a solution to the problem. I think it is true that in my district, in my area of Indiana the farmers are very much opposed to the allotment system, to the acreage allotment system of meeting the situation.

From your knowledge of Indiana would you say that that is correct?

Mr. LYNN. I think this is true throughout the Corn Belt.

Mr. HARVEY. The thing that appealed to me—I think that Congressman Poage does not agree with my basic approach to the problem, but I do think he will agree with me that we cannot sell a program to the farmers that they do not like and do not approve—

Mr. POAGE. Yes?

Mr. HARVEY. I have just completed this spring a very thorough canvass in which I tried to determine from responsible farmers of my district, without prejudice, by a questionnaire type canvass of the farmers, and in almost exactly 4 to 1 percentage they said that they would prefer not to have an acreage allotment approach to the long-range solution of the farm problem.

I do not think, Mr. Chairman, in all fairness it can be said it is a fact they have accepted or approved the Feed Grains Act, that it is in any sense an answer to how they would feel about the feed grain problem on a long-range basis. I really do not think so.

I have not been critical. In fact, I would say, as I have said, to my farmers back home, as I said to my two tenants; "If you want to participate in this Feed Grains Act, I will be happy for you to do so."

Has that been the position of the Farm Bureau insofar as your membership is concerned?

Mr. LYNN. Yes, sir.

Mr. HARVEY. In other words, you do not approve of the Feed Grains Act as an organization, but you did not in any sense try to persuade any of the members to boycott it and from participating in it?

Mr. LYNN. I wish I had the newsletter here—we have a mailing list of some 65,000, and Mr. Shuman made such a statement in our newsletter.

Mr. HARVEY. I think that is important to have it on the record, because the Farm Bureau does represent, I suppose, 95 percent of the organized farmers in my district. For that reason it is a pretty responsible organization. I think the Farm Bureau would not be put in the position of having tried to sabotage this temporary program. I do want to emphasize and leave on the record that in my opinion—and I think I am sustained by the majority of the farmers of my area in the Midwest—that they would much prefer the conservation reserve process to the solution of the problem to that of an allotment system.

Mr. JOHNSON of Wisconsin. Would it not be possible under H.R. 6400 for the farmers to come into the Farm Bureau program?

Mr. HARVEY. Yes. Since you brought that question up I think we in my area are confronted with this difficulty which is in contrast with most of the other commodities, including dairy products, in that our people do not market corn principally as corn—they market it in the form of livestock.

I have tried as one person to arouse an interest in the farmers of the Midwest in corn as a commodity. I have not had any success in doing this, in fact, it has been a failure. They only think of corn as a step in an ultimate process of producing livestock and livestock products. They, in turn, when you have talked to them in terms of livestock and livestock products, are violently opposed to any system of marketing orders that would bring livestock into that category.

However, I have had the experience that in any given period there are enough dissenters or dissatisfied or unprofitable producers of either pork or cattle—which are the two principal commodities—who keep up a continual ferment and I think the big thing the livestock producers fear about H.R. 6400 is that by the referendum method they would not ever get it imposed upon them, but they figure that it would be something that would be continually harassing them. And I can envision enough men being recruited from all over the Midwest to come down here and put in a vigorous complaint with the Secretary to bring hogs under marketing orders.

And I am sure that then the farmers would be called upon, eventually, by the method of referendum to try to defeat this thing that was being imposed upon them by a minority of the producers.

Mr. JOHNSON of Wisconsin. I think when you get right down to the nub of it, that is the basic objection the livestock producers have. I do not think the farmers themselves think of corn in itself as a basic commodity.

Mr. POAGE. Thank you, Mr. Harvey and Mr. Lynn and Mr. McLain.

Mr. LYNN. Thank you.

Mr. POAGE. Our next witness is Mr. Carl Bruns, president of the National Association of Wheat Growers. We will be glad to hear you now.

STATEMENT OF CARL BRUNS, PRESIDENT, NATIONAL ASSOCIATION OF WHEAT GROWERS, ACCOMPANIED BY JAMES B. DYESS, EXECUTIVE VICE PRESIDENT

Mr. BRUNS. Mr. Chairman and members of the committee, we appreciate the opportunity given us to appear before this group to express our views on the pending amendment to H.R. 6400 relating to an emergency feed grain program for the 1962 crop year.

Our organization is composed of wheatgrowers in 10 of the principal wheat-producing States in the Great Plains and Pacific Northwest. Yet, as wheat farmers, we also are vitally concerned with the feed grain program, because virtually every wheatgrower also is a feed grain producer.

The following table illustrates clearly the importance of feed grains to the wheat producer. Barley and grain sorghum are the major feed grain crops which the wheat farmer falls back on to supplement his income and to utilize his cropland most efficiently. Since, in most cases, corn is grown in the more humid areas where wheat is of minor importance to the farmer, we have not included any data for corn in this summary.

	1960 allotted wheat (millions of acres)	Feed grains (millions of acres)			Percent of wheat allotment
		Barley	Grain sorghum	Total	
Nebraska.....	3,182	326	1,951	2,277	71.5
Kansas.....	10,636	1,077	5,335	6,412	60.2
Oklahoma.....	4,865	763	1,294	2,057	42.3
Texas.....	4,092	527	8,053	8,580	174.8
Colorado.....	2,677	640	699	1,339	50.1
Wyoming.....	285	110	7	117	41.0
South Dakota.....	2,727	524	322	846	31.1
Oregon.....	833	508	-----	508	61.0
Washington.....	1,998	682	-----	682	34.3
Idaho.....	1,165	553	-----	553	47.5

In our 10 member States, barley and grain sorghum range from 31 to 71 percent of the wheat acreage as shown in the table above, except in Texas, where grain sorghum, instead of wheat, frequently is the principal crop on many farms.

The acceptance by farmers of the 1961 feed grain program on corn and grain sorghum is evident from the preliminary participation

figures given to this subcommittee. It is obvious that farmers are interested in helping to solve their own problems, and will act to do so if given the opportunity.

We endorse the objectives of the 1962 feed grain program, and also endorse the addition of barley to the group of grains covered by the program.

The operation of the 1961 feed grain program has revealed some areas where improvement in the program should be made for the 1962 crop year. Before discussing these specifics, however, I believe it to be desirable to point out some of the facts concerning the farming operation in the semiarid regions of the country where so many of our members are operating.

The summer fallow practice is widely followed in much of the High Plains and Pacific Northwest, both for the production of wheat and feed grains. Very little data has been accumulated with respect to the acreage of feed grains grown on summer-fallowed land, but as a general rule, feed grains are grown on summer-fallowed acres on most farms where wheat is grown on summer fallow.

In testimony presented to the wheat subcommittee in February of 1959, the Department of Agriculture showed that about 40 percent of all wheat in the United States was grown on summer fallowed acres, and in the 15 Western States, about 50 percent of the wheat was grown on summer fallowed acres. Although no similar figures are available for feed grains, it is reasonable to assume that most of the wheat farmers growing wheat on summer fallow acres also produce feed grains in the same manner. Thus, it is important in writing a feed grain program to recognize the importance of this summer fallow practice.

For the benefit of those of you who are not from that area, I would like to point out what is involved in this practice. In the true summer fallow practice, the farmer grows a crop on just half of his available crop land. The other half is left idle each year, and cultivated from time to time to conserve moisture, as it takes 2 years of moisture to produce one crop. When we harvested our crop last fall—in 1960—the land which was harvested was carried through the winter, spring and summer with occasional cultivation to prepare the seed bed for planting this fall—1961—so we can harvest the crop in the fall of 1962. It is obvious that our farm plans for seeding are made far in advance, in order to have the seed bed ready for fall seeding.

If this acreage which has been prepared for seeding is not utilized for crop production, the land will be subject to severe wind erosion during the late winter and early spring of next year, and could lead to a condition similar to that which existed during the Dust Bowl period. It is essential, therefore, to make provision for this acreage which has been prepared for seeding this fall to have some cover on it during the winter and spring months. Fall grass seeding could not be expected to get a sufficient cover to prevent blowing. The only obvious answer, therefore, is to permit it to be seeded to some small grain, and then authorize the farmer to clip or plow up the acreage before harvest time, and still receive credit for diverting from the production of feed grains.

Another inequity in the program facing the summer fallow farmer is in the payment rate for idling the cropland. Since it takes 2 acres

of cropland to produce 1 acre of crops, it seems only just to compensate the producer for the additional acreage which he must idle. A precedent for this was established in the soil bank program, in which the producer was paid for the acreage diverted from crops during the year, and then a nondiversion payment was made on the acreage of fallow land laid out, equal to one-half the rate paid on the diverted acres. We believe this would be equitable and urge that similar provision be made in this bill.

In much of the summer fallow area, hail and wind erosion destroy each year large fields of wheat in scattered areas. When we consider that the insurance rate against hail ranges from 15 to 25 percent, it is obvious that the risk of loss from hail is imminent, and hail is no respecter of persons or areas. One year it will hit on my farm, and the next it may hit my neighbor. In total, in the Wheat Belt, it amounts to less than 10 percent of the total acreage, but for the individual farmer, a total loss from hail or wind is catastrophic. In the past, it has been customary for a farmer who lost his wheat crop to attempt to recoup some of the loss by planting a spring feed crop, usually sorghum in our area. Although he does not realize as much income from the catch crop as he would from wheat, it still provides him with some income.

With the institution of the feed grain program, however, this practice would preclude the farmer from participating in the feed grain program unless some special provision for it is written into the program. We recommend, therefore, that this bill provide that feed grain produced on wheat acreage, seeded within the allotment, and subsequently destroyed by natural causes, should not be considered in determining compliance with the feed grain program, and that the acreage of such feed grain not be considered in determining the normal production of feed grain eligible for price support. In effect, we are recommending that production from wheat acreage, seeded within the allotment, regardless of whether it is wheat or some catch crop, should not interfere with the producer's participation in the feed grain program.

As I have said before, growing wheat in the semiarid area is a risky business. As a result of this, it has been customary in this area for producers, in years when wheat prospects looked favorable, to overplant their allotment, and store the excess production at their own expense in order to have grain to sell in years of no production. The Congress recognized this as a reasonable practice and made special provision in the Wheat Marketing Quota Act to permit such a practice. In an area such as ours, where historically we lose one crop out of four or five, it is almost essential to follow this practice.

I want to remind the members of this committee that on a typical wheat farm, we grow both wheat and feed grains. Some of our producers, in 1959 and 1960, when crop prospects looked good, seeded most of their farms to wheat and stored the excess against future crop loss. As a result, in those years they did not produce any feed grains, although it was customary for them to do so in most years. We would recommend therefore, that authorization be given the Secretary, in establishing a feed grain base, to permit the acres of wheat seeded in excess of the allotment, where such excess was stored to avoid or postpone the payment of penalty, to be considered as feed grain acreage.

Mr. Chairman, we believe in the feed grain program, and believe that its extension, with the addition of barley is in the interest of agriculture and of the Nation.

If however, the four changes we have recommended are incorporated into the provisions of the program, we believe it would be even more successful, and we believe that more of our wheat farmers would be enabled to participate.

To recapitulate briefly, the four changes are:

(1) Permit acreage which has already been prepared to be seeded for a protective cover, and the crop clipped or plowed up shortly prior to harvest time, to be considered as diverted acreage.

(2) Provide for a "nondiversion" payment at one-half the rate on land normally summer fallowed in an amount equal to the diverted acres.

(3) Permit destroyed wheat acres seeded within the allotment to be planted to feed grains without this acreage being considered in determining compliance with the feed grain program.

(4) Permit the acreage of wheat seeded in excess of the allotment in the base period, to be considered as feed grain acreage in determining the feed grain base.

Mr. Chairman, I thank you for the opportunity of appearing before this subcommittee to express our view.

Mr. POAGE. Your No. 1 intrigues me. It seems to me very clear—

Mr. JOHNSON of Wisconsin. The Department has been familiar with that type of farming. It would seem to me, as you read it, that as to summer fallow in our State, if they are going to have a crop—

Mr. POAGE. In certain areas that is true. They do have some fallow.

Mr. JOHNSON of Wisconsin. If they are considered as diverted acreage, when they get ready to seed them, and we are to consider them as diverted acres, how about the next year?

Mr. POAGE. For the man to plant cover plants and to provide that he clip the crop before it reaches maturity, it seems to me, to be something good and, certainly, a sound practice in this area where they need winter cover crops to hold the land from blowing. If you destroy the crop before harvest time it seems to me, certainly, that no one can object to that, provided there is no grazing.

It would not have anything to do with the amount of feed grains, but it does have to do with the way you take care of your land in the meantime.

Mr. BRUNS. Exactly.

Mr. POAGE. From that standpoint it seems to me to be perfectly all right and, certainly, in no way weakens either the feed grain or wheat programs.

But when you take No. 2 suggestion, which is to provide for a "nondiversion" payment at one-half the rate on land normally summer fallowed, I do not know enough about it, like Mr. Johnson, to actually visualize it. It seems to me that you are paying him on the crop more than you pay anybody else, and then you are paying him on the year that he does not make the crop, at one-half the rate that you would pay anybody else. Is that not right?

Mr. BRUNS. Mr. Poage, as you know, in the summer fallow areas, one-half of the farm is laid in summer fallow each year. Let us take, for an example, 160 acres in my area. A farmer has a 52-acre wheat allotment. He has been planting 28 acres of feed grains.

Mr. JOHNSON of Wisconsin. How many?

Mr. BRUNS. Twenty-eight acres.

Mr. JOHNSON of Wisconsin. Twenty-eight acres?

Mr. BRUNS. Yes, on the crop side of the 160 acres. The other half of it is summer fallow. Under the provisions that are set out here in the amendments to H.R. 6400 it would be correct, I think, to assume that you would divert 20 percent of the planting of this 80-acre side.

Mr. JOHNSON of Wisconsin. From the 28 acres?

Mr. BRUNS. And then you talk about a wheat program, and if you divert from that, we will just say for ease of figuring in our heads, you diverted 20 percent of these 80 acres, that would be 16 acres.

You take this off the production side. But while you summer fallow 16 acres on the other side, you would not expect to plant it to anything. And this is the thing that the farmer figures when he decides about going into the program.

Mr. POAGE. I can well understand that he might not do it. He might not want to go into the program. But why should the Government pay that man $1\frac{1}{2}$ times as much for the same amount of production that it pays the man who does not summer fallow? That is what it does come to, does it not? I live in an area where we do not summer fallow. Someone else may live in an area where there is only 13 inches of rain and you have to summer fallow.

Actually, we are figuring our land value at about twice as much because we make a crop every year. And yours produces one every other year. Therefore, it seems to me that when we talk about what we are going to pay for the reduction that we should pay the same amount for the same amount of reduction, but do we not pay $1\frac{1}{2}$ times as much under your plan?

Mr. BRUNS. I think that your assumption would be true under our figures, except that the man would be retiring more land.

Mr. POAGE. He would be retiring more land, but would not be retiring any more production.

Mr. BRUNS. That is true.

Mr. POAGE. He would be retiring the same amount of production that I am, but he would be getting 150 percent for it.

Mr. JOHNSON of Wisconsin. The farmer in that area, if he had so many acres of grain, could not raise it on the other part of the acreage, because that has to be summer fallowed.

Mr. BRUNS. It does not have to be summer fallowed. If he has sufficient moisture in the land in one of these years that does come along, where you had unusual moisture conditions, he might not have to summer fallow it. It is just for moisture, primarily, that they have summer fallow.

If he had moisture conditions which are unusual to have abnormal moisture, he would not summer fallow, but if he did have it he could plant it and would produce a crop.

Mr. HARVEY. Does not this get fundamentally to the same thing, I mean, in a general way the same type of complaint that we have in

our area, although for a different reason, where a man follows a good 3-year rotation plan, and the other fellow farms his farm from fence to fence, and then when you follow the pattern of reduction that the act entails, the man who is following the rotation pattern thinks he is being penalized, which he is in a sense, as against the man who does not follow the rotation pattern.

The good farmer in your area, for example, for different reasons is voicing the same complaint. This is just a method of trying to equalize the situation.

It seems to me we have discussed this so many times and have tried to get at a pattern of allotments. And whenever you do see the historical pattern then you are in all sorts of problems.

Mr. POAGE. This is giving a greater advantage to the man who has not done the things he should have done.

Mr. JOHNSON of Wisconsin. I agree with Mr. Poage on this. He reduces it 28 acres, and then you want to pay him one-half of the payment for the land he summer fallows.

Mr. BRUNS. I might say that this problem has been with the summer fallow farmer for quite awhile. As you will recall, when they had a soil bank or a land economy program a few years back there was very little participation in our area. The reason was because of this factor right here. What are you going to do with this summer fallow side of it if you have no payment for it?

They decided, therefore, not to go in. We put it in here as a suggestion, to bring up the point as something for your consideration. We felt that this type of arrangement would be apt to get more participation than if you just did not make any or have any consideration for it.

Mr. POAGE. I think that there is no question about it that it would bring about participation. It adds 50 percent to the price you are paying in Indiana or in Texas or anywhere else. In fact, that is exactly what you do here, is to add 50 percent to what you are paying.

Mr. BRUNS. Yes.

Mr. POAGE. Now then, Mr. Short called our attention to the fact that under this feed grain program, as now operating that the land that was summer fallowed was not to be considered as retired land during those years, 1959-60, but during the year of 1961 it was to be considered as retired.

In fact, it seems to me to give the advantage of using the retired land which nobody else is allowed to use, because in the rest of the country we have to keep as much retired land as we had during the base period plus the amount we are reducing from our feed grain base. In other words, if I have been going along in central Texas and I have 50 acres that I have not been planting for one reason or another, whether it was too wet, or I was summer fallowing it, which very few would do in my part of the country, but regardless of why I did it, in my part of the country I am supposed to take 50 acres out and I will have 100 acres of retired land this year. I must have that before I can comply, but in North Dakota—and I do not know about other areas—if they are considered to be summer fallow areas, they would say:

“All right, you have 50 acres out and we will call it summer fallow and therefore we do not count that as the retirement and if you then take 50 acres out of feed grain this year that is all you have to do.”

Mr. BRUNS. All you have to do is summer fallow the 50 acres?

Mr. POAGE. And you get paid for that, because you comply. That is much more favorable than anybody else can get.

Mr. BRUNS. The reason that was done that way, I think, is that they told me because it was a 1-year program and they could not make any permanent plan in that area, because the land does have to fallow.

Mr. POAGE. I think that is correct. I think as long as you are just having a 1-year program there may be justification for giving those people some special advantage to continue their summer fallow program.

Actually, what we have done, as I get it, from the testimony we have received, that they turn around and use the land which was supposed to be summer fallowed, because there was no penalty for doing it. They planted it.

Mr. DYESS. May I interpose? I think one reason that was done in the summer fallow areas is that it was poor practice to summer fallow the same land for 2 consecutive years.

Mr. POAGE. That is right.

Mr. DYESS. Have they required additional summer fallow above what they had historically had, then the amount of diverted acreage would have been required to have been summer fallowed 2 years in a row which would have been a very poor practice.

Mr. POAGE. That was pointed out before.

Mr. DYESS. Let us take the 160-acre farm we were talking about. It has already 80 acres of fallow land on it that has been fallowed from the preceding year. Normally, he would plant the full 80 acres to something and fallow the other acres.

Unless they permitted something to be grown on this acreage that was already fallowed, then the only other alternative he would have would be to fallow that again for the second year.

Mr. POAGE. That is true, because he had already stored moisture by doing that. He has no particular advantage out of it, but I got no particular advantage by retiring these 50 acres, either. It does not hurt my land, but I do not get any special advantage out of it. And I do not know why we should allow a man in another area to get that advantage.

Mr. DYESS. It would actually hurt the land to fallow it 2 years in a row, because it is subject to wind erosion if you have no cover on it.

Mr. HARVEY. Did we not make provision in the 1961 act to provide that the Secretary should set forth certain practices?

Mr. POAGE. And he set forth this summer fallow. I think that is the authority he used to do this. I am just questioning the feasibility of doing it. There might be some merit for a 1-year program. I cannot see that there is any merit in the world for a continuing program.

Do you think it ought to be continued this way?

Mr. DYESS. No, sir.

Mr. POAGE. I do not, either.

Mr. DYESS. Not on a continued program basis that is going on for year after year.

Mr. POAGE. That is what I am talking about.

Mr. BRUNS. There should be some permanent type of arrangement made to take the land out and leave it out. Under the emergency

program there is the situation that you do not know what else to do with it. And that is what they came up with.

This was put in here just to bring the point up before the committee.

Mr. POAGE. I want to ask about the next two suggestions which seem to me to be substantially the same. I do not understand them clearly, maybe.

Are not both of those little more than an effort to extend to wheat-growers the same thing that some of our cotton-growing friends sought to secure at the time we passed this bill? The people from the south plains of Texas thought that the B program for cotton that they had—

Mr. JOHNSON of Wisconsin. What are we supposed to do with this?

Mr. POAGE. Just a second, please. May I get the answer. They felt that since they had planted more cotton than their neighbor could plant, those who took the A program, which would be the regular allotment program—of course, it reduced their feed grain acreage in order to plant more cotton than they would have planted had they remained with their A program—obviously they did not have as much feed grain history in 1959-60 as the man who remained with the basic cotton program—

Mr. DYESS. I believe that there is one fundamental difference between the cotton producer who planted under the A program and the wheat producer who planted in excess of his allotment in these cases here. The cotton man planted that and he sold it. The wheat producer who planted in excess of his allotment as an insurance provision to store up against years of crop loss, did it for that reason.

Mr. POAGE. Wait a minute.

Mr. DYESS. He has not sold that wheat.

Mr. POAGE. Wait a minute.

Mr. DYESS. He has it stored under bond to use as protection against crop failure which he knows very well he will have.

Mr. POAGE. Yes?

Mr. DYESS. In many instances, quite a number of farmers in this high-risk area will not have any feed grain base whatever. If he planted or just happened to plant in 1959-60 to build up his store of wheat, as a reserve against loss which he is storing on his own farm or at his own expense in the elevator, he cannot possibly participate in the feed grain program as it now stands, even though he would desire to do so. He would go ahead and plant his barley or his grain sorghum and not take price supports on his acreage above his allotment.

Mr. POAGE. He would continue to hold that wheat until such time as his wheat allotment did not produce enough?

Mr. DYESS. Yes, sir.

Mr. BRUNS. Right, that is correct.

Mr. POAGE. I think that can be a distinction and possibly is one to make.

Mr. BRUNS. If this base was based on a 10-year period rather than just 1959-60 it would be different, but it was not, and it caught a few of those fellows who were trying to get a reserve for the short years coming.

Mr. POAGE. I understand the reason for giving the right to build up the reserves. I find no fault with that. That is a part of the wheat program with which I find no fault.

Mr. DYESS. That is the reason.

Mr. POAGE. It would not change his right to sell the wheat—you would still make him hold it until he had that much in normal production of what is used?

Mr. DYESS. That is correct; that is correct.

Mr. POAGE. He might, therefore, have it for 2 or 3 years before he would be able to sell it.

Mr. DYESS. Some have held it for 3 years.

Mr. POAGE. I can understand that. He does not make very much on it then.

Your fourth point permits acreage of wheat in excess of the allotment.

Mr. DYESS. That is the item we were just discussing now, Mr. Poage.

Mr. POAGE. Yes. The third one is to permit destroyed wheat acres to be planted to feed grains. And that is where it was dried out or something of that sort?

Mr. BRUNS. Yes.

Mr. POAGE. And without this acreage being considered in determining compliance with the feed grain program. It seems to me that is to make the feed grain program carry the insurance on the wheat program.

Mr. DYESS. I think that you are correct there, but the planting of feed grains on the wheat acres is traditional, when they lose their wheat early enough in the spring to be able to get a feed crop. And the total production of crop, whether it is feed or wheat, is less under such circumstances than if they had gone ahead and made a wheat crop and then planted their feed grains in addition thereto.

That is similar, I think, to a provision which the Department has put in for the 1961 crop year in the case of flood damage where acres have been flooded out, permitting the farmer to plant that to feed grains without being charged against his feed grain program. I so understood from Mr. Jaenke yesterday in talking to him.

Mr. POAGE. When it has been flooded out?

Mr. DYESS. When the wheat crop has been flooded out.

Mr. POAGE. What would you say as to a cotton crop?

Mr. DYESS. I cannot answer on that one, sir.

Mr. POAGE. Would you want to draw a distinction between a wheat crop and a cotton crop or hold the flooded out proposition to wheat?

Mr. DYESS. I would not have any objection to it.

Mr. POAGE. What I mean is, you know that a large percentage of the cotton crop is grown in the higher rainfall belt. After losing a cotton crop would you have them plant feed grains there and still say that they were entitled to receive payment for the diverted acres and entitled to receive support, etc.?

Mr. DYESS. Mr. Poage, I think that you could make a case in justice for that, that any catch crop that is planted to recoup part of the loss from your regular crop should not be counted against your participation in the feed grain program where you have already planted how much you are going to lay aside and how much feed grains you will produce in order to participate in the program.

Mr. POAGE. Is not this feed grain program of itself, at least, somewhat of an insurance against those kind of losses—is that not exactly what it is intended to be—I do not mean completely insurance, but 40 percent feed grain land, if he puts that into the feed grain program he is guaranteed that he will raise half of his crop on that 40 percent of his land—he cannot lose but 50 percent of the crop on that land, can he?

Mr. DYESS. That is correct. That would be true in the area where feed grain was the predominant income producing crop on the farm, but what we are talking about is these farms that are predominately something else and feed grains is only a very minor portion or less than one-half of their total production as it were.

Mr. JONES of Missouri. What do they do now when the crop is lost?

Mr. DYESS. If there is enough moisture you plant feed grains on it.

Mr. JONES of Missouri. If there is enough moisture?

Mr. DYESS. Yes.

Mr. SHORT. Right there I cannot help pointing out, and I do not want to preclude some opportunity that would be available to farmers in those areas where it can be done, but I must point out that this is something that could not be done in the spring wheat area because there is no second crop you can raise there after the wheat crop is gone.

Mr. DYESS. You are absolutely right.

Mr. BREEDING. Those people who have wheat in my district, if a hail comes up and destroys the crops, are not permitted to plant the land to feed grains. I have suggested to the Secretary we should permit them to grow feed grains on this land and not count it against their feed grain program.

Mr. POAGE. If you let them grow feed grains you completely destroy the benefits that come in the feed grain market. Let us suppose that you have two sections of land and you have one section in wheat and the other section in feed grains. Then to comply, you take out 20 percent, and you would have to take out 128 acres of feed grains that you would have to retire from production.

Then your acres of wheat are destroyed by hail or drought or anything else, grasshoppers.

Mr. BREEDING. That is where you and I differ. All of the wheat was destroyed by hail on many farms in my district. I am suggesting that we let them try to get a crop off this land by planting it to feed grains.

Mr. POAGE. I know that. But I am merely trying to find an illustration that we can understand. You say that 320 acres are hailed out. Let us say that 100 acres are hailed out, or let us say that 160 acres are hailed out, one-fourth of the wheat crop.

However, it is likely to get most of it, and not just a part of it. If only one-fourth of the wheat is hailed out, and you then are allowed to plant 160 acres of feed grains on that, and you took out 128 acres of feed grains, you got paid for those 128 acres of feed grains at 55 percent of what you would have expected to produce on it if you had not had any hail or any drought—you got paid 55 percent of the normal production on those 128 acres just by taking it out, then you got a support price equivalent to \$1.20 of corn on what you grew on the

remaining part of that section, which is 512 acres, so you did get a high price on the production off the 512 acres, and then you will actually produce more feed grains than you would produce to begin with.

That is assuming you will make a good crop. But you did plant 160 acres of feed grains, and took out 128 acres, so you actually wind up with 32 more acres of feed grains than you could have planted if you had not gone into the program.

Mr. BREEDING. He is not in the feed grain belt. He is a wheat-grower. He wants a wheat crop.

Mr. POAGE. You are talking about the social question of what you are going to do with this farmer who has had a misfortune. I am talking about how you can make the feed grain program work.

Mr. BREEDING. This does not affect the feed grain program but very little. Hail normally is not widespread. This is a local disaster.

Mr. POAGE. That is fine. If he remained that way he would have made a contribution. He would have added somewhat to everybody's price for feed grains. He winds up under your proposal of planting more acres of feed grains that he otherwise would plant and gets paid for planting the additional acres—gets a higher support price—gets the payment and still comes up with more feed grains that he produced during the base period.

We cannot state that that is sound economics. I am not talking about the social problem.

Maybe we could just pay that fellow—pay him off what he lost in wheat. That would be much cheaper to pay an insurance policy on that man's land that it is to let him grow those feed grains. It would actually be cheaper in dollars and cents to give him an insurance policy which will cost 15 or 18 or maybe 20 percent depending upon the area—but insurance will cost, I think, anywhere from 15 to 20 percent in most areas, although there are certain areas where it will be more, I realize, where you may have to pay 25 percent, but, generally, your cost over the Nation would not, certainly, be more than 15 percent nationwide.

If we give that man an insurance policy that would be cheaper than to let him grow this additional amount of feed grain acreage.

Mr. BREEDING. He would go ahead and plant it if he could. He has this land. He has no income off of it. I do not see why under this program or the feed grain program it has to be related. Why not plant cotton—why not plant something on this land and let him have the use of it?

He does not have any income because he is in the feed grain program. I would like to bring up another point. This has to do with the same thing.

Mr. POAGE. I was asking questions of the witness. I will yield to you and let you proceed. Go right ahead.

Mr. BREEDING. I want to bring this point up. When farmers are hailed out on one farm, and the operator has three more farms, where he is not hailed out, the Department says, "We cannot help the man."

I would recommend that he be allowed to go ahead and plant more feed grains on this hailed-out acreage, otherwise he will not stay in the program. I think there ought to be some provision whereby he can comply on each farm separately.

There should be some provision in the feed grain program whereby he can comply with one tenant and not affect another tenant.

Mr. POAGE. That was the discussion with Mr. Jaenke this morning at the beginning of the session. I think that is a very real problem, one that we ought to have a solution to. What do you suggest we do?

Mr. BREEDING. I thought that some of the Department men might come up with an answer to it.

Mr. POAGE. They are not going to come up with it until you come up with something to offer to them. We made that suggestion to them on yesterday. I do not know whether you were here at the time. I think it is a very real problem. I think the question is now what we will do about it.

Mr. BREEDING. I am bringing it up. There, certainly, must be some answer to it.

Mr. POAGE. Yes, sir, I agree.

Mr. JOHNSON of Wisconsin. I want to know more about this. Is it the custom in the wheat area, if you have a 50-acre allotment to plant 50 acres in the fall and in the spring destroy 10 acres?

Mr. BRUNS. I would not say it is customary, but sometimes farmers do exceed their plantings in the fall through mismeasurement or because they just do not measure it, and then in the spring they tear it up.

Mr. JOHNSON of Wisconsin. Is it customary for the farmers to destroy it the following year?

Mr. BRUNS. It is not in my area.

Mr. JOHNSON of Wisconsin. The point is, whether it was customary. And that you were trying to protect the wheat grower from the extra land they put into wheat by having it considered as feed grain acres in determining the feed base.

Mr. BRUNS. You take in Banner County, Nebr., you might say that it might be customary to plant more wheat than they expected to harvest, but they would make hay out of it. They would destroy it before the destruction date and use this as a hay crop, but I would not say that it was customary throughout the High Plains area.

Mr. POAGE. Do you not think that if we are going to allow them the privilege of doing what you suggest—and I think it is desirable to allow it—that they should not be allowed to make hay out of it?

Mr. BRUNS. I would agree with that.

Mr. POAGE. After all, we might just as well let the man grow hay on that retired land as to make hay out of his wheat.

Mr. BRUNS. That is right. But wheat does make about as good hay in the real High Plains area in western Nebraska as anything. And they can do that under the present law.

And there is a county where they do that.

Mr. POAGE. I do not question that, but I think that it would be a bad practice. If we are going to do that we might as well open the door and say that a man can take retired acres and plant other things on them.

Mr. BRUNS. You are so right.

Mr. POAGE. And graze it all summer, for instance. That is, if you are going to do that sort of thing. That would be bad. And if anybody can do that, you would be defeating the purpose of this. Then you are doing exactly what we said we would not do, that is, to inter-

fere with somebody else, if you are going to increase the amount of forage, for example, that is available. In that instance then all you have done is to shift the surplus from wheat in the High Plains into hay.

Mr. BRUNS. That is true.

Mr. POAGE. You would have a surplus of hay. I mean, I think it creates that kind of problem on the market, does it not?

Mr. BRUNS. That is why we said to mow or plow it down.

Mr. POAGE. Exactly.

Mr. JOHNSON of Wisconsin. As to your point 4, would there not be a tendency for the wheat people to go over their allotments?

Mr. POAGE. Surely there would be. What harm would it do? You let them overplant their allotment. Is there not a vast area, some part of it maybe, where planting wheat is the best cover that you can put on that land during the winter?

Mr. BRUNS. Absolutely.

Mr. POAGE. And simply from the standpoint of a cover crop, if you destroy it, without grazing it—I can grant that if you grew it for grazing, then you would be breaking down the whole program—but if you used it as a cover crop and then plowed it under next spring, that would be better—maybe we ought to do that, require that it be turned under.

Mr. BRUNS. Disc it down.

Mr. POAGE. And plow it down.

Mr. BRUNS. Disc it down, yes.

Mr. POAGE. That is correct. Maybe we ought to require that rather than—

Mr. BRUNS. That would be perfectly all right. This is what we intended to say.

Mr. POAGE. Then to allow these farmers to use wheat on their land in the dry areas. I do not know of any other cover crop that you can put on there, can you?

Mr. BRUNS. I do not, either.

Mr. POAGE. You cannot simply grow everything.

Mr. BRUNS. No.

Mr. POAGE. I do not know of anything you can put on that land other than wheat.

Mr. BRUNS. Sometimes you are lucky to grow Winter wheat.

Mr. POAGE. You are, but, of course, then there is some compensation, you get that land covered with snow part of the time, but when you get down to Amarillo, Tex., there is no snow there—there is nothing but wind and sand and wind the next day again. Unless you have something on there like maize, with a stubble on there, which is not any crop at all, from the last year, that is, if you left it from the last year, otherwise you would not have anything else that I know of.

Mr. BRUNS. You better, or is it going to blow.

Mr. POAGE. That is right, it sure is.

Mr. JOHNSON of Wisconsin. Would you be growing wheat instead of feed grain? Permit the wheat to be seeded in excess of the allotment in the base period to be considered as wheat in determining the feed grain?

Could you let that wheat go and harvest it as feed grain?

Mr. BRUNS. No.

Mr. JOHNSON of Wisconsin. That is not what you said there.

Mr. BRUNS. We are talking about what happened in the past; in 1959 and 1960, this man planted wheat in excess of his allotment to store for future crop failures, and he did not plant any feed grains in those 2 years because, while this is not a customary practice, it just happened to catch him in these 2 years where the conditions were favorable and he said: "This is the time for me to store a little excess for bad years ahead."

When you see the base period on 1959 and 1960, and you caught this man without any feed grain base; he would like to participate in a feed grain program, but he does not have any base because he planted it to wheat, you see.

Mr. JOHNSON of Wisconsin. I was just trying to get at what you said, not being familiar with that custom. That is all.

Mr. SHORT. Carl, do you understand the provisions of the feed grain bill that it relates the history for purposes of future planting to the years 1959 and 1960?

It did in this year's bill; it does in the proposal to extend the bill into 1962. Would this preclude anyone who did not have a base for those years ever getting into the program?

Mr. BRUNS. I think that is the way it is. I am not sure that I am right on that, but that is my understanding of it, Mr. Short.

Mr. POAGE. Are there further questions? If not, we are very much obliged to you.

Mr. BRUNS. I do have one point, Mr. Chairman, if you have about 2 minutes.

In our particular area some farmers have a milo base, a barley base, plus their wheat allotment. Now as I understand it, when Mr. Jaenke was up here yesterday talking about this barley as a separate program, if I understand it correctly, the man who has a barley base and a milo base, he could not interpose barley for milo or milo for barley.

Mr. POAGE. That is right.

Mr. BRUNS. And if I understand it correctly, in the areas where he has a milo base and a corn base, he could.

Mr. POAGE. Yes.

And the reason for that is that normally corn and milo will be of about equal productivity in most areas; certainly where they are both grown to any substantial degree, they will give them about equal productivity; whereas, in almost all areas where barley, corn, and milo are grown, the barley is of less productivity than the other two crops.

And if you let a man who has a 100-acre history of barley, 100 of corn, and 100 of milo, if you let him cut the 20 percent there, which would be 60 acres, if you let him cut there, it would all come off his barley, would it not?

Mr. BRUNS. It would not in my area.

Mr. POAGE. Why would it not?

Mr. BRUNS. Well, because the milo and the barley yields are comparable.

Mr. POAGE. If they are comparable, of course, you could get them shifted.

Mr. BRUNS. I would think there would be a small area in the country where the yields were comparable, but in that area it might be an advantage to a farmer to allow him to plant his milo base to barley or his barley base to milo, because the yield from the land would not be any different.

It would just be a matter of his own choice, and I think it would simplify his operation, where, if he had a milo base and a barley base, it would seem to me there would not be too much difference, because if there was, he would just have either milo or barley, whichever would be better. He would not be apt to have them both.

Where he does have them both, I would think it would simplify things if he would be allowed to do between milo and barley the same as in the corn area that he can do between milo and corn.

Mr. POAGE. Mr. Bruns, will you not always grow some of these less profitable crops, if you can grow them?

(Discussion off the record.)

Mr. POAGE. I am quite sure that it would be simpler and I am quite sure it would be better for the program if you could do that over most of the country, but I cannot believe that over most of the country you can afford to shift corn acreage and substitute, let the man take his corn acreage out of his oats. That is what they did under the soil bank.

The first year of the soil bank all of these fellows in the Corn Belt rushed out there and they reduced their corn by plowing up some oats. They plowed up the oats because the oats were not worth more than half of the corn.

Mr. BRUNS. As I understand this program, some areas in Colorado and Nebraska, you can either take out your corn acres this year and put them to milo; you can transfer the acreage; you can decide.

Mr. POAGE. That is correct.

That is perfectly correct in corn and milo, because in most areas the corn and the milo produce about the same amount of feed, do they not?

Mr. BRUNS. Then in the areas where the milo and barley do, it seems to me you would give those the same—

Mr. POAGE. How are you going to sit here and say what those areas are?

Mr. DYESS. Perhaps the county committee could be given the authority, if they make that determination, to do that, and leave it on the local determination basis.

Mr. BRUNS. I do not think you could do it clear across the board because if what you say is true, and I assume that it is, you would get all the retirement out of barley. This would defeat the program.

I am just saying in the areas where it would not make any difference, and the county committee would certainly know that you would be giving those areas the same privilege that you are giving the corn and milo areas.

Mr. POAGE. I would agree with that except it looks to me like it poses a rather difficult administrative problem.

Mr. SHORT. Mr. Chairman, there is one additional factor that comes into this consideration.

Of the three crops, when you get into the Northern Great Plains beyond the sorghum area, you only have the two—

Mr. BRUNS. The two.

Mr. SHORT. That you have to consider, barley or corn. We can't raise grain sorghum in North Dakota and after all, even there, corn comes into a considerably different category inasmuch as about 95 percent of the corn is raised for silage for forage purposes actually, rather than as a grain.

Mr. POAGE. If there are no further questions, we are very much obligated to you gentlemen, and we will now hear from Mr. Reuben Johnson, representing the National Farmers Union. Mr. Johnson, we are glad to have you with us.

**STATEMENT OF REUBEN JOHNSON, ASSOCIATE DIRECTOR, DIVISION
OF LEGISLATIVE SERVICES, NATIONAL FARMERS UNION**

Mr. JOHNSON. Mr. Chairman and members of the subcommittee, we appreciate this opportunity to appear before the Subcommittee on Livestock and Feed Grains concerning the 1962 feed grains program.

It is our understanding that the provisions which are before you in this committee print dated June 8, 1961, will be made a part of H.R. 6400 in order that there will be a specific feed grains program included in this act at the time Congress will debate and act upon it.

We would like to commend the subcommittee for the leadership it has given to the development of a 1962 feed grains program. The success of the 1961 program is apparent at this time and it is the desire of farmers, we believe, to continue to have a program for feed grains in 1962 until a long-range program can be worked out, under the procedures of title I of H.R. 6400.

We are in support of the provisions the committee print proposes as amendments to H.R. 6400, with the following qualifications:

(1) We strongly recommend that the level of price support for the 1962 crop of corn shall be established at the discretion of the Secretary of Agriculture between 75 and 90 percent of parity price.

The average price of corn in 1951 was \$1.60 per bushel as compared to the support level of \$1.20 per bushel established in the 1961 program for corn. The \$1.20 price support is a considerable improvement over \$1.08 price support for corn in January of this year. We would remind the committee, however, that Congress passed H.R. 12 in 1956 to raise price support levels from 75 percent of parity to 90 percent of parity. This bill was vetoed by President Eisenhower. Farm families are looking to this subcommittee for a reversal of the low price policies which carried net farm income to an alltime low.

Moreover, Mr. Chairman, with corn prices presently supported at 75 percent of parity, the reference to "not less than 65 per centum of the parity price" is outmoded and this language ought to be eliminated.

(2) We urge the subcommittee to approve in addition to barley, the inclusion of oats and rye in the list of feed crops included in the 1962 program. We believe that a program for feed grains which excludes any of the feed grains would be short of the objective of the Feed Grains Advisory Committee.

We are in favor of continuing to support the planting of oil seeds and other minor crops on diverted acres in lieu of payments on diverted acres where producers choose to do so. It is desirable that information be provided by the Secretary so that producers will be aware of the alternative for handling diverted acres.

We believe that basing support prices of corn and grain sorghum on the exact feed value equivalent ratio is consistent with a soundly operated program. We would like to underline our support for continuing to relate the price support of all feed grains included in the 1962 program fully in the consideration of the feed value equivalent ratio.

The interest of farmers in raising income on feed grains is reflected in the widespread approval of and their participation in the 1961 program. We believe that we accurately represent the sentiment that exists in farm areas all over the Nation in urging the Congress to raise the sights on the support level for feed grains as rapidly as can realistically be accomplished.

Mr. POAGE. Thank you very much, Mr. Johnson.

I would just like to ask you to comment a little further on this suggestion that we include oats and rye in the program. It is my understanding that there is no appreciable surplus of either oats or rye; is that correct?

Mr. JOHNSON. Mr. Chairman, we are very strongly of the conviction that we ought to consider all feed grains in any program, even if it is only a 1-year program.

Mr. POAGE. What is the purpose of asking a cut in a commodity where there is not any surplus.

Mr. JOHNSON. Mr. Chairman, I think my first answer to your question would be that we want to prevent a situation where we might have additional acreages seeded to oats, for example.

Mr. POAGE. That is logical, but do you see any possibility of a buildup of an appreciable surplus of either oats or rye, and does not the very existence of a program of this kind tend to prevent that kind of a buildup?

Mr. JOHNSON. Mr. Chairman, I will have to admit to you that perhaps we are guilty of looking further than 1 year here. We are thinking of a program which we will work out under title I, hopefully; a program in which we do deal with all feed grains.

In order that we do not start out giving anybody the idea that we are not going to consider feed grains as a whole rather than separately, let us take the next step from the first-year program to the second-year program and deal with all feed grains.

This is consistent with what the long-range program for feed grains should be, in our judgment, and I think is another reason why we would prefer to sell all the feed grains covered, even though you are correct in your statement that there is no particular problem at the present time on oats and rye.

Mr. POAGE. Thank you.

Mr. JOHNSON. I would say, also, Mr. Chairman, that even in the event that the subcommittee, in its wisdom, would follow the committee print, that we do not favor exceptions for barley in areas where corn and grain sorghums is a primary feed crop.

If we are going to include these two feeds crops in the program, let us deal with them together, rather than having two separate programs, one for barley and one for corn and grain sorghums.

Mr. POAGE. It is not actually about the only difference here that we recognize that barley is oftentimes planted in the fall of the year, whereas, the other crops are not?

Mr. JOHNSON. Mr. Chairman, as far as we are concerned, it is still feed, no matter when it is planted or when it is harvested or whether it is barley, some other small grain, or whether it is grain sorghum or corn.

Mr. POAGE. That is right. But do I understand that, as you suggested here awhile ago, that we should allow a cooperator to place barley acreage in the reserve and grow corn or grain sorghums without reduction?

Mr. JOHNSON. Mr. Chairman, that is exactly the reason why we suggest that you add all the feed grains to the program for next year.

Mr. POAGE. I still do not understand. You have not answered my question, yet, and I do not understand. You say that is exactly why you suggest it, but I do not know which position you are taking.

Mr. JOHNSON. Let me clarify it. I think I understand your question.

You are thinking of whether or not it would be proper for a grower to substitute in the reserve barley acres and go ahead and then plant additional acres to corn where he plants both crops.

Mr. POAGE. That was suggested here a minute ago. Mr. Bruns suggested it.

Mr. JOHNSON. I think in this kind of case, of course, we have to give the Secretary some administrative leeway, but I presume that the Secretary would consider the feed value equivalent of the various crops in terms of—

Mr. POAGE. Do you not reach an utterly impossible administrative proposition, if you are going to try to determine the relative feed value of each crop and say that a man must take out enough acres of barley to equal x acres of corn and x acres of grain sorghum?

Mr. JOHNSON. Mr. Chairman, if you can administer the program the way it is written in this committee print, you can administer a program giving consideration to feed value equivalent ratio of all the feed grains.

It is very simple, in my judgment, to figure out some sort of appropriate mechanics.

Mr. POAGE. How would you do it?

Mr. JOHNSON. Calculate the feed value equivalent indexes.

Mr. POAGE. Just how can you do that?

I think Mr. Bruns made it right plain that there are areas in the United States where that index would be 100 on each side of the formula; that there are other areas where it would be 100 as related to maybe 60 or 55.

Mr. JOHNSON. I think, Mr. Chairman, that we have got to figure out some way to deal with feed grains as a whole.

Mr. POAGE. How do you figure it out?

Mr. JOHNSON. I do not think this presents any great administrative difficulty in carrying on the program as would be provided under the committee print.

Mr. POAGE. Mr. Johnson, what I am asking you, you are telling us we have got to do these things.

What do you suggest we do?

It is easy enough to tell us that we have got to figure this out, but you take a pencil and paper and do some figuring. You do a little figuring and give us the results of your figures, sir.

Mr. JOHNSON. Mr. Chairman, I would like to request permission to calculate indexes by which we would handle the acres of barley and convert these acres to corn on the basis of feed value equivalent.

Mr. POAGE. We would be glad if you will put in the record such a calculation, because I want to see that calculation. I have never seen it.

Mr. JOHNSON. This would be an additional step which your county committees would handle.

Mr. POAGE. Would you add for the record as a part of your remarks such a suggested tabulation?

Mr. JOHNSON. I would be happy to do so.

(The document referred to is as follows:)

MECHANICS OF A FEED GRAIN ADJUSTMENT PROGRAM INCLUDING ALL FEED GRAINS

All feed grains could be included in a feed grains adjustment program by establishing corn acreage equivalents for the other feed grains county by county on the basis of their previous 3- or 5-year average yields in pounds per acre. (In specified counties where the major feed grain was grain sorghums or barley, other feed grain acreages might be expressed in equivalents of one of these.)

Each county would then have a feed grain base made up of the base acreage of corn and grain sorghums plus the corn acreage equivalent of the base acreage of other feed grains in the county. In a specified county, barley might produce two-thirds as many pounds of feed per acre as corn; oats, one-half; and rye, one-third. The county would then have a feed grains base acreage made up of its 1959-60 corn acreage plus two-thirds of the acres planted to barley in 1959-60, plus one-half the acres planted to oats, plus one-third the acres planted to rye.

A producer could plant 80 percent of his base acreage to corn, if he desired, or he could plant his base acreage in any combination of grains, using, for example, the proportion of 2 acres of corn to 3 acres of barley, 4 acres of oats, or 6 acres of rye.

(Discussion off the record.)

Mr. POAGE. I am not objecting.

If it can be done as a practical matter, that is fine, but I do not want to buy something that is utterly impractical just because it sounds pretty good in theory.

Mr. JOHNSON. Mr. Chairman, the matter of taking a logical second step and trying to deal with the feed grains problem and including all feed grains seems to us to be a very practical and realistic approach to developing a program over the long range to deal with the feed grain problem.

Mr. POAGE. I would say it is highly desirable if it is practical, but I want to see the practicality of it.

Mr. JOHNSON of Wisconsin. That is something I would like to see.

Do you think it is practical for the 1-year program to put it in here and enlarge it for all feed grains?

Mr. JOHNSON. Congressman Johnson, I would say, if it will not work for 1 year on all feed grains, you would never be able to work it out on a long-range program. Why not go ahead and take the step now when we have an opportunity to get started into a program which we are going to need on feed grains for the long pull, obviously?

Mr. POAGE. You ask why not?

Because I do not think anybody has suggested that we want to continue a program on this basis for more than another year. Mr. Jaenke testified this morning that they did not think they could continue this kind of a program for more than another year and neither do I.

I think that it is a pretty sound program, as long as we have the surpluses that we have on hand at the present time. But if the program is successful, as I hope that it is, after we finish this year's program and the 1962 program on this basis, the program, itself, is not going to work very well, because you cannot but keep paying in kind as you draw down your CCC stocks, and unless you draw down your CCC stocks, the program is a failure, and if the program is a success, its very success makes it impossible to continue it.

Mr. QUIE. If the gentleman will yield?

Mr. POAGE. Yes.

Mr. QUIE. I, for one, think the program ought to last longer and I think this is one of the great features of it: That it is self-terminating, if it works; and that is the trouble with some of the other programs we have. They just stay on and on and on.

I, for one, think this is one of the best approaches we have taken, although some of the details we have disagreement on, but, as a broad, overall picture, I think we have embarked on a feed grains program that should give us great success. And I think that we will learn from the administration of it the rest of this year and the next year probably some other faults that can be corrected.

The good basic features are voluntary reduction of acres, incentive based on payment in kind, and price supports contingent on compliance with the program.

But I think no matter what we are embarking on, it is basically a very good program.

Mr. POAGE. Mr. Latta?

Mr. LATTI. Mr. Johnson, coming back to Mr. Poage's question about including oats and rye, since they are not in surplus under this program, is this really being consistent with your organization's policy of urging increased Government control of agriculture?

Is this not typical of that policy?

Mr. JOHNSON. Why, we believe in the use of Government to develop farm programs, Congressman Latta. We have never indicated otherwise before this committee. I think that the 1961 program is a good example of where Government has been used to great advantage to help farmers, and I think the signup in the program throughout the Midwest feed grains area is an indication that farmers want the help of their Government.

If this is not a demonstration of that, why, then I do not know what it is a demonstration of.

Mr. LATTI. In this case you are urging that this be included in the program. There just is not any other reason why it should be included—

Mr. JOHNSON. We are interested in the development of a program that will work for feed grains.

Mr. LATTI. Yes.

But could you tell the committee what the reason would be for including oats and rye in this program?

Mr. JOHNSON. If you want to speculate with me a few minutes, what if somebody comes up with an improved variety of oats that will increase the yield?

Mr. SHORT. On what?

Mr. JOHNSON. On oats.

Mr. LATTA. You are fearful, then, that during this next year that there might be a new variety of oats to come out that would increase production.

Mr. JOHNSON. I think the oat acreage, if it is left out of the bill, will increase this next year; yes.

Mr. LATTA. That is really dipping into the dark future and speculation?

Mr. JOHNSON. Somebody has made the statement that barley acreage increased during 1961, which I suspect that it did, and I predict on the same basis of this same logic that oat acreage will probably increase in 1962, if oats are left out of the program.

We just do not see any way, when you have got the exchange basis that you have between feed grains, to develop a sound program on the long range without having them all included.

Mr. LATTA. I notice that you are requesting that this bill be amended to provide power in the Secretary of Agriculture to set the corn price between 75 and 90 percent of parity; is that correct?

Mr. JOHNSON. That is correct.

Mr. LATTA. And where did the Secretary of Agriculture set it this year?

Mr. JOHNSON. I believe at \$1.20 and 75 percent of parity, or very close to it.

Mr. LATTA. He did not use the 65 percent, did he?

Mr. JOHNSON. If I remember the history of this, Congress set \$1.20 in the legislation given to the Secretary to administer.

Mr. LATTA. No; we did not set it. We gave him the discretion of not less than 65 percent.

Mr. JOHNSON. I stand corrected. You did. Now, the 65 percent of parity figure, Congressman Latta, has very little meaning because of the fact that the Secretary did set the support price of 75 percent of parity. That is the point I am trying to make in my statement.

Mr. LATTA. What is wrong, if you have faith in the Secretary of Agriculture, with leaving the law as it is, saying "not less than 65 percent of parity"?

We kicked this thing around quite a bit while this bill was before our committee before, whether or not we ought to give him this discretion. It was finally determined that he should have this discretion.

Now, you come along and say that we ought to take it away from him and just tie his hands between 75 and 90 percent of parity.

Actually, by doing that, are you not registering a vote of no confidence in the Secretary?

Mr. JOHNSON. Well, we are registering a vote of confidence in the Secretary of Agriculture helping us increase the prices, the support prices, of corn and the other grains that are covered.

What is magic, may I ask you, Congressman, respectfully, about the words "not less than 65 percent of parity," when we have a support level set at 75 percent of parity?

Mr. LATTI. In answer to your question, there is not anything magic, but we thought he ought to have this discretion, that we should not put a ceiling on the price support.

Mr. JOHNSON. I cannot conceive of the Secretary coming back to 65 percent of parity.

Mr. LATTI. We cannot, either.

Mr. JOHNSON. And establishing a support price on corn, so why do you not just move it up to where he started from?

Mr. LATTI. We cannot, either.

Mr. JOHNSON. We are hopeful we are at a point now where we can advance still further the support price on feed grains.

Mr. LATTI. Did you ever think that there might be a better chance of getting this legislation through the Congress by leaving it as it is right now, rather than increasing the price support?

Mr. JOHNSON. Well, I would like to see somebody's judicious calculation of how much vote changing this language might get us for the 1962 feed grains program.

Mr. LATTI. It remains that it passed before.

Mr. JOHNSON. I did a tabulation on the rollcall on the recommittal vote on the House floor, Congressman, and there was not a single Republican that voted for the 1961 program on the recommittal vote, the key vote. I believe that Congressman Hosmer, of California, paired for the program.

Now, if you can assure me that there would be some Republican votes—

Mr. LATTI. What does that prove?

Mr. JOHNSON (continuing). For this program, why, I would be willing to swap out with you.

Mr. LATTI. What does that prove?

Mr. JOHNSON. I think it kind of proves that the vote against the 1961 feed grains program was straight party line.

Mr. LATTI. I think you are wrong there because there were some members of this committee who voted for the bill. I certainly was not one of them, however.

Mr. JOHNSON. I am talking about the recommittal vote, Congressman, the vote that really counted on the House floor. I will be very happy, Mr. Chairman, if you will allow me to put that in the record.

Mr. POAGE. Without objection, it will be permitted.

Mr. JOHNSON. Thank you very much.

(The document referred to is as follows:)

MEMBERS OF CONGRESS VOTING FOR EMERGENCY 1961 FEED GRAIN BILL (H.R. 4510)

Members of Congress which follow voted against recommitment of H.R. 4510, emergency feed grains bill, and thereby supported enactment of the bill in the House of Representatives. The vote on recommitment was 214 to 196. (Congressional Record, March 9, 1961, p. 3436).

(Congressional Record, March 9, 1961, p. 3436). [Key symbols: P+=Paired for Farmers Union position; A+=Announced for FU position; AU=Absent unannounced; P-=Paired against FU position]

ALABAMA

1. Boykin, F.W. (D)
2. Grant, G. M. (D)
3. Andrews, G. W. (D)
4. Roberts, K. A. (D)
5. Rains, A. (D)
6. Selden, A. I. (D)
7. Elliott, C. (D)
8. Jones, R. E. (D)
9. Huddleston, G. (D)

ALASKA

- A.L. Rivers, Ralph J. (D)

ARKANSAS

1. Gathings, E. C. (D)
2. Mills, Wilbur D. (D)
3. Trimble, J. W. (D)
4. Harris, Oren (D)

CALIFORNIA

1. Miller, Clem (D)
2. Johnson, H. T. (D)
3. Moss, J. E. (D)
5. Shelley, J. F. (D)
7. Cohelan, Jeffery (D)
8. Miller, G. P. (D)
11. McFall, J. J. (D)
12. Sisk, B. F. (D)
17. King, C. R. (D)
18. Hosmer, Craig (P+) (R)
19. Holifield, Chet (D)
22. Corman, J. C. (D)
23. Doyle, Clyde (D)
26. Roosevelt, James (D)
27. Sheppard, H. R. (D)
29. Saund, D. S. (D)

COLORADO

1. Rogers, Byron G. (D)
4. Aspinall, W. N. (D)

CONNECTICUT

- A.L. Kowalski, Frank (D)
1. Daddario, E. Q. (D)
 3. Giaimo, R. N. (D)
 5. Monagan, J. S. (D)

DELAWARE

- A.L. McDowell, H. R. (D)

FLORIDA

2. Bennett, C. E. (D)
3. Sikes, R. L. F. (D)
4. Fascell, Dante B. (D)
6. Rogers, P. G. (D)
8. Matthews, D. R. (D)

GEORGIA

1. Hagan, G. E. (D)
2. Pilcher, J. L. (D)
3. Forrester, E. L. (D)
4. Flynt, John J. (D)
6. Vinson, Carl (D)
7. Davis, J. W. (D)
9. Landrum, Phil M. (D)
10. Stephens, R. G. (D)

HAWAII

- A.L. Inouye, D. K. (D)

IDAHO

1. Pfost, Gracie (D)
2. Harding, Ralph R. (D)

ILLINOIS

1. Dawson, Wm. L. (D)
2. O'Hara, Barratt (D)
3. Murphy, W. T. (D)
5. Kluczynski, J. C. (D)
6. O'Brien, T. J. (D)
7. Libonati, R. V. (D)
8. Rostenkowski, D. (D)
9. Yates, S. R. (D)
11. Pucinski, R. C. (D)
12. Finnegan, E. R. (D)
21. Mack, P. F. (D)
23. Shipley, G. E. (D)
24. Price, Melvin (D)
25. Gray, K. J. (D)

INDIANA

1. Madden, R. J. (D)
3. Brademas, John (D)
8. Denton, W. K. (D)

IOWA

5. Smith, Neal (D)
6. Coad, Merwin (D)

MEMBERS OF CONGRESS VOTING FOR EMERGENCY FEED GRAIN BILL (H.R. 4510)—
Continued

KANSAS		MISSOURI	
5. Breeding, J. F.	(D)	1. Karsten, F. M.	(D)
		3. Sullivan, Leonor	(D)
KENTUCKY		4. Randall, W. J.	(D)
1. Stubblefield, F. A.	(D)	5. Bolling, R.	(D)
2. Natcher, Wm. H.	(D)	6. Hull, W. R.	(D)
3. Burke, F. W.	(D)	8. Ichord, Richard	(D)
4. Chelf, Frank	(D)	9. Cannon, Clarence	(D)
5. Spence, B.	(D)	10. Jones, Paul C.	(D)
6. Watts, J. C.	(D)	11. Moulder, M. M.	(D)
7. Perkins, C. D.	(D)		
LOUISIANA		MONTANA	
5. Passman, O. E.	(D)	1. Olsen, Arnold	(D)
MARYLAND		NEVADA	
1. Johnson, T. F.	(D)	A.L. Baring, W. S.	(D)
3. Garmatz, E. A.	(D)		
4. Fallon, G. H. (P+)	(D)		
5. Lankford, R. E.	(D)	NEW JERSEY	
7. Friedel, S. N.	(D)	4. Thompson, Frank	(D)
MASSACHUSETTS		8. Joelson, C. S.	(D)
2. Boland, E. P.	(D)	10. Rodino, P. W.	(D)
3. Philbin, P. J.	(D)	11. Addonizio, H. J.	(D)
4. Donohue, H. D.	(D)	13. Gallagher, C. E.	(D)
7. Lane, T. J.	(D)	14. Daniels, D. V.	(D)
8. Macdonald, T. H.	(D)		
11. O'Neill, T. P.	(D)	NEW YORK	
12. McCormack, J. W.	(D)	1. Pike, Otis G.	(D)
13. Burke, J. A.	(D)	5. Addabbo, J. P.	(D)
MICHIGAN		6. Holtzman, Lester	(D)
1. Machrowicz, T. M.	(D)	7. Delaney, J. J.	(D)
7. O'Hara, J. G.	(D)	8. Anfuso, V. L.	(D)
14. Rabaut, L. C. (P+)	(D)	9. Keogh, E. J.	(D)
15. Dingell, J. D.	(D)	10. Kelly, Edna F.	(D)
16. Lesinski, J. (P+)	(D)	11. Celler, E.	(D)
17. Griffiths, Martha W.	(D)	12. Carey, H. L.	(D)
MINNESOTA		13. Multer, A. J.	(D)
4. Karth, J. E.	(D)	14. Rooney, J. J.	(D)
6. Marshall, Fred	(D)	16. Powell, A. C.	(D)
8. Blatnik, J. A.	(D)	18. Santangelo, A.E.	(D)
MISSISSIPPI		19. Farbstein, L.	(D)
1. Abernethy, T. G.	(D)	20. Ryan, W. F.	(D)
2. Whitten, J. L.	(D)	21. Zelenko, Herbert	(D)
3. Smith, F. E.	(D)	22. Healey, J. C.	(D)
5. Winstead, Arthur	(D)	23. Gilbert, J. H.	(D)
		24. Buckley, C. A.	(P+) (D)
		30. O'Brien, L. W.	(D)
		32. Stratton, S. S.	(D)
		41. Dulski, T. J.	(D)

MEMBERS OF CONGRESS VOTING FOR EMERGENCY FEED GRAIN BILL (H.R. 4510)—
Continued

NORTH CAROLINA

1. Bonner, Herbert C. (D)
2. Fountain, L. H. (D)
3. Henderson, D. N. (D)
4. Cooley, H. D. (D)
5. Scott, R. J. (D)
6. Kornegay, H. R. (D)
7. Lennon, A. (D)
8. Kitchin, A. P. (D)
9. Alexander, H. Q. (D)
11. Whitener, B. L. (D)
12. Taylor, R. A. (D)

OHIO

9. Ashley, Thomas L. (D)
10. Moeller, W. H. (D)
11. Cook, R. E. (D)
18. Hays, W. L. (D)
20. Feighan, M. A. (D)
21. Vanik, C. A. (D)

OKLAHOMA

2. Edmondson, Ed (D)
3. Albert, Carl (D)
4. Steed, Tom (P+) (D)
5. Jarman, John (D)
6. Wickersham, V. (D)

OREGON

2. Ullman, Al (D)
3. Green, Edith (D)

PENNSYLVANIA

1. Barrett, Wm. A. (P+) (D)
2. Granahan, Kathryn E. (D)
3. Byrne, J. A. (D)
4. Nix, Robert (D)
5. Green, W. J. (D)
6. Toll, H. (D)
11. Flood, D. J. (D)
14. Rhodes, Geo. M. (D)
15. Walter, F. E. (D)
21. Dent, J. H. (D)
25. Clark, F. M. (D)
26. Morgan, T. E. (D)
28. Moorhead, W. S. (D)
30. Holland, E. J. (D)

RHODE ISLAND

1. St. Germain, F. J. (D)

SOUTH CAROLINA

1. Rivers, L. Mendel (D)
2. Riley, John J. (D)
4. Ashmore, R. T. (P+) (D)
5. Hemphill, R. W. (D)
6. McMillan, J. L. (D)

TENNESSEE

3. Frazier, J. N. (D)
4. Evins, J. L. (D)
5. Loser, J. C. (D)
6. Bass, Ross (D)
8. Everett, Robert A. (D)
9. Davis, Clifford (D)

TEXAS

1. Patman, Wright (D)
2. Brooks, Jack (D)
7. Dowdy, John (D)
8. Thomas, Albert (D)
9. Thompson, C. W. (D)
10. Thornberry, H. (D)
11. Poage, W. R. (D)
14. Young, John (D)
20. Kilday, P. J. (D)
21. Fisher, O. C. (D)

UTAH

1. Peterson, M. B. (D)
2. King, David S. (D)

VIRGINIA

2. Hardy, Porter (D)
3. Gary, J. V. (D)
4. Abbitt, W. M. (D)
7. Harrison, B. P. (D)
9. Jennings, W. P. (D)

WASHINGTON

3. Hansen, Julia B. (D)
7. Magnuson, Don (D)

WEST VIRGINIA

4. Hechler, Ken (D)
5. Kee, Elizabeth (D)
6. Slack, J. M. (D)

WISCONSIN

2. Kastenmeier, R. W. (D)
4. Zablocki, C. J. (D)
5. Reuss, H. S. (D)
9. Johnson, L. R. (D)

CONGRESSMEN VOTING AGAINST 1961 EMERGENCY FEED GRAIN BILL (H.R. 4510)

The names of Congressmen which follow voted for recommitment of H.R. 4510, 1961 emergency feed grain bill, and thereby opposed enactment of the bill in the House of Representatives.

ARIZONA		INDIANA	
1. Rhodes, John J.	(R)	2. Halleck, Charles	(R)
ARKANSAS		4. Adair, E. Ross	(R)
5. Alford, Dale	(D)	6. Roudebush, R. L.	(R)
CALIFORNIA		7. Bray, Wm. G.	(R)
4. Mailliard, Wm. S.	(R)	9. Wilson, Earl	(R)
6. Baldwin, John F., Jr.	(R)	10. Harvey, Ralph	(R)
9. Younger, J. A.	(R)	11. Bruce, Donald C.	(R)
10. Gubser, Chas. S.	(R)	IOWA	
13. Teague, Chas. M.	(R)	1. Schwengel, Fred	(R)
14. Hagen, Harlan	(D)	2. Bromwell, James E.	(R)
15. McDonough, G. L.	(R)	3. Gross, H. R.	(R)
16. Bell, Alphonzo	(R)	4. Kyl, John	(R)
20. Smith, H. Allen	(R)	8. Hoeven, Charles B.	(R)
21. Hiestand, E. W.	(R)	KANSAS	
24. Lipscomb, G. P.	(P-) (R)	1. Avery, William	(R)
25. Rousselot, J. H.	(R)	2. Ellsworth, Robt.	(R)
28. Utt, James B.	(R)	3. McVey, Walter L.	(R)
30. Wilson, Bob	(R)	4. Shriver, Garner	(R)
COLORADO		6. Dole, Robert	(R)
2. Dominick, P. H.	(R)	KENTUCKY	
3. Chenoweth, J. E.	(R)	8. Siler, Eugene	(R)
CONNECTICUT		LOUISIANA	
2. Seely-Brown, H.	(R)	1. Hébert, F. Edward	(D)
4. Sibál, Abner W.	(R)	3. Willis, Edwin	(D)
FLORIDA		4. Brooks, Overton	(D)
1. Cramer, Wm. C.	(R)	6. Morrison, J. H.	(P-) (D)
5. Herlong, A. S., Jr.	(D)	7. Thompson, T. A.	(D)
7. Haley, James A.	(D)	8. McSween, Harold	(D)
GEORGIA		MAINE	
5. Davis, James C.	(D)	1. Garland, Peter	(R)
ILLINOIS		2. Tupper, Stanley	(R)
4. Derwinski, Edward	(R)	3. McIntire, Clifford	(R)
10. Collier, Harold	(R)	MARYLAND	
13. Church, Margaret S.	(R)	2. Brewster, D. B.	(D)
14. Hoffman, Elmer J.	(R)	6. Mathias, C. McC.	(R)
15. Mason, Noah M.	(R)	MASSACHUSETTS	
16. Anderson, John B.	(R)	1. Conte, Silvio	(R)
17. Arends, Leslie C.	(R)	5. Morse, F. B.	(R)
18. Michel, Robert H.	(R)	6. Bates, Wm. H.	(R)
19. Chipfield, R. B.	(R)	9. Keith, Hastings	(R)
20. Findley, Paul	(R)	10. Curtis, Laurence	(R)
22. Springer, Wm. L.	(R)	14. Martin, J. W. Jr.	(R)

CONGRESSMEN VOTING AGAINST 1961 EMERGENCY FEED GRAIN BILL (H.R. 4510)—
Continued

MICHIGAN		NEW YORK	
2. Meader, George	(R)	2. Derounian, S. B.	(R)
3. Johansen, A. E.	(R)	3. Becker, F. J.	(R)
4. Hoffman, Clare	(R)	4. Halpern, S.	(R)
5. Ford, G. R., Jr.	(R)	15. Ray, John H.	(R)
6. Chamberlain, C. E.	(R)	17. Lindsay, J. V.	(R)
8. Harvey, James	(R)	25. Fino, Paul A.	(P—) (R)
9. Griffin, R. P.	(R)	26. Dooley, Edwin	(P—) (R)
10. Cederberg, E. A.	(R)	27. Barry, Robert	(R)
11. Knox, Victor A.	(R)	28. St. George, K.	(R)
12. Bennett, J. B.	(R)	29. Wharton, J. E.	(R)
18. Broomfield, W. S.	(R)	31. King, Carleton	(R)
		33. Kilburn, C. E.	(R)
MINNESOTA		34. Pirnie, A.	(R)
1. Quie, Albert	(R)	35. Riehlman, R. W.	(R)
2. Nelsen, Anchor	(R)	36. Taber, John	(R)
3. MacGregor, Clark	(R)	37. Robison, H. W.	(R)
5. Judd, Walter	(R)	38. Weis, Jessica	(R)
7. Andersen, H. C.	(R)	39. Ostertag, H. C.	(R)
9. Langen, Odin	(R)	40. Miller, Wm. E.	(R)
		42. Pillion, J. R.	(R)
		43. Goodell, C. E.	(R)
MISSISSIPPI		NORTH CAROLINA	
4. Williams, John B.	(D)		
6. Colmer, Wm. M.	(D)	10. Jonas, C. R.	(R)
MISSOURI		NORTH DAKOTA	
2. Curtis, Thomas	(P—) (R)	A.L. Nygaard, H. C.	(R)
7. Hall, Durward G.	(R)	A.L. Short, Don L.	(R)
MONTANA			
2. Battin, James	(R)	OHIO	
NEBRASKA		1. Scherer, G. H.	(R)
1. Weaver, Phil	(R)	2. Clancy, D. D.	(R)
2. Cunningham, Glenn	(R)	3. Schenck, Paul	(R)
3. Beermann, Ralph	(R)	4. McCulloch, W. M.	(R)
4. Martin, Dave	(R)	5. Latta, D. L.	(R)
		6. Harsha, W. H.	(R)
		7. Brown, C. J.	(R)
		8. Betts, Jackson	(R)
NEW HAMPSHIRE		12. Devine, Samuel	(R)
1. Merrow, Chester	(R)	13. Mosher, Charles	(R)
2. Bass, Perkins	(R)	14. Ayres, Wm. H.	(R)
		15. Moorehead, Tom	(R)
NEW JERSEY		16. Bow, Frank T.	(R)
1. Cahill, Wm.	(R)	17. Ashbrook, J. M.	(R)
2. Glenn, Milton	(R)	22. Bolton, Frances	(R)
3. Auchincloss, J. C.	(R)	23. Minshall, W. E.	(R)
5. Frelinghuysen, P.	(R)		
6. Dwyer, Florence	(R)	OKLAHOMA	
7. Widnall, W. B.	(R)		
9. Osmers, F. C.	(R)	1. Belcher, Page	(P—) (R)
12. Wallhauser, G. M.	(R)		
NEW MEXICO		OREGON	
A.L. Morris, T. G.	(D)	1. Norblad, W.	(R)
A.L. Montoya, J. M.	(D)	4. Durno, Edwin R.	(R)

CONGRESSMEN VOTING AGAINST 1961 EMERGENCY FEED GRAIN BILL (H.R. 4510)—
Continued

PENNSYLVANIA			TEXAS—continued		
7. Milliken, W. H.	(R)		17. Burleson, Omar	(D)	
8. Curtin, W. S.	(R)		18. Rogers, Walter	(D)	
9. Dague, Paul	(R)		19. Mahon, George	(D)	
10. Scranton, W. W.	(R)		22. Casey, Bob	(D)	
12. Fenton, Ivor	(R)				
13. Schweiker, R. S.	(R)				
17. Schneebeli, H.	(R)				
18. Whalley, J. I.	(R)				
19. Goodling, Geo. A.	(R)				
20. Van Zandt, J.	(R)				
22. Saylor, J. P.	(R)				
23. Gavin, Leon	(R)				
24. Kearns, Carroll	(R)				
27. Fulton, J. G.	(R)				
29. Corbett, R. J.	(R)				
RHODE ISLAND			VERMONT		
2. Fogarty, J. E.	(D)		A.L. Stafford, R.	(R)	
SOUTH CAROLINA			VIRGINIA		
3. Dorn, W. J. Bryan	(D)				
SOUTH DAKOTA			1. Downing, T. N.	(D)	
1. Reifel, Ben	(R)		5. Tuck, W. M.	(D)	
2. Berry, E. Y.	(R)		6. Poff, R. H.	(R)	
TENNESSEE			8. Smith, Howard	(D)	
1. Reece, B. C. ¹	(P—)	(R)	10. Brophy, J. T.	(R)	
2. Baker, H. H.	(R)				
7. Murray, Tom	(D)				
TEXAS			WASHINGTON		
3. Beckworth, L.	(D)		1. Pelly, T. M.	(R)	
5. Alger, Bruce	(R)		2. Westland, Jack	(R)	
6. Teague, Olin	(D)		4. May, Catherine	(R)	
13. Ikard, Frank	(D)		5. Horan, Walt	(R)	
15. Kilgore, J.	(P—)	(D)	6. Tollefson, T. C.	(R)	
16. Rutherford, J.	(D)				
			WEST VIRGINIA		
			1. Moore, A. A.	(R)	
			2. Staggers, H. O.	(D)	
			3. Bailey, C. M.	(D)	
			WISCONSIN		
			1. Schadeberg, H.	(R)	
			3. Thomson, V. W.	(R)	
			6. Van Pelt, W.	(R)	
			7. Laird, M. R.	(R)	
			8. Byrnes, John	(R)	
			10. O'Konski, A. E.	(R)	
			WYOMING		
			A.L. Harrison, W. H.	(R)	

¹ Mrs. Louise Goff Reece assumed office May 18, 1961, replacing the late B. C. Reece.

The following Congressmen were absent and unannounced on this vote:

GEORGIA			MICHIGAN		
8. Blitch, Iris Faircloth (AU)	(D)		13. Diggs, Charles C., Jr. (AU)	(D)	
IOWA			OHIO		
7. Jensen, Ben F. (AU)	(R)		19. Kirwan, Michael J. (AU)	(D)	
LOUISIANA			TEXAS		
2. Boggs, Hale (AU)	(D)		12. Wright, Jim (AU)	(D)	

STATEMENT OF HON. ALBERT H. QUIE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

In reference to Mr. Johnson's remarks and insertion of the recommittal vote on the feed grain bill, I note that his statement is typical of the way many people attempt to brand their opposition as being opposed to an entire program when, in fact, the opposition to this program was concentrated on one most undesirable feature. The original section 3 of the feed grain bill represented my main objection. I would like to put the facts in proper perspective, and—in spite of Mr. Johnson's commentary—get back to the point.

As I voted for the feed grain bill when it left the committee, I also announced that I intended to do everything I could to strike section 3.

In the first place, we worked out a compromise on the first two sections of the bill making them conform closely with legislation I have authored. One provision we changed, which was important, was the provision that provided that all the grains paid to the farmer by way of payment in kind could be merchandised by the Secretary of Agriculture through the Commodity Credit Corporation at the market price. We refused to go along with that proposal. This would have enabled the Secretary of Agriculture to manipulate the market. We changed it so that the payment in kind would be paid through a negotiable certificate so that the farmer would merchandise his own grain.

In the first two sections of the bill, we have two incentives. Number one, unless a person complies by idling 20 percent of his corn and grain sorghum acres, he could not receive the price supports, which turned out to be \$1.20 for corn. That is an incentive, and also involves a principle which I have advocated ever since coming to Congress, that is, voluntary compliance. There is another incentive in the bill to bring farmers into the program, and that is the rental payment, which we have limited to 50 percent for the first 20 percent of total acres retired and 60 percent for the second 20 percent. While I wished we had not limited it to that amount, I was willing to accept a compromise, and it did constitute an incentive to livestock farmers who produce their own food. I also note here that the principle of payment in kind is one that I also have advocated.

Now, let us be precise and point out the Republican objection to section 3 of the bill which would have permitted the Secretary of Agriculture to sell all the grains held in storage by CCC at market prices. It was my contention that this section would drive down the prices and the income of every farmer, whether they complied or not. The noncomplying farmer's entire crop would have been devaluated while the complying farmer's 1960 crop and his in-kind certificates would have likewise been devaluated. This would have been going in the opposite direction that we should have gone. The purpose of this bill was to increase farm income, not decrease it. Remember there are only two sources of this income—one is from the consumer, and the other from the taxpayers. Anyone who promises lower prices to the consumer and lower Government costs of a program is deluding the farmers and plans to decrease their actual income. We want to increase the farmer's income because he is at the low end of the economic totem pole now and needs this kind of help. Section 3 as originally written would have driven total farm net income down.

Second, section 3 would have actually increased the cost to the Government, not have decreased it. This is true because the farmer who feeds his grain on the farm and has complied with the program would find that during the marketing year, if he put his grain under loan, he could get \$1.20 and he could then go out on the market and buy it for \$1 or less. That is what he would likely have done. If section 3 had remained in the bill and the program had achieved 70-percent compliance, there would have been some 3 billion bushels of compliance corn going through Government hands, and that would have meant a \$600 million additional cost added onto the estimated cost of this program. This section would also have given the Secretary a power that could ruin our competitive marketing system if he had used it, and this was one of the most dangerous aspects of the whole bill. Consequently, I argued that if we wanted the first two sections of the bill to really work, we had to strike out section 3.

As you note, the motion to recommit lost; however, if we had prevailed, the old section 3 would have been stricken from the bill, and the remainder of the bill would have been reported forthwith. We would have immediately passed a feed grain bill which would have been even better than the one which became law. I wish to point out that the Senate absolutely refused to go along with section 3 as Freeman proposed it because they realized that the Secretary of

Agriculture could gain control of the competitive marketing system, and for that reason, this undesirable section of the bill was changed.

It was changed in the joint Senate-House conference committee to deny the Secretary of Agriculture control over any grain except that represented by the payment-in-kind of the emergency feed grain bill. Although I think this also gave the Secretary more power than he should have, at least he has jurisdiction over no more grain than the farmers would have merchandised otherwise.

I also wished this record to note that I voted for the emergency feed grain bill in the form it came out of the conference committee. This recounting of the facts of this case surely should show just how unfair and politically partisan such a use of the recommittal vote cited by Mr. Johnson actually is.

Mr. LATTA. I do not think that there is anything here that gives us reason why we should increase this 65 percent and tie the Secretary's hands at 75 to 90 percent of the parity.

Mr. JOHNSON. I do not consider that tying the Secretary's hands.

Mr. LATTA. I think we have gone over that before, and you have not given us any reason now as to why we ought to change it.

I do not see why we ought to change it just to be changing it.

That is all.

Mr. POAGE. Mr. Short?

Mr. SHORT. Mr. Johnson, one of the arguments in favor of this bill has been that it is going to reduce the storage costs to the Commodity Credit Corporation.

Maybe I should not put it quite that way—that it is going to reduce the amount of grain going into Commodity Credit stocks.

Is that a fair assumption that that is one of the arguments that has been offered in support of this feed grain legislation?

Mr. JOHNSON. Yes.

Mr. SHORT. Has not the experience that we have had so far indicated almost the exact opposite? In view of the record of redemption of the certificates in cash rather than in kind, does that not somewhat refute that contention?

The value of certificates that were issued as of June 8—I am sure you are as familiar with these figures as I, but I will quote them here for purposes of the record: \$224,618,021 worth of certificates have been issued and \$190,348,169 worth have been redeemed in cash, which means that that grain is left in Commodity Credit stocks and the cost of storage still goes on and will for several months.

Mr. JOHNSON. Congressman Short, if I understand the procedures as laid down for the Secretary in the 1961 program, he is to market those certificates—market the corn represented by the certificates.

Mr. SHORT. By the end of September 1962, which is the end of the 1961 marketing season, which is required by the law. He would not have to dispose of these stocks until that time.

Mr. JOHNSON. He still must dispose of these stocks.

Mr. SHORT. But in the meantime, Mr. Johnson, a much greater proportion of the corn and grain sorghum and barley that is produced is going to go into storage; at least it is going to go under loan, because of the fact that to be able to avail yourself of this higher price, you must put the grain in; is that not true?

Mr. JOHNSON of Wisconsin. Mr. Short, a few weeks ago, were you not kicking because you thought the Secretary was selling the grains so fast; now you are saying he should not sell the grains so fast?

Mr. SHORT. I do not think I ever said that, Mr. Johnson.

Mr. JOHNSON of Wisconsin. Were there not Republicans criticizing the Secretary for selling the grains too fast, and are you not using the opposite argument now saying he should not sell it?

I do not think you have got a right to use both arguments.

Mr. SHORT. May I say right there, Mr. Johnson, and to Mr. Johnson from Wisconsin, the Secretary is on the horns of a dilemma now. I certainly wish right here and now to say that I sympathize with him. The livestock industry, as I pointed out here, I believe the day before yesterday, is very anxious that some policy as to the release price be established by the Secretary, because this is an unknown as of now in calculating what the livestock feeder is going to be able to do.

It is an unknown for those of us that sell feeder cattle in being able to determine what the market is going to be. So it would seem to me that the Secretary should establish as quickly as he possibly can his policy of releasing Commodity Credit stocks of grain.

Mr. JOHNSON. I am sure that the Secretary will in time indicate what his overall policy will be.

However, the Secretary is not committed to support price to corn except to those who cooperated in the 1961 program.

This comes as no surprise to anybody who deals with feed grains whether they be private storage and grain dealers, cooperatives, or whoever they are. The farmers who cooperate in the program cooperate in the program because they expected a support price.

Mr. SHORT. That is right, but the very fact that they had to cooperate in the program to be benefited to any degree by this higher price support, in view of the Secretary's statement, I believe he has made, that it was his intention to release Commodity stocks at a price below somewhat, or somewhere—and this is the \$64 question that needs answering now—somewhere below the presently effective price support.

Mr. JOHNSON. Congressman Short, I do not know what I would do if I were in the Secretary's shoes, but I would say that he has a very decided advantage in terms of keeping that market price of corn at some fairly decent level by having the element of surprise on his side in terms of how he markets these certificates.

Now, right now, somebody tells me corn on the Chicago market is quoted at about \$1.19. There are a lot of people, apparently, who feel that they want to hedge a little bit and buy some corn.

They do not know what the price is going to be. There is some thinking out over the country that the market price for corn might be up very close to the support price. I frankly cannot see anything wrong with this.

I think if that happens, that you could give credit to the fact that there was a support price.

Mr. SHORT. Do you think that condition can prevail possibly as the Secretary moves into the area of releasing these Commodity Credit stocks, that he must release under the law, before September 30, 1962?

Mr. JOHNSON. Let me repeat that he is not under any compulsion to hold up the market price of corn to any specific level. The only thing he is required to do under the 1961 program is to see that the producers who cooperated in the feed grains program get \$1.20 for their corn.

Mr. SHORT. But here is the situation that the Secretary faces. Whose interest is he going to try and serve to the greater degree, those that have stocks of feed grain now that they would like to sell at as high a price as possible, or the interest of those people who would like to buy some feed grain, like the poultry people, the dairy people, the feeder, the livestock feeders? They would be interested in buying the grain as cheap as they possibly can.

It seems to me, again, I must sympathize with the Secretary that he has got a very difficult determination to make, and he is going to have to decide which group of people he wants to try and please the most.

Mr. JOHNSON. Congressman Short, the group of people, if we are thinking about the same group of people, have always prided themselves on the ability to deal in a fluctuating market, and make money.

Now, we farmers prefer to know a little bit more about what we are going to get. We have always gotten clobbered in a fluctuating market.

Mr. SHORT. Not always.

Mr. JOHNSON. Well, in recent years we have been taking it on the chin. We have never been able to outguess; the fact is that we are the primary producer and this crop all comes in at one time, we have never been able to get much out of a fluctuating situation, and with the accumulation of surpluses in feed grains, we have had even greater difficulties.

Now, those people who say they like to operate in a free market are operating in no different kind of situation than they have had heretofore. In fact, if anything, there is less risk under the 1961 program.

Mr. SHORT. But does not the Secretary's authority to determine the release price add one more unknown factor that they have to deal with?

Mr. JOHNSON. I cannot say that you come out at any different place than where they say they have always been in livestock-cattle operations.

Mr. SHORT. If the Secretary would announce his policy as to the price at which he would release these feed grain stocks, it would remove this additional unknown factor.

Mr. JOHNSON. I am very much intrigued by your comment, Congressman Short, because a lot of years back Farmers Union leaders all over your country out there have been saying that farm prices were made in Washington, and some people have refuted this.

But following logically the end of your question, I think you are agreeing with those people that farm prices really are made in Washington.

Mr. SHORT. They certainly are under the provisions of this bill which gives the Secretary this authority, which is something that I did not want to give him.

Mr. JOHNSON. The farm prices were fixed in Washington in January of this year at \$1.08. The difference is right now we have got corn to the producer up to \$1.20 and somewhere below that for those people who are buying corn in the marketplace now.

Mr. SHORT. You think, Mr. Johnson, that we are going to be able to maintain that price of \$1.20 a bushel for corn, when the Secretary releases the corn that he must release under the law?

Mr. JOHNSON. The Secretary is under no compulsion to do this, and I cannot answer your question. I would say that there will be a lot of surprised cooperators in the feed grain program if the Secretary pulls off the kind of magic that would keep the price of all corn up to \$1.20. This was not ever anticipated, as I understand the 1961 program.

Mr. SHORT. I have never been able to understand the philosophy behind the program, but I will yield to the gentleman from Minnesota.

Mr. QUIE. I have to leave, so I will not take any time in asking questions or making a statement. I don't have time.

I would like to ask consent to put my remarks right after Mr. Johnson's insertion of the vote on the motion to recommit on the earlier feed grain bill.

Mr. POAGE. Without objection.

(The document referred to is on p. 1040.)

Mr. POAGE. If there are no further questions, we are very much obliged to you, Mr. Johnson.

Now, Mr. Harvey is going to introduce one of his constituents.

Mr. HARVEY. Mr. Chairman, the gentleman from my district, Mr. Rowe, is coming to Capitol Hill to testify, and he is very much interested in the farm problem.

He is a farmer-minister from my district in Randolph County and I am very happy to introduce him. I would like to say that he is a man of some experience.

I have a little clipping from a paper in my district which says just a few days ago he and Mrs. Rowe celebrated their 50th wedding anniversary.

Mr. Rowe, we will be very happy to hear you now.

Mr. POAGE. Glad to have you, Mr. Rowe.

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

Mr. ROWE. Thank you.

I take it that my findings and submissions here are not very important by the leaving of the committee.

Mr. POAGE. Mr. Rowe, at this time of day members are inevitably over on the floor of the House and everyone ought to be there, we realize that, but the fact that there have been five members stay here to hear you should be right complimentary, because I have sat here many times as Chairman and been the only one in the room to listen to these witnesses.

Mr. ROWE. May I first apologize to you, Mr. Chairman, for not coming to order soon enough.

Mr. POAGE. That is all right.

Mr. ROWE. And then may I ask your permission to indulge in a little comedy here. I am tinctured with a little of the great comedian, Rogers, who was the only man, I believe, who ever addressed a joint session of Congress, was he not?

Mr. POAGE. I do not know.

Mr. ROWE. I wonder if you remember what he said in his concluding remarks:

That he thought we had better turn the country back to the Indians. Now, I have a little remark that I think is going to be amusing.

After listening to the deliberations, especially of the Farm Bureau members—and I wish they were here—I expect I am a little out of order for rubbing when they are not present to defend themselves—

Mr. POAGE. They had the right to stay.

Mr. ROWE. But some of their testimony reminds me of the farmer in Indiana who lost his voice a few years ago. He had laryngitis and lost his voice. He had a bunch of hogs feeding down in the woods and the only way he could get them to know that their feed was ready was to peck on the trough. But alas, spring came and a neighbor came around and observed that the hogs were running from one side of the woods to the other and then to the other and they were running all over. They came over and said:

“Henry, what is the matter with your hogs running from one corner of the woods to the other and like race horses?”

“Well,” he says, “I have lost my voice and the woodpeckers are pecking on the trees and they have run one way and then they run the other way, then they run the other way, and they are running my hogs to death.”

I think that the remarks of the Farm Bureau somehow, not reflecting on their good qualities, remind me of this, brings this story to my attention.

I believe their ears have grown so long that they are covering their eyes and they cannot see.

Now, then, I went out about 10 days ago in my community of my own free will and accord to solicit the farmers to back me up in coming to Washington, D.C., representing them, and to my amazement, in my own personal solicitation, I got a 99 percent signing.

The men that worked under me got, of course, much less, but I believe the statement I have got to put before the committee here would represent 90 percent of the corn district of the Nation.

I come to you representing the majority of the farmers of Randolph County as their representative to submit our objections to not only H.R. 6400, but to the feed grain bill somewhat.

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 agricultural business has been pulled out of the ditch which it was in, in the 1930's, 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 be perhaps unwise to break off all Government action in the farms, especially in any near future, I want to add.

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 commonwealth, want Federal controls with their many objectionable features reduced to a minimum. This is what the farmers told me was their sincere desire, as I solicited them personally.

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, and I have the document here that represents some 500 farmers and their wives in my immediate community, and I did not have time to solicit only but about one-third of my county, because of the lack of time. About a total of 3 or 4 days was all we used.

They have expressed their wishes verbally, ranging from no Federal controls to moderate action by the Federal Government. 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 the amount of surplus grain. This is suggested in the present Federal bill, but it is being paid in cash. This almost constitutes a miscarriage of this grain bill.

However, let me state here that since coming to Washington, I understand that there has been provision whereby this grain will be released according to the judgment of the Secretary of Agriculture, I want to add that. 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 placed under the \$1.20 control. 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, not cash.

The livestock feeder could feed his stock, the nonlivestock farmer to be allowed to sell his grain wherever he found the best market, but restrict the nonlivestock farmer from selling but one-fourth of his parity grain or grain sorghum or those grains under storage 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, unless, of course, I want to add here, too, that I was not fully informed of the conditions under which the Secretary of Agriculture was to release this grain.

I have since gotten that information.

Suggestion No. 2: Throw out all bases as a point from which the acreage allotments are determined and substitute in their place total crop acreage.

This part of the present feed grain 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 under this program. 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? I should omit that because that is a reflection upon the good graces of the Congressmen.

Suggestion No. 3: At the earliest possible date formulate by Federal presidential appointment or otherwise an agricultural committee in both the House and Senate, selecting a competent farmer representative from each division of the farming industry—namely, livestock, grain, dairy, poultry, all of these working together, and, of course, wheat should be included in there—all of these working together toward an organization of each group into a self-sustaining farm control organization.

After completion of such organization, ease the Senate and the House part of the committee out of the picture, except as advisory or counsel group.

When the child begins to walk, let him walk.

After these various farm organizations are complete, 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 proportionately 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 that the farmers are willing to agree to, the Congress could amend the Federal income tax law to allow said farmers a larger exemption or reduce the rate of tax on farmer's net income; since the farmer would be paying his own way, saving the Government some \$2.5 billion, he would surely be entitled to a reasonable reduction in his overall Federal tax to offset, I must add, a part of this that he is willing to pay of his own accord.

Suggestion No. 4: I would suggest that the Government continue the ever normal granary at a reasonable level for protection against disaster, set a bushel level at which point this grain would be moved out of storage on to market or back to the feeders at a price agreed upon, and a price which would keep grain and livestock in balance.

The Government would only have investment in the storage and grain. The farmers through each of their respective organizations would set their own rate of parity, pay their own bills from their own tax.

This is the self-help plan that we farmers would like to see tried. Any details, of course, are lacking in this hurried testimony, but, roughly speaking, that is what we, the farmers of Randolph County—and I believe I can say through the whole grain belt—would like to see tried.

Humbly submitted this 7th day of June.

Mr. POAGE. Thank you very much.

We are very much obliged to you.

Are there any questions?

If not, we are very much obliged to you, Mr. Rowe, and I believe that completes all of those who have asked to be heard on this feed grain legislation.

Is there anyone present who wants to be heard? If there is not, I am going to ask that we have a few moments to discuss this matter in executive session.

The committee will stand in recess.

(The following statement was also submitted to the subcommittee:)

STATEMENT OF THE NATIONAL GRANGE

The amendments to H.R. 6400 providing for a special program for the 1962 crop of feed grains are similar to the provisions which the Congress enacted earlier this session in Public Law 87-5 with respect to the 1961 crops, except that (1) the 1962 crop of barley is to be included, (2) payments for diverted acreage are, to the extent provided by the producer, required to be made on the basis of actual rather than average acreages and yields, and (3) it is expressly provided that payments in cash shall be made by the Commodity Credit Corporation.

The National Grange was pleased to support the legislation which authorized the special program for the 1961 crop of feed grains because it agreed with the views expressed by the President that the existing program had failed, that continuation of that program could not but result in further accumulations to surpluses already burdensome and dangerous and further deterioration in farm prices and income, that the proposed new program seemed basically sound, and that emergency action was required if any attempt was to be made at corrective measures affecting the 1961 crop of feed grains.

In enacting the emergency program for 1961, the Congress wisely included a provision directing the Secretary to submit within 90 days after enactment a detailed report of all available information concerning progress, cost, and reduction of surpluses under the program. Although this report has not yet been submitted, it will very shortly be due, and such preliminary data as have been published by the Department appear to give some reason for encouragement that the program will tend to achieve the results which were anticipated.

In supporting the 1961 crop program, the Grange also pointed out that many of its details would have to be provided by administrative action, and that the development of the necessary administrative decision and procedures would take time. The great bulk of this administrative work product is, of course, available already and need not be produced de novo.

In view of these considerations, and unless the report shortly to be submitted by the Secretary to the Congress should indicate, contrary to expectations, that the results of the program are not worth while, the Grange believes that the proposed 1-year extension of the program is justified as a further emergency measure and should be included in H.R. 6400 in the interest of gaining further experience toward providing a more permanent solution to the feed grains problem and, at the same time, creating a more stable atmosphere in which our farmers may make their plans.

In making this recommendation, the Grange also places considerable reliance on the inclusion in the measure of authority to the Secretary to make adjustments in acreage and yields for the 1959 and 1960 base crop years as may be necessary to reflect factors abnormally and adversely affecting production, "and to give due consideration to tillable acreage, crop rotation practices, types of soil and topography." We believe that the conscientious exercise of this authority is most important in the fair administration of the program and are confident that the Secretary will make due provision for such adjustments as the indicated factors may justly warrant and require.

(Whereupon, at 4 p.m., the subcommittee recessed.)





