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PRODUCER CONTRIBUTIONS FOR LIVESTOCK MARKET DEVELOPMENT

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HEARING BEFORE THE SUBCOMMITTEE ON LIVESTOCK AND FEED GRAINS OF THE COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES EIGHTY-EIGHTH CONGRESS

FIRST SESSION

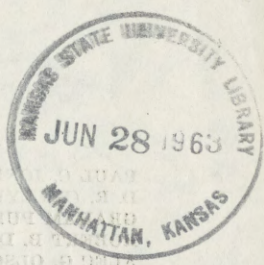
ON

H.R. 5860 and H.R. 5861

MAY 2, 1963

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PRODUCER CONTRIBUTIONS FOR LIVESTOCK MARKET DEVELOPMENT

THURSDAY, MAY 2, 1963

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

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

Present: Representatives Poage, Jones of Missouri, Matthews, Purcell, Duncan, Olson, Matsunaga, Hoeven, Quie, and Short.

Also present: Representatives Johnson of Wisconsin and Findley. Christine S. Gallagher, clerk; Hyde H. Murray, assistant clerk; John Heimbürger, counsel; Robert Bruce, assistant counsel; and Francis LeMay, consultant.

Mr. POAGE (presiding). The subcommittee will please come to order.

The subcommittee has met this morning to hear testimony on H.R. 5860 and H.R. 5861, which will be made a part of the record at this point.

(H.R. 5860 and H.R. 5861 follow:)

[H.R. 5860, 88th Cong., 1st sess.]

A BILL To amend section 407 of the Packers and Stockyards Act of 1921, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Packers and Stockyards Act of 1921, as amended, is amended by adding the following new subsection (c) to section 407:

“(c) Notwithstanding any other provision of law, the authority of the Secretary under this Act shall not apply to deductions made from sales proceeds for the purpose of financing promotion and research activities, including educational activities relating to livestock, meat, and other products covered by the Act.”

[H.R. 5861, 88th Cong., 1st sess.]

A BILL To amend section 407 of the Packers and Stockyards Act of 1921, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Packers and Stockyards Act of 1921, as amended, is amended by adding the following new subsection (c) to section 407:

“(c) Notwithstanding any other provision of law, the authority of the Secretary under this Act shall not apply to deductions made from sales proceeds for the purpose of financing promotion and research activities, including educational activities relating to livestock, meat, and other products covered by the Act.”

Mr. POAGE. These bills would consider the matter of continuing deductions from the sale of livestock for promotion. It was hoped that these bills would provide a satisfactory solution to the problem that the livestock industry faces, and that they would be helpful to the whole industry.

It seems to me there is more unanimity of feeling about this matter than of any major matter that has come before this committee for a long time. The response that we have been getting from the various sections of the country indicates that.

We will now hear from Mr. James B. Nance, chairman of the National Live Stock and Meat Board. Mr. Nance has been before this committee on many occasions. We are glad always to hear from you.

STATEMENT OF JAMES B. NANCE, CHAIRMAN, NATIONAL LIVE STOCK AND MEAT BOARD, ALAMO, TENN.; ACCOMPANIED BY ROBERT L. FARRINGTON, COUNSEL

Mr. NANCE. Thank you, Mr. Chairman. This is a statement on behalf of the National Live Stock and Meat Board.

My name is James B. Nance, Alamo, Tenn. I am chairman of the National Live Stock and Meat Board, and am authorized by the directors of the board to give our full support to the approval of H.R. 5860 and H.R. 5861. In fact, it is evident both to me and to our board that enactment of the proposed legislation is vital to the continued existence of the board, and will be of lasting benefit to the producers and consumers of all red meat—beef, lamb, and pork.

I have been a hog producer all my life, am a past president of the National Swine Growers Council, and have also been president of the Tennessee Livestock Association, composed of producers of cattle, sheep, and hogs. I know from experience that the producers of all livestock have the same basic problem: continual improvement of their product and keeping the buying public aware of its value in terms of its cost, palatability, and nutritional qualities.

The National Live Stock and Meat Board is incorporated under the "not for profit" corporation laws of the State of Illinois. Its main office is in Chicago. The board has the same Federal tax exemption accorded to other similar organizations.

The directors of the board are leading producers, processors, and users of beef, lamb, and pork. The meat board was organized as a result of ideas originating within the livestock industry. The basic discussions began in 1919 when livestock slaughter was high, but prices to producers were not sufficient to return a reasonable profit. Out of these discussions came the realization that all segments of the livestock industry—farmers, ranchers, market agencies, packers, and farm organizations—had a stake in the welfare of the industry as a whole.

A study conducted in 1962 by a program and policy study committee of the board, headed by Dr. Herrell DeGraff of Cornell University, states that:

The primary factor that brought these groups together and which gave central focus to their discussions was the prevalent folklore of that time that high-level meat consumption was adverse to health. Some people believed that eating meat predisposed one to rheumatism. A more prevalent view, then supported even

by a considerable segment of the medical profession, was that a high-protein diet "overloaded the kidneys. * * *" Vegetarian faddists were having a field day, and their sophistry was adversely affecting the public image of meat and therefore the market demand. It was these types of belief that the meat board set out to counteract by accumulating scientific nutritional information about meat and disseminating such knowledge to the public.

The organization of the National Live Stock and Meat Board was recommended by cattlemen in January 1922. About 2½ months later, March 10, 1922, the board was formally organized with 17 directors. Two of these directors were spokesmen for terminal markets, 2 represented retail distributors, 2 were meatpackers, and 11 were representatives of livestock producers.

The basic purposes of the meat board, as set forth in its original charter, are as follows:

(a) To initiate and encourage research and education in regard to livestock and meat products;

(b) To disseminate correct information about meat in diet and its relation to health; and

(c) To do all things necessary to promote the interests of the livestock and meat industry.

Presently the board's directors, consisting of 41 members, represent the following organizations: livestock growers, feeders, and farm organizations, 20; meatpackers, 6; livestock marketing interests, 5; meat retailers, 3; restaurateurs, 1; and livestock and meat interests of individual States, 6.

The meat board carries out a number of promotional research and educational activities, including grants to schools, colleges, and other noted research institutions. It also has a staff of technical people, nutritionists, chemists, home economists, to study and work with technicians in the schools, universities, hospitals, and civic groups. By confining research expenditures mainly to recognized institutions and qualified research workers, the board seldom has to pay the full cost of a project, and is also able to participate in research on a much wider scale than if the projects were undertaken solely with personnel under the direct supervision of the board.

During the past 23 years—1939-63—the per capita consumption of meat has increased from 133.6 to 163.7 pounds.

I have said that passage of the legislation before this subcommittee today is vital to continuation of the meat board as an effective agency for meat promotion. That was not an understatement. From the beginning of its operations the board has been financed by collections from livestock producers and contributions from packers.

From 1922 through the fiscal year 1930-31, collections from producers were 5 cents per car of livestock with a similar contribution from participating packers. In 1931, the collection rate was increased to 25 cents per car, with an alternative to the market agencies who assembled the contributions for the board, and to the packers, of paying either the carlot rate, or a rate equal to 1 cent per head on cattle and one-third of a cent per head on hogs.

The collection rate now ranges from 2 to 3 cents per head on cattle, two-thirds of a cent to 1 cent on calves and hogs, and two-fifths of a cent to 1 cent on sheep and lambs. In the fiscal year 1960-61 collections from producers and contributions from packers for the board amounted to \$1,058,935.16.

Earlier in this statement I said that approval of the provisions of the two bills now before the subcommittee was vital to the existence of the National Live Stock and Meat Board. That was not an understatement.

Since the beginning of the meat board program—41 years ago—the per head contributions from livestock feeders and growers have been assembled by the marketing agencies handling the livestock. These collections are doubly important because they are also the basis upon which contributions are made by the packers. So if deductions from the growers decline, a corresponding reduction occurs in the money received from the packers.

During the 41 years since beginning of the meat board programs, the deductions from livestock feeders and growers have not been based upon written orders, but upon the general understanding and agreement, well known throughout the livestock industry, that no seller has to contribute to the board's program unless he wants to, and that deductions from the proceeds of any sale which are not entirely satisfactory to the owner and shipper, will be refunded upon request.

About June 1962, the Secretary of Agriculture published notice in the Federal Register of a proposed regulation which would require any person making a deduction for meat promotional purposes to hold a written authorization for such deduction. Based upon a full explanation of the meat board program, and a request by the Senate Committee on Appropriations, the issuance of the proposed order requiring written authorization in support of each meat board deduction has been extended by the Department of Agriculture until July 1, 1963.

In the press release of the Department of Agriculture commenting upon the extension, it was noted that the additional time permitted before the effective date should make it possible for the meat board to get legislation providing for continuance of the present meat promotion program.

Undoubtedly one factor in the decision of the Department of Agriculture to require written formalization of the authority for meat board deductions was the controversy that developed within the livestock industry over proposed changes which would have created problems in the application of the Packers and Stockyards Act as construed by the Department of Agriculture. The controversies within the industry have now been settled and the industry is more united than ever in its history.

But the interpretation of the Packers and Stockyards Act and regulations made by the Secretary as an outgrowth of this controversy have the effect of subjecting the meat industry to regulations which will make it most difficult, it not impossible, to continue the effective program which it has carried out for the past 41 years.

It clearly appears to be in the best interests of both the U.S. Department of Agriculture and the industry to exempt the program of the National Live Stock and Meat Board from the Packers and Stockyards Act.

Enactment of the provisions of H.R. 5860 and H.R. 5861 would accomplish those purposes and would put deductions for meat produc-

tion on the same basis as deductions for the promotion of other agricultural commodities.

Thank you, Mr. Chairman, for the privilege of presenting this statement.

Mr. POAGE. Thank you very much, Mr. Nance. With reference to your very last statement there with regard to the fact that this would put deductions for meat promotion on the same base as deductions for the promotion for other agricultural commodities; meat is the only commodity at the present time which cannot enjoy a program of this kind under the law. And all that would happen under this is that deductions might be made exactly as they are made for cotton, for turkeys, and for dairy products and for a dozen other agricultural products over the country—that is all that this would do, is that correct?

Mr. NANCE. That is correct.

Mr. POAGE. Mr. Hoeven.

Mr. HOEVEN. Mr. Nance, do you know of any opposition to this type of legislation?

Mr. NANCE. No, sir; I do not.

Mr. HOEVEN. I have one other question as to the makeup of your board of directors. Are the so-called country markets represented on your board of directors?

Mr. NANCE. Yes, sir; through auction markets. Is that what you mean?

Mr. HOEVEN. Yes, sir; the so-called country livestock markets?

Mr. NANCE. They are represented on it, on the board; yes.

Mr. HOEVEN. Thank you. That is all.

Mr. POAGE. Mr. Matthews.

Mr. MATTHEWS. I would like to submit for the record a telegram from the president of the Florida Cattlemen's Association in support of this legislation for the record.

Mr. POAGE. If the gentleman would modify his request to submit that along with a great many others that we have, rather than to include it at this point.

Mr. MATTHEWS. I will be delighted to do that. I was anxious for the gentleman to know that it was being supported by those in Florida.

Mr. POAGE. We will insert it along with the others.

Mr. DUNCAN.

Mr. DUNCAN. I, perhaps, ought to know more about this than I do, but as I understand it this will remove the authority of the Secretary to order that the agency should have a written order from the farmer, the owner of the cattle, before making the deduction?

Mr. POAGE. It would tend to remove the authority as to the deduction in its entirety. The Packers and Stockyards Act places a limitation upon what may be deducted from the sale of livestock by the marketing agencies. Any such deduction of any kind is prohibited from being made. The Packers and Stockyards Act, probably, prohibits any deductions being made for any of these purposes. The only purpose for which you can make them are those enumerated within the provisions of the act, such as for watering and weighing and handling and commissions on the livestock.

Mr. DUNCAN. I did not so understand his statement. The Secretary has merely issued an order that before any such deductions could be made that the packer had to have the authority from the producer in his possession. Am I wrong in my interpretation of what you said?

Mr. NANCE. It would be the marketing agency. It would not necessarily be a packer.

Mr. POAGE. You are not quite correct in that interpretation. I just said that my understanding of the law is that it prohibits all deductions. Of course, I think that the shipper can always direct the market agency to put his money anywhere he wants to.

Mr. DUNCAN. I see.

Mr. POAGE. What we are attempting is to clear this all up with this amendment. No matter how you interpret the law, if we pass this amendment, then we could make these deductions legally as they are made for all other commodities other than livestock.

Mr. DUNCAN. May I ask one more question?

Mr. POAGE. Yes.

Mr. DUNCAN. Are these made by the marketing agency without the written authorization of the owners thereof at the present?

Mr. NANCE. Yes, sir.

Mr. DUNCAN. They are now made?

Mr. NANCE. Yes, sir.

Mr. POAGE. They are made on the basis that if the shipper wants to get it back, he can get it back.

Mr. NANCE. I might elaborate a little, Mr. Poage. As I said in the statement, if someone requests that it not be made it will not be made at all in the first instance.

Mr. POAGE. Mr. Short.

Mr. SHORT. Mr. Duncan raises a very important point, so far as this whole consideration is concerned. It should be kept in mind that while these bills before the committee eliminate the necessity of prior authorization, this is still a completely voluntary operation. As Mr. Nance has just said, deductions will not be made if the shipper requests that they not be made at the time he sends his livestock to the market. If the deduction is automatically made, upon the shipper's request, the deduction will be refunded.

Another important fact here that should be borne in mind is that the deductions are also completely voluntary, so far as the marketing agency is concerned. If the stockyards company, the commission company, or the auction market concerned, do not wish to make this deduction from the proceeds of sale of livestock they are free to make that choice. This bill does not compel them to make these deductions.

Mr. POAGE. Mr. Quie.

Mr. QUIE. The only commodity which has a mandatory checkoff under the law is wool, is it not, and there the producer does not have the right to withhold or prevent the deduction from being made. He does not have that choice. The majority of woolgrowers decided to do it. And so, really, this is a completely voluntary provision, more so than that on wool.

Mr. POAGE. That is correct. The Wool Act has that in it.

Mr. QUIE. Also, if any livestock group other than the meat board wanted to have a deduction made they would be permitted to do so under this bill, is that right?

Mr. NANCE. They would what?

Mr. QUITE. They would be permitted to have a deduction made if they so desired?

Mr. NANCE. It would be optional on the part of the market.

Mr. POAGE. That is the point that Mr. Short pointed out, that no marketing agency has to make a deduction unless they want to do so. If the marketing agency wanted to do it, they could deduct it, but anybody could get it back. I think that the safeguard for the shipper lies in this fact that, certainly, no marketing agency will get away with the deduction of that kind very long if the livestock shippers do not want it. They do not have to do business with such a marketing agency. They can do business with someone else who does not deduct, and no deduction will be made that the producer does not want over any period of time or any extended area. Shippers still have the right to demand their deductions back.

Anybody can make the deduction at the present time if the owner of the livestock agrees. So we just leave this under the general law; but we do not, by adapting this proposed legislation, say that anybody making the deductions over the objection of the owner of the livestock can do so. The owner of the livestock, if he objects to it; if he does not want it, does not have to submit to any deduction.

Mr. QUITE. I am more familiar with the activities of the American Dairy Association. There the producers have complete charge of it, because of the voluntary nature of the deduction. And if it gets out of line a little bit the A.D.A. certainly hears from the producers. I do not think that we have any worry at all on this.

Mr. POAGE. Thank you, Mr. Nance.

Mr. NANCE. Thank you.

Mr. HEIMBURGER. May I ask a question?

Mr. POAGE. Certainly, you may.

Mr. HEIMBURGER. Mr. Nance, I am a purely theoretical farmer, and I have never sold any livestock on a terminal market.

Does the invoice or the statement which the Commission man sends to the shipper, to the livestock producer, indicate the item that is to be taken out?

Mr. NANCE. Yes.

Mr. HEIMBURGER. Does it, also, carry any kind of printed statement that if he does not like this deduction and wants it back, and applies within 90 days or something like that, that they will send it back to him?

Mr. NANCE. I think that in the majority of cases—maybe not all of the cases, but in the majority of cases that would be true. Certainly, it is the general understanding that that can be done.

Mr. HEIMBURGER. At least, the invoice would show that?

Mr. NANCE. It would show it, that is right.

Mr. HEIMBURGER. The deduction for the livestock and meat board of \$1.27 or something like that, so that this is not done without the knowledge—

Mr. NANCE. That is right.

Mr. HEIMBURGER. Of the seller?

Mr. NANCE. Yes.

Mr. QUITE. Will you yield there?

Mr. HEIMBURGER. Yes.

Mr. QUIE. I know that in some markets it has been taken up in their commission annual meetings, so this no longer is shown on the notice. However, this is understood within the organization.

Mr. NANCE. In most cases it is even posted.

Mr. QUIE. Yes.

Mr. SHORT. As a part of the tariff or schedule of market charges for services rendered.

Mr. NANCE. Yes, that is right, like the tariff.

Mr. HEIMBURGER. On the matter of the contribution by the packers, Mr. Nance, is this on a 50-50 basis—do they match the contributions?

Mr. NANCE. On their part—

Mr. HEIMBURGER. Is it on a volume basis or what?

Mr. NANCE. The participating packer contributes on the same per-head basis as the producer. Actually, it is based on their slaughter. This is in addition to the service they perform in making collections for the board on their direct purchases.

STATEMENT OF CARL NEUMAN, GENERAL MANAGER, NATIONAL LIVE STOCK AND MEAT BOARD, CHICAGO, ILL.

Mr. NEUMAN. It is matched on a per-head basis on the slaughter by the packer.

Mr. HEIMBURGER. Per head?

Mr. NEUMAN. That is right.

Mr. HEIMBURGER. I notice a variation on page 4, in the second paragraph, in that the collection rate now ranges from 2 cents to 3 cents per head on cattle, two-thirds of a cent to 1 cent on cows and hogs, and two-fifths of a cent to 1 cent on sheep and lambs. Why is that variation here? I assumed that this was uniform collection throughout the country.

Mr. NANCE. At the conclusion of the study report in 1962, which is referred to in this report, it was suggested that the deductions on the markets that would begin collections would be 3 cents on cattle, 1 cent a head on hogs, and 1 cent per head on sheep and lambs. And that is being done on the new markets that have come in since this report was published. Of course, it is optional with the market. If they desire to retain the 2 cents and not move to the 3 cents per head, that is their privilege. A lot of them have elected to stay on the 2-cent basis.

It is a thing that we hope can be worked out, so that we can move it to 3 cents per head, because we have two types of committees within the meat board which are new and which are functioning real well. Rather, there are three, the specie committees of beef, pork, and lamb, in which the producers have a big voice, practically a complete voice as to how this money will be spent. And we had hoped that from the additional revenue we could give to the specie committee more money for them to use as they might see fit in the promotion of beef, pork, or lamb as it should be decided.

Mr. HEIMBURGER. In other words, this program is so voluntary that the contributors can even decide just how much they will contribute; is that it?

Mr. NANCE. That is correct. And this may seem minor, but the marketing agencies say that their bookkeeping system, that is, so far as it is concerned, they would rather have it 1 cent rather than two-fifths of a cent.

Mr. HEIMBURGER. I can understand that. Just one more question. Does the meat board engage in any paid advertising?

Mr. NANCE. None whatsoever.

Mr. HEIMBURGER. That is, paid advertising or promotion?

Mr. NANCE. None whatsoever.

Mr. HEIMBURGER. Thank you.

Mr. POAGE. If those are all of the questions of Mr. Nance, we are very much obliged to you.

We will now hear from Mr. Aled P. Davies, vice president of the American Meat Institute.

STATEMENT OF ALED P. DAVIES, VICE PRESIDENT, AMERICAN MEAT INSTITUTE

Mr. DAVIES. Mr. Chairman and members, I do not have a formal statement. I would like to say that we are in hearty agreement with these two bills. And we subscribe to what Mr. Nance has said.

Our interest is long lasting and of some moment in the fortunes of the National Live Stock and Meat Board.

Answering your question, Mr. Heimbarger, the packers contribute on their slaughter or what have you, between \$350,000 and \$400,000 a year.

The American Meat Institute itself makes a contribution for those packers who are not participating between \$15,000 or \$20,000 a year.

And then plus our collections, I would say that the packers' contributions and collections amount to about 50 percent of the budget of the National Live Stock and Meat Board, yet out of the 41 directors, we of the American Meat Institute only have 4 members and the other packer organizations, I think, have 2 apiece, so that the control and the direction of this voluntary association has consistently and will be under the control of the livestock producers themselves, although more than 50 percent of the total amount comes from us.

Mr. Chairman, with your permission, I would like to read a letter addressed to you from the president of the American Meat Institute at this point in the record as my testimony. This letter is addressed to Mr. W. R. Poage, chairman of the Livestock Feed Grains Subcommittee of the House Committee on Agriculture and reads as follows:

DEAR CONGRESSMAN POAGE: Ever since the establishment of the National Live Stock and Meat Board almost 40 years ago, the American Meat Institute as an association has financially supported the activities of the meat board. In addition, many of our individual members, both large and small, have made deductions for the meat board on livestock purchased from producers, and have matched the funds so collected to enable this organization to carry on its work for meat promotion and education. This has been an outstanding contribution to the livestock and meat industry, and it also has served well the interests of consumers by making them better acquainted with the nutritive qualities of all meats.

The National Live Stock and Meat Board also has made available grants for research which has resulted in increased knowledge about meat. Since about one-third of farm income is derived from meat animals, this activity makes an important contribution to the welfare of the entire agricultural economy.

An analysis of the regulation recently issued by the U.S. Department of Agriculture to be effective July 1, 1963, indicates that it would have the effect of terminating the program which has been carried out so effectively by the National Live Stock and Meat Board and financed jointly by the meatpacking industry and livestock producers. We, therefore, are in accord with and will

support legislation which will remove from Federal regulation the deductions from livestock sale proceeds made on behalf of the meat board.

We urge that corrective legislation be introduced as soon as possible to eliminate any uncertainty which may exist concerning the future of the National Live Stock and Meat Board.

Mr. POAGE. Thank you, Mr. Davies. Are there any questions?
Mr. Short.

Mr. SHORT. I believe that in addition to the major packers, others are contributors to the Live Stock and Meat Board, other than the producers themselves; is that not true?

Mr. DAVIES. I believe that is correct, but, of course, there are some small packers, too, who contribute, large and small, and then we, through the meat institute make a grant every year to cover those people, those members of ours, who do not themselves contribute or match.

Mr. SHORT. I am wondering if there is anything in the Live Stock and Meat Board constitution and bylaws which would preclude some other interested segment of the industry from contributing to the board such as the food chains?

Mr. DAVIES. I do not know of any objection to it. I have not looked at the meat board charter recently, but I do not think they can be prevented from making contributions.

Mr. SHORT. Thank you.

Mr. POAGE. Thank you, Mr. Davies. We are very much obliged to you for your statement.

Mr. DAVIES. Thank you.

Mr. POAGE. We have with us Mr. Kenneth D. Naden, executive vice president of the National Council of Farmer Cooperatives. We will be glad to hear from you now, Mr. Naden.

STATEMENT OF KENNETH D. NADEN, EXECUTIVE VICE PRESIDENT, THE NATIONAL COUNCIL OF FARMERS COOPERATIVES

Mr. NADEN. I am Kenneth D. Naden, executive vice president of the National Council of Farmer Cooperatives. This organization is a national federation of farmer-owned and farmer-controlled cooperative marketing and purchasing associations. Our member organizations market for their farmer-members varying percentages of most commercial farm commodities and purchase for their farmer members their basic production supplies.

We appreciate the opportunity to bring to this subcommittee the views of this organization on H.R. 5860 and H.R. 5861. We support these bills to amend section 407 of the Packers and Stockyards Act of 1921 and urge the subcommittee to give them a favorable vote.

The National Council of Farmer Cooperatives is appearing before you today on behalf of one of its direct affiliates—National Live Stock Producers Association of Chicago, Ill. This organization is one of the largest and most influential agencies in the marketing of livestock throughout the country. Its membership includes 28 cooperative livestock marketing and livestock credit associations in most of the important livestock assembly, selling, and slaughter centers of the United States. Because of its nationwide operation, large volumes of busi-

ness, and professional selling ability, it has exercised a significant influence in stabilizing and raising farmers' income from growing of livestock. Its marketing objective is reached mainly by assembling large volumes for sale and injecting effective competition into the markets on behalf of growers.

Progressive and skillful marketing includes extensive promotion and advertising activities. Therefore, National Live Stock Producers Association has been a continuous supporter of and its farmer members have made a substantial financial contribution to the National Live Stock and Meat Board, the program of which is threatened by the amendment to the regulations of the Packers and Stockyards Act issued by the Secretary of Agriculture on February 26, 1963. The bills before us arise because of the crisis which would occur if the amendment were to become effective. The result would be a serious disruption to the program of the meat board and to effective marketing by producers. The reason for this is that prior written authorization by each and every farmer for a deduction from his returns from the sale of livestock for promotion purposes is infeasible. Therefore, the principal reason for livestock farmer support for these bills is because farmers recognize the value of the meat board's industry-wide promotion program and want it continued. It is part and parcel of their marketing activities: Effective promotion must have widespread support from livestock farmers and other segments of the meat industry. Recent increases in livestock numbers have raised meat production to an alltime high. Continuation of effective promotion programs is essential to maintenance of a strong consumer demand for these products.

Support of livestock farmers for the meat board activities is shown by the fact that they have been informed that if they object to the present checkoff plan all they need to do is to request a refund and it will be promptly paid to them. Very few growers have objected to the checkoff. Also grower organizations and feeder organizations have repeatedly used the services of the meat board, including personnel, to put on cooking as well as cutting demonstrations at their local and district meetings.

The bills H.R. 5860 and H.R. 5861 would permit a continuation of this important industrywide program. It has been a dramatic demonstration of the strength of the self-help principle and deserves continuing support. Longstanding congressional support for farmer cooperatives and for effective self-help activities will be reaffirmed by approval of these bills.

We support the view of the National Live Stock Producers Association and again urge the committee to approve H.R. 5860 and 5861.

Mr. POAGE. Thank you very much, Mr. Naden.

If there are no questions, we are very much obliged to you for appearing here.

Mr. NADEN. Thank you.

Mr. POAGE. We will next hear from Mr. Jack Jackson, director of public relations of the National Grange.

We will be glad to hear you now, sir.

**STATEMENT OF JACK JACKSON, DIRECTOR, PUBLIC RELATIONS,
NATIONAL GRANGE**

Mr. JACKSON. Mr. Chairman, I am Jack Jackson and I am representing the National Grange.

In official session earlier this morning the Executive Committee of the National Grange instructed me to present this statement urging committee approval of H.R. 5860, H.R. 5861, and any other identical proposals which may be under consideration.

I think that members of this committee—and most others present—are familiar with circumstances which make us feel that there is pressing need for a Packers and Stockyards Act modification such as that called for by H.R. 5860.

These have already been adequately reviewed here by Mr. Nance and others this morning.

You know that, voluntarily through deductions from sales receipts, livestock producers have for more than 30 years substantially financed the operation of the National Live Stock and Meat Board

Representatives of nonproducer segments of the livestock industry have likewise consistently and voluntarily contributed to the financial requirements of the board's operations.

The entire program of the board has been built upon this system of volunteer contributions. The history of this volunteer program of cooperation by all segments of the industry makes it perfectly clear that methods used are not in conflict with the interest of either producers, other segments of the industry, or the public.

However, it has recently been determined that the procedure used in making deductions from the producer's sale of livestock is in conflict with current provisions of the Packers and Stockyards Act. It is likewise apparent that there is no practicable, workable method through which the board can adjust its procedures so as to comply with present provisions of the act.

For these reasons appropriate modification of the act is highly desirable.

H.R. 5860 will legalize the deduction procedure long used to provide board funds and will provide a simple and equitable solution of problems involved.

Thus, the National Grange urges approval of H.R. 5860 by your committee and recommends passage by Congress at an early date.

Mr. POAGE. Thank you for your statement.

If there are no questions, we are very much obliged to you.

We will now hear from Mr. John C. Datt, assistant to the director of the Washington office of the American Farm Bureau Federation.

We will be glad to hear you now, Mr. Datt.

**STATEMENT OF JOHN C. DATT, ASSISTANT TO THE DIRECTOR,
WASHINGTON OFFICE, AMERICAN FARM BUREAU FEDERATION**

Mr. DATT. I am John C. Datt, assistant to the director of the Washington office. We have about a 2½-page statement. All of the points have been covered by others, Mr. Nance and the other witnesses, and I think that in the interest of saving time, I shall just file this statement and indicate to the committee on behalf of the American Farm

Bureau Federation that we do support the enactment of H.R. 5860 and H.R. 5861, in order that the present system of financing the Live Stock and Meat Board may be continued without interruption.

If there are any questions, I will be happy to answer them.

Mr. POAGE. We are very much obliged to you. And without objection, you may revise any of your remarks. Your statement will be included in the record at this point.

(The prepared statement of John C. Datt follows:)

STATEMENT OF JOHN C. DATT, ASSISTANT TO THE DIRECTOR, WASHINGTON OFFICE,
THE AMERICAN FARM BUREAU

We appreciate this opportunity to present Farm Bureau's views with regard to H.R. 5860 and H.R. 5861 and similar legislation to amend section 407 of the Packers and Stockyards Act of 1921 as it relates to deductions from sales proceeds for the purpose of financing programs to increase the demand for meat and meat products.

The Packers and Stockyards Act of 1921 as amended requires that livestock marketing agencies operating on public markets promptly remit to shippers the full proceeds of sales of their livestock after the deductions of authorized charges for such things as freight, feed, yardage, and selling commissions as set forth in tariff schedules approved by the Packers and Stockyards Administration.

Many market agencies have voluntarily cooperated with the National Live Stock and Meat Board over a period of 40 years by making small deductions from shippers' proceeds for the Meat Board. These funds are used to finance research and educational activities designed to increase the demand for meat and meat products. This has been the principal source of funds for the program carried on by the Meat Board since its inception 40 years ago. Livestock producers have always been free to ask that these deductions not be made and to obtain refunds.

Although this system of collecting funds has had the sanction of the livestock and meat industry and of the Packers and Stockyards Administration for a long period of time, there has always been the possibility that this situation could change if ever a legal challenge were made. Such a challenge was made last year through a suit brought by the National Beef Council against the Secretary of Agriculture, the Meat Board and certain market agencies. The Secretary of Agriculture, partly as a result of this suit, felt that he had no choice but to issue and enforce a new regulation published in the Federal Register June 30, 1962, which would prohibit such deductions without prior written consent by livestock producers. The proposed regulation also specified that market agencies making deductions for the Meat Board could not refuse to make deductions for other organizations.

It was the opinion of the National Live Stock and Meat Board and the market agencies that the proposed regulation would make it impractical, if not impossible, to collect funds for the Meat Board's program. Consequently, all major livestock and meat industry groups vigorously opposed the proposed regulation. The Secretary of Agriculture on February 27, 1963, revised the proposed regulation to become effective July 1 this year, even though the National Beef Council suit had been withdrawn in January and the livestock and meat industry had fully united behind the reorganized program of the National Live Stock and Meat Board. It is generally believed that unless the program regulation is withdrawn or Congress amends the Packers and Stockyards Act before July 1, 1963, the program of the National Live Stock and Meat Board will have to be greatly curtailed, if not discontinued.

We are pleased to note that all segments of the livestock and meat industry constituting the National Live Stock and Meat Board, as well as the U.S. Department of Agriculture and congressional leaders, recognize the necessity for prompt action of H.R. 5860 or similar legislation to make it clear that the authority of the Secretary of Agriculture under the Packers and Stockyards Act does not apply to deductions for meat promotion.

The effect of this proposed legislation would be to give livestock producers the same privilege enjoyed by producers of other commodities such as dairy products, fruits, vegetables, and poultry in financing the promotion of their commodities on a voluntary basis outside the jurisdiction of the Secretary of Agriculture. It

would also permit livestock market agencies and other to continue to cooperate in the present system of collecting funds for the Meat Board. Producers would continue to have the right to request that deductions not be made from shippers' proceeds and to obtain refunds. The proposed legislation would not require market agencies or others to make deductions for any organization nor would it prohibit them from doing so if, in their good judgment, there was strong support by livestock producers for such action.

This procedure is consistent with Farm Bureau policy over the years. Farm Bureau opposes proposals for compulsory deductions for promotional activities, but it strongly supports the right of producers to participate in voluntary programs such as that carried out by the National Live Stock and Meat Board.

We strongly urge prompt enactment of H.R. 5860 in order that the present voluntary system of financing the National Live Stock and Meat Board may be continued without interruption. Failure to enact such legislation would, in our opinion, greatly curtail, if not destroy, the well-coordinated program being carried on by the Meat Board.

Mr. POAGE. Mr. Short.

Mr. SHORT. Mr. Chairman, I might add for the information of Mr. Datt that I have some communications from State farm bureau organizations giving their support.

Mr. POAGE. I am sure that there are a number of those.

I should like to state that to this point we have had testimony from the National Council of Farmer Cooperatives, the American Farm Bureau Federation, the National Grange, and the National Meat Board, and it is my understanding that Mr. James Patton of the National Farmers Union is out of the country, but we have here a statement—or a telegram—from the Farmers Union of Nebraska, from the State president, who is also a member of the National Live Stock and Meat Board, expressing their unqualified support of the bill.

We have a widespread representation of support for this bill. I understand that at the moment, Mr. Liljenquist wants to testify. We will be glad to hear from you now, Mr. Liljenquist.

STATEMENT OF L. BLAINE LILJENQUIST, PRESIDENT AND GENERAL MANAGER, WESTERN STATES MEATPACKERS ASSOCIATION, INC.

Mr. LILJENQUIST. Thank you, Mr. Chairman. I am L. Blaine Liljenquist, president and general manager of the Western States Meatpackers Association.

I want to vigorously endorse what has been said here this morning in support of these bills.

The program of the National Live Stock and Meat Board is one of the very outstanding examples of cooperation under our free enterprise system in promoting an agricultural product. The results that are achieved from this program are tremendous, and it is because of the success of this program over the past 40 years that the Packers and Stockyards Act has permitted this program to continue, even though it was the view of the Department of Agriculture that it probably was a violation of the Packers and Stockyards Act, that is, that the deductions were not permitted except and unless they had a prior authorization before they were made, a prior authorization in writing.

Nevertheless, this is necessary to get this legislation in order that this wonderful program of promoting meat in the United States can continue.

Our association is represented on the board of directors of the National Live Stock and Meat Board. Our association is doing all it

can to promote this program with our members, so that they will all cooperate and participate in making financial contributions to this. We need promotion.

Our whole economy is based on promotion of products. That is one of the reasons why our standard of living is so high in this country; with 6 percent of the world's people we are producing about 50 percent of the world's wealth.

And so we want to continue our support for this program, and we hope that this committee will be unanimous in its approval of these bills and that you will all use your influence in helping to get this legislation enacted into law as quickly as possible.

Thank you.

MR. POAGE. We are very much obliged to you, Mr. Liljenquist. We appreciate your appearance here today.

Is there anyone else in the room who wants to testify?

If not, I would at this time ask permission to insert into the record the report from the Department of Agriculture on these bills, which is favorable. The Department has no objection to the enactment of the bill in its present form. The Bureau of the Budget advises that, while there is no objection to the presentation of this report, time limitations have not permitted obtaining the views of the Federal Trade Commission and the Department of Justice on the proposed legislation.

(The report, dated May 1, 1963, follows:)

MAY 1, 1963.

HON. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is with reference to your committee's request for the Department's views on H.R. 5860, a bill "To amend section 407 of the Packers and Stockyards Act, 1921, as amended," and identical bill, H.R. 5861.

The Department has no objection to the enactment of the bill in its present form.

The bill would amend the Packers and Stockyards Act to provide that the authority of the Secretary under this act shall not apply to deductions made from sales proceeds for the purpose of financing promotion or research activities, including educational activities, relating to livestock, meat, and other products covered by the Packers and Stockyards Act. It is our understanding that the purpose of this proposed legislation is to exempt from regulation under the Packers and Stockyards Act deductions made for the types of activities referred to in the bill when carried out by producer-sponsored organizations such as the National Live Stock and Meat Board and that the bill is not intended to exempt from the Packers and Stockyards Act deductions which may be made for such activities carried out by organizations which are not producer sponsored. If the bill is enacted in its present form we would so interpret and administer it.

The exemption provided for in the proposed legislation will place livestock producers in the same position as the producers of other agricultural commodities with respect to such activities. It would appear only fair and equitable that the producers of this major agricultural commodity should be placed on the same basis in this regard as producers of other agricultural commodities.

The Bureau of the Budget advises that, while there is no objection to the presentation of this report, time limitations have not permitted obtaining the views of the Federal Trade Commission and the Department of Justice on the proposed legislation.

Sincerely yours,

ORVILLE L. FREEMAN.

MR. POAGE. I would also like to ask permission to insert into the record a considerable list of statements by other groups and individuals, as well as telegrams.

Mr. JONES of Missouri. Would you yield for a parliamentary inquiry?

Mr. POAGE. Yes.

Mr. JONES of Missouri. Is it necessary that all of these be included in the record? Could we not just say that we have wires, and letters, and statements, and list the names from whom received?

I dislike to waste a lot of money printing them, if all of these are for it. I do not see any reason for spending the money for the printing of them. I think that we should have the list included in the record.

All we are trying to do is have support for this legislation. I know that other committees do it, but I just wonder if we could not be a little more realistic about this and just indicate that we have the letters, and the telegrams, and the statements, and list the names of the people from whom received, without including them in the record.

Do you see anything wrong with that?

Mr. POAGE. I think that is ordinarily a pretty good procedure. I have recognized that most of these are very short communications, except perhaps for the statements, but we will be guided by the wishes of the committee as to whether they want to have them put into the record or filed with the committee.

Mr. JONES of Missouri. I would say that if these people have indicated that they want to file a statement, I have no objection to that being printed, so long as it does not include a lot of extraneous material. However, I have observed these printed hearings, and when telegrams appear therein, every time they put in all of the heading and the closing and everything else and we get about three or four of them to a page, and it would be just as effective to indicate a list of the people who sent them.

I think it has the same effect. All of these will be on file with the committee and they will be available if anyone wants to check what the person has actually said.

Mr. POAGE. So far as I am concerned, I have no objection to putting a list in the record and then filing these endorsements with the committee. As I say, some have come in with statements attached, but most of them have not. Where they do not have statements attached, they will be filed. Where statements are attached, the statements will be made a part of the record, and the record will include a list of all endorsements which are filed.

Mr. SHORT. Mr. Chairman, I would concur with Mr. Jones' suggestion. I think that the committee staff should review the statements that have been forwarded to different members of this committee, and any meaningful statements that provide further clarification of the purpose of this legislation should be included in addition to the statements that have already been made. I would ask permission for all of the members of the subcommittee, Mr. Chairman, to submit to the staff communications they have received. I know that I have about the same number of communications as you have. Many of them are duplications of statements that have already been presented by the chairman. I do not want to have duplication in the record. I think

there are other members, who may have communications from other people and I would like for all of us to have permission to insert in the record the names of the people who have sent these communications to us.

Every communication I have received, Mr. Chairman, is in complete support of this legislation, and I might add that this is a good example for those interested in other farm legislation. Those of us who have served on this committee for a while are well aware of the fact that most of the legislation that comes before this committee is somewhat controversial. In this instance, we have an example where the people involved have gotten together before they brought legislation before the committee, have worked up the legislation, got the approval or the endorsement of it, so far as I know, of everyone involved in this instance, and I should hope that this might be a pattern for future farm legislation that is brought before this committee.

Mr. MATSUNAGA. A point of inquiry: All of these communications are for the bill?

Mr. POAGE. Every one I have received is for the bill. I think that we should, following Mr. Short's suggestion, say that anybody who has communications and wants them inserted may file them with the clerk within the next day or so.

Therefore, if we may follow this procedure, all of the letters and telegrams and communications and statements that have been presented will be listed in the record.

The communications will be filed with the clerk and will be available for examination. And where there are attached statements, they will be included in the record.

We will follow that procedure. Is there any objection to following that procedure?

Mr. HOEVEN. We will have the names listed?

Mr. POAGE. The names will be listed. Some of them have statements, and they asked that they be included in the record.

Mr. HELMBURGER. A question: It is the idea that the staff will eliminate the duplications?

Mr. POAGE. That is right.

Mr. HELMBURGER. And to see that every name is listed?

Mr. POAGE. That is correct. I think that will serve the purpose of everyone. There are a number here that I have not read as yet, but we will not proceed to go through them. We will put them all in in this way.

Is there anyone who has any communications or any requests in opposition to this legislation?

Mr. SHORT. Or any further questions about the legislation?

Mr. POAGE. If there is anyone who has any further questions of any of the witnesses, we will be glad to have them heard now.

Mr. Nance has suggested that we might like to have for the record the additional growers organizations or associations now represented on the National Live Stock and Meat Board Directorate. I think that is a list that the members would like to have, and without objection, it will be put into the record.

(The document entitled "Organizations Now Represented on the National Live Stock and Meat Board Directorate" follows:)

ORGANIZATIONS NOW REPRESENTED ON THE NATIONAL LIVE STOCK AND MEAT BOARD DIRECTORATE

American Farm Bureau Federation	National Livestock Feeders Association
American Meat Institute	National Live Stock Producers Association
American National Cattlemen's Association	National Milk Producers Federation
Iowa Livestock Council	National Restaurant Association
Kansas Livestock Association	National Society of Livestock Record Associations
Livestock Auction Markets Association	National Swine Growers Council
National Association of Food Chains	National Wool Growers Association
National Association of Retail Grocers	River Markets Group
National Farmers Union	Super Market Institute, Inc.
National Grange	Texas & Southwestern Cattle Raisers Association
National Independent Meat Packers Association	Western States Meat Packers Association
National Lamb Feeders Association	
National Livestock Exchange	

Mr. HOEVEN. I would like to direct this question to Mr. Nance. In view of the uncertain and fluctuating livestock market prices prevailing of late, I assume that the National Live Stock and Meat Board has stepped up its program of appealing to the consuming public to eat more meat. Would you tell us in brief what you are doing to step up the program at the present time?

Mr. NANCE. I should be glad to tell you. I guess probably that Mr. Neumann, who is general manager of the board, could give you more up-to-date information.

Mr. HOEVEN. Whoever it might be, give us a little breakdown on what you are doing. It is very important that we intensify the program urging the consuming public to eat more meat.

Mr. NANCE. We have stepped up our program in TV, radio, press releases with all organizations that might be able to help us, including the restaurant people, the supermarkets, the supermarket institutes, any outlets for meat which we might work closely with in a special promotion effort during this time when we have large numbers of both cattle and hogs. And I would say to you that we are very alert to this necessity. We are moving right into it and every day, with all of the facilities we have.

Mr. HOEVEN. I presume that you are receiving full cooperation at both the wholesale and retail levels?

Mr. NANCE. That is right; that is correct.

Mr. POAGE. If there are no further questions, we are very much obliged to all of our visitors who have participated in the hearing this morning.

(Following is a list of those who wrote to the members of the committee favoring the proposed legislation—there were no communications opposing:)

Lula Ackelbein, secretary, Chaffee County Cowbelles, Salida, Colo.

W. P. Adams II, Odebolt, Iowa.

Clarence G. Adamy, executive vice president, National Association of Food Chains, 1725 I St. NW., Washington, D.C.

S. J. Agnew, president, Washington Cattlemen's Association, 507 Nanum, Ellensburg, Wash.

J. Roy Allgyer, Independent Livestock Marketing Association, 2025 Riverside Drive, Columbus, Ohio.

- Elmer H. Anderson, president, Midwest Beef Council, Larrabee, Iowa.
John Armstrong, Selma, Ala.
Allan C. Atlason, secretary, National Society of Live Stock Record Association, 3964 Grand Avenue, Gurnee, Ill.
Jean K. Bader, secretary, Southwestern Colorado Livestock Association, Mancos, Colo.
C. F. Baker, manager, Livestock Marketing Association, Dixon Branch Valley, Dixon, Calif.
Stark Beard, secretary, Ohio Pork Growers Council, R.F.D. 1, Mount Gilead, Ohio.
Charles F. Beermann, president, board of directors, Producers Commission Association, Sioux City Stockyards, Sioux City, Iowa.
Elton L. Berck, State president, Farmers Union of Nebraska, Lincoln, Nebr.
Russell Bergeson, Midwest Beef Council, Radcliffe, Iowa.
Homer Bertsch, R.R. 2, Cambridge City, Ind.
B. M. Bevis, president, the National Livestock Exchange, Box 10052, McKellar Station, Memphis, Tenn.
Harold Boucher, secretary, Hampshire Swine Registry, 1111 Main Street, Peoria, Ill.
J. H. Breckenridge, National Wool Growers, Twin Falls, Idaho.
Oscar Bredthauer, Oscar Bredthauer Feed Yards, Route 3, Box 56, Grand Island, Nebr.
Dolph Briscoe, Jr., Uvalde, Tex.
Henry Brueck, Battle Creek, Iowa.
Nelson R. Brusa, manager, Red Bluff Branch Valley, Livestock Marketing Association, Red Bluff, Calif.
R. A. Bruton, IGA, Quinn Wholesale, Warsaw, N.C.
Frank Caldwell, president, Modoc County Farm Bureau, Post Office Box 1692, Alturas, Calif.
C. R. Carmichael, Rt. 1, Box 184, Los Molinas, Calif.
N. K. Carnes, general manager, Central Livestock Association, Inc., South St. Paul, Minn.
Ralph Cellon, president, Florida Cattleman's Association, Kissimmee, Fla.
S. Kent Christensen, Washington, D.C.
M. C. Claar, secretary, Idaho Wool Growers Association, 17 Broadbent Building, Boise, Idaho.
C. F. Claffin, general manager, Equity Co-Operative Livestock Sales Association, Post Office Box 1906, Milwaukee, Wis.
F. H. Cobb Co., IGA Supply Depot, Cortland, N.Y.
Bernard Collins, president, Iowa Swine Producers Association, State House, Des Moines, Iowa.
Vernon E. Cordell, director, Public Health, Food and Equipment Research Department, National Restaurant Association, 1530 North Lake Shore Drive, Chicago, Ill.
Stanley Cot, Post Office Box 65, Westley, Calif.
W. W. Cox and Sons, Post Office Box 155, Westley, Calif.
R. E. Cunningham, executive secretary, Omaha Livestock Exchange, Omaha, Nebr.
Homer R. Davison, president, American Meat Institute, 727 National Press Building, Washington, D.C.
Scott Detrick, Louisville, Ky.
Edward M. Diehler, Box 213, Port Washington, Ohio.
R. R. Dougherty, Williamstown, Ky.
George Doup, president, Indiana Farm Bureau, Inc., Indianapolis, Ind.
Henry J. Eavey, director, Super Market Institute of America, Richmond, Ind.
Richard Eggimann, Jackson, Minn.
C. O. Emrich, National Auction Markets, Norfolk, Nebr.
Elof M. Erickson, general manager, W. H. Campbell Commission Co., South St. Paul, Minn.
H. W. Farr, Farr Farms Co., Post Office Box 878, Greeley, Colo.
John J. Faust, secretary, St. Louis Local Meat Packers Association, 706 Chestnut Street, St. Louis, Mo.
John D. Fehsenfeld, Livestock Producers Association, Troy, Mo.
L. W. Feldmiller, general manager, Stockton Branch Valley, Livestock Marketing Association, Stockton, Calif.
Frank G. Fitz-Roy, president, Baltimore Union Stock Yards, Inc., Brunswick Street, Baltimore, Md.

- Joe S. Fletcher, secretary-general manager, Texas and Southwestern Cattle Raisers Association, 410 East Weatherford Street, Fort Worth, Tex.
- Cal Foss, president, North Dakota Beef Council, Valley City, N. Dak.
- R. T. Foster, John Morrell & Co., 208 South La Salle Street, Chicago, Ill.
- Fred C. Francis, Joliet, Ill.
- Mrs. Robert M. French, secretary, Washington State Cowbelles, Okanogan, Wash.
- Fred Frick, president, Farm Bureau Marketing Association, Arvin, Calif.
- Kenneth R. Fulk, secretary, Iowa State Fair, Des Moines, Iowa.
- Harry Gamage, chairman, River Markets Group, 342 Livestock Exchange Building, Sioux City, Iowa.
- J. Marvin Garner, secretary, The Chester White Swine Record Association, Rochester, Ind.
- Lloyd H. Geil, general manager, Poultry and Egg National Board, 8 South Michigan Avenue, Chicago, Ill.
- Hon. LeRoy Getting, the Senate, State of Iowa, statehouse, Des Moines, Iowa.
- Emerson W. Graver, Pennsylvania Meat Packers Association, 1813 Ranstead Street, Philadelphia, Pa.
- Donald Greenaway, executive vice president, National Restaurant Association, 1530 North Lake Shore Drive, Chicago, Ill.
- Gene Gunter, director and treasurer, National Livestock and Meat Board, Livestock Exchange Building, Wichita, Kans.
- John H. Guthrie, president, California Cattle Feeders Association, 972 South Goodrich Boulevard, Los Angeles, Calif.
- Cedric Hall, Hall & Hall Farms, Hornick, Iowa.
- F. V. Heinkel, president, Missouri Farmers Association, Columbia, Mo.
- Vance C. Hendricks, Route No. 1, Orient, Ohio.
- E. Howard Hill, president, Iowa Farm Bureau Federation, 507 Tenth Street, Des Moines, Iowa.
- William J. Hoervischn, RFD No. 4, Sidney, Ohio.
- Joseph W. Houston, secretary, Tennessee Livestock Association, Inc., Post Office Box 1071, Knoxville, Tenn.
- H. C. Jackson, general manager, California Farm Bureau Marketing Association, Post Office Box 1348, Visalia, Calif.
- Joseph I. Jacobs, general manager, Producers Livestock Marketing Association, 200 Exchange Building, Union Stock Yards, North Salt Lake, Utah.
- Karnes Johnson, president, North Dakota Stockmen's Association, 107 South Fifth Street, Bismarck, N. Dak.
- Laverne A. Johnson, National Swine Growers, De Kalb, Ill.
- M. T. Johnson, Jr., president, Texas Beef Council, Amarillo, Tex.
- Kenneth W. Johnston, meat director, National Livestock Meat Board, Buffalo, N.Y.
- R. E. Judd, National Association of Swine Records, Peoria, Ill.
- Joe Judge, 311 Woodland Lane, Carmel, Ind.
- Miss Marie Keifer, National Association of Retail Grocers, of the United States, 360 North Michigan Avenue, Chicago, Ill.
- Vesper E. Kellogg, Post Office Box 353, Sutter, Calif.
- John A. Killick, executive secretary, the National Independent Meat Packers, 740 11th Street, NW., Washington, D.C.
- Clayton T. Kingston, 1159 North 26th Street, Fort Dodge, Iowa.
- Dorsey Kirk, Oblong, Ill.
- William J. Kuhfuss, president, Illinois Agricultural Association, 1701 Towanda Avenue, Bloomington, Ill.
- Glenn Lake, president, National Milk Producers Federation, Detroit, Mich.
- R. K. Leavitt, secretary-treasurer, Missouri Swine Producers Association, 125 Mumford Hall, Columbus, Mo.
- Gerald E. Leighton, president, the Chicago Live Stock Exchange, 726 Exchange Building, Chicago, Ill.
- Sam Lenke, Meat Department Roundup, Wholesale Grocery Co., Spokane, Wash.
- Glenn Lewis, Exeter, Nebr.
- Mrs. George Lockhart, president, Kannah Creek Cowbelles, Whitehaven, Colo.
- Robert L. Maderia, executive director, National Institute of Locker & Freezer Provisioners, 224 East High Street, Elizabethtown, Pa.
- Don F. Magdanz, executive secretary-treasurer, National Livestock Feeders Association, 309 Livestock Exchange Building, Omaha, Nebr.
- C. Malone, Zumbro Hotel, Rochester, Minn.

- Mrs. Margaret Manke, secretary, American Scotch Highland Breeders' Association, Edgemont, S. Dak.
- E. H. Mannschreck, president, Oklahoma Live Stock Marketing Association, Oklahoma City, Okla.
- Walter A. Maritz, Rural Route 6, Marion, Ohio.
- O. L. Marguesen, president, chamber of commerce, 1226 Dodge Circle, Fort Dodge, Iowa.
- Edwin E. Marsh, executive secretary, National Wool Growers Association, 414 Crandall Building, Salt Lake City, Utah.
- Gene Mason, secretary, American Berkshire Association, 601 West Monroe Street, Springfield, Ill.
- Roger Mason, 1038 North 24th Street, Fort Dodge, Iowa.
- Harvey A. McDougal, McDougal Livestock Co., Collinsville, Calif.
- Mrs. Natalie McElroy, State legislative chairman, North Dakota Cowbelles, Jamestown, N. Dak.
- Mr. and Mrs. Tom McElroy, Route 2, Box 4, Vale, Oreg.
- Flint McRoberts, the McRoberts Farm, Monticello, Mo.
- Bernard E. Michael, Route 7, Frankfort, Ind.
- Dave Mitchell, manager, Producers Commission Association, Sioux City Stockyards, Sioux City, Iowa.
- C. W. Monier, president, National Lamb Feeders Association, Box 97, Montgomery, Ill.
- James P. Monier, Illinois Swine Improvement Association, Greenview, Ill.
- Kenneth W. Murray, manager, Lafayette Branch, Producers Marketing Association, Indianapolis Stockyards, Indianapolis, Ind.
- Carl J. Nadasdy, general manager, North Central Wool Marketing Corp., 101 27th Avenue SE., Minneapolis, Minn.
- Cornelius C. Noble, president, Noble's Independent Meat Co., Madera, Calif.
- Mrs. Betty Lou Nygren, Fallon, Nev.
- Arthur W. Oaklief, Newcomerstown, Ohio.
- Ed Oeschger, Bay Port, Mich.
- J. L. Olson, vice president, Geo. A. Hormel & Co., Austin, Minn.
- Robert L. O'Neal, Blackwater, Mo.
- F. A. Park, Route 3, Bellefontaine, Ohio.
- Wade A. Parker, vice president, Pacific Meat Co., North Columbia Boulevard and Burrage, Portland, Oreg.
- Mack S. Patton, president, North Carolina Cattlemen's Association, 201 New Bern Avenue, Raleigh, N.C.
- R. C. Peters, IGA meat director, Quincy, Fla.
- J. C. Petersen, Box 390, Spencer, Iowa.
- Elias O. Peterson, Truman, Minn.
- P. E. Petty, Swift & Co., 115 West Jackson Boulevard, Chicago, Ill.
- R. L. Pfeiffer and Leness Hall, Carnation Milk Farms, Carnation, Wash.
- A. G. Pickett, secretary, Kansas Livestock Association, State Office Building, Topeka, Kans.
- Wilbur L. Plager, secretary-treasurer, American Yorkshire Club, Inc., 1001 South Street, Lafayette, Ind.
- Mrs. C. S. Radebaugh, Jr., president, Florida Cowbelles Association, Route 3, Box 725, Fort Pierce, Fla.
- Howard H. Rath, chairman of the board, the Rath Packing Co., Waterloo, Iowa.
- Elvert Redicker, Vallonia, Ind.
- Frank Richards, secretary, American Angus Association, 3201 Frederick Boulevard, St. Joseph, Mo.
- Thomas Ringkob, Jackson, Minn.
- Bruce Roadarmel, Route 4, Bowling Green, Ohio.
- Grady Romans, president, Malheur County Livestock Association, Ontario, Oreg.
- James E. Ross, secretary-treasurer, Missouri Livestock Association, 130 Mumford Hall, Columbia, Mo.
- Mylan E. Ross, secretary-manager, National Live Stock Producers Association, 155 North Wacker Drive, Chicago, Ill.
- Louis A. Rozzoni, president, California Farm Bureau Federation, 2855 Telegraph Avenue, Berkeley, Calif.
- C. T. "Tad" Sanders, executive counsel, Livestock Market Council, VFW Building, Broadway at 34th, Kansas City, Mo.
- Ferd Schmidt, president, Iowa Beef Producers Association, Maquoketa, Iowa.
- Don Schroeder, meat director, J. M. Jones Co., Champaign, Ill.

- Clyde H. Seever, Rural Route 2, Oaktown, Ind.
 Charles Shuman, Post Office Box 1692, Alturas, Calif.
 Charles B. Shuman, president, American Farm Bureau Federation, Merchandise Mart Plaza, Chicago, Ill.
 Howard Silveus, Lake-Lan Farms, Silver Lake, Ind.
 W. E. Smith, executive secretary, National Swine Growers Council, Box 98, Nelson, Mo.
 John J. Snyder, Valley Springs Hereford Ranch, Post Office Box 536, Valley Springs, Calif.
 Harold G. Spies, secretary, Kansas Swine Improvement Association, Animal Industries Building, Kansas State University, Manhattan, Kans.
 John R. Story, assistant director of perishables and meat director, Independent Grocers' Alliance Distributing Co., 131 South Wabash Avenue, Chicago, Ill.
 John Stover, Route 1, Cedarville, Ohio.
 Lester Stratton, Wentworth, S. Dak.
 Norm Svinth, director, IGA Table Rite Meat Department, Post Office Box 189, Salem, Oreg.
 A. L. Swanson, president, Swanson Super Stores, Cherokee, Iowa.
 Mrs. Marie Tyler, president, American National Cowbelles, Jamestown, N. Dak.
 Percy H. Upton, secretary, Nebraska Angus Association, Inc., Madison, Nebr.
 Luther W. Wade, president, Mississippi Cattlemen's Association, Inc., Post Office Box 325, State College, Miss.
 Hon. John A. Walker, chairman, Agricultural Committee, Iowa State Senate, Des Moines, Iowa.
 Tom Wallace, Texas Sheep & Goat Raisers Association, San Angelo, Tex.
 R. H. Walton, general manager, Michigan Livestock Exchange, 6750 Dix Avenue, Detroit, Mich.
 Richard Westerberg, chairman, Oregon Beef Council, Portland, Oreg.
 Wallace W. Wolf, president, Kansas Swine Improvement Association, South Haven, Kans.
 H. C. Wollam, president, the People's State Bank, Cleveland, Minn.
 S. Ward Woody, Post Office Box 22, Woody, Calif.
 Clyde M. York, president, Tennessee Farm Bureau Federation, Columbia, Tenn.

(The following statements were also submitted to the subcommittee:)

RESOLUTION

Be it resolved by the senate agriculture committee of the 60th general assembly, That the Agriculture Committee of the Senate of the State of Iowa strongly supports the bills introduced in the Congress, to wit: H.R. 5860 and H.R. 5861, by Congressman William R. Poage of Texas and Congressman Don L. Short of North Dakota as the most practical solution to the problem presented by the regulations of the Department of Agriculture relating to the Packers and Stockyards Act of 1921, as amended, regarding deductions from sales proceeds for promotion and research; be it further

Resolved, That copies of this resolution be forwarded to the Secretary of Agriculture of the United States, to Congressmen Poage and Short, to the Iowa delegation in the Congress of the United States, to the National Live Stock and Meat Board and to the American Farm Bureau.

SENATE AGRICULTURE COMMITTEE,
 JOHN A. WALKER, *Chairman.*

STATEMENT OF THE NATIONAL LIVESTOCK FEEDERS ASSOCIATION BY DON F. MAGDANZ, EXECUTIVE SECRETARY-TREASURER, AND B. H. JONES, ASSOCIATE SECRETARY-TREASURER

(The National Livestock Feeders Association is a voluntary, nonprofit, non-political organization of persons engaged in the business of feeding and finishing livestock—cattle, hogs, and lambs—for the slaughter market. It is incorporated under the laws of the State of Nebraska.)

The National Livestock Feeders Association firmly supports the passage of H.R. 5860 and H.R. 5861. This legislation would amend the Packers and Stockyards Act to withdraw the authority of the Secretary of Agriculture over de-

ductions made from sales proceeds for the purpose of financing promotion and research activities relating to livestock and meat products.

The proposed legislation would make it possible for the deduction procedure as followed by the National Live Stock and Meat Board to be continued.

For years livestock feeders have contributed a major share of the financial support for the National Live Stock and Meat Board. The producer segment of the livestock and meat industry voluntarily furnishes approximately 65 percent of the meat board's revenue, which, in itself, emphatically demonstrates widespread approval of the meat board's programs and deduction procedures.

The National Live Stock and Meat Board is recognized as the authority in the fields of meat nutrition and meat preparation. It is highly important that this position not be jeopardized and that the services in this connection to the consuming public be continued and expanded.

This association views the deduction for meat research, education and promotion as constituting a special case apart from those functions which are defined as stockyards services, for which supervision is provided under the Packers and Stockyards Act.

Therefore, we recommend favorable action on H.R. 5860 and H.R. 5861 by the Subcommittee on Livestock and Feed Grains and by the House Committee on Agriculture.

STATEMENT OF C. T. "TAD" SANDERS, EXECUTIVE COUNSEL, LIVESTOCK MARKET COUNCIL OF CERTIFIED LIVESTOCK MARKETS

The Livestock Auction Markets Association is the industry trade association of livestock auction markets posted under the Packers and Stockyards Act as "stockyards" and registered under the same act as market agencies selling on commission.

Livestock auction markets actively participating in the association are identified by name and trademark as "certified livestock markets."

It has been the consistent policy of the association to encourage the voluntary support and action of its "certified livestock markets" in livestock and meat industry undertakings to advance meat research, education, and promotion by assisting in the financing, through processing a uniform per head amount of livestock sold from the proceeds of sale, to a designated industry agency for such purposes. A substantial number of such markets have traditionally processed such funds under the agency relationships that exist between them and livestock owner-customers consigning livestock for sale. This action is deemed by such markets as a part of their services as such markets.

Certain questions have been raised in recent years as to the legality of such action and services by all market agencies under the Packers and Stockyards Act.

This association therefore fully supports H.R. 5860 and H.R. 5861 and urges favorable action by the subcommittee, the Committee on Agriculture, and the Congress to enact such legislation into law.

Because of a pending regulation under the Packers and Stockyards Act to become effective July 1, 1963, affecting the established and recognized industry procedure of processing livestock-owner proceeds of sale amounts per head for meat research, education, and promotion, it is urged that Congress enact H.R. 5860 and H.R. 5861 without delay. Such action, in our opinion, will serve to more firmly establish the basis and value of such endeavors by the livestock and meat industry which have proven their worth to all elements of the industry and the consuming public over many years.

STATEMENT OF JOHN A. KILLICK, EXECUTIVE SECRETARY, NATIONAL INDEPENDENT MEAT PACKERS ASSOCIATION

Mr. Chairman and gentlemen of the committee, my name is John A. Killick. I am executive secretary of the National Independent Meat Packers Association, the headquarters of which is located at 740 11th Street NW., Washington, D.C. Our association is comprised of approximately 400 independent meat-packing firms located in all parts of the United States, plus about 200 additional firms which are involved in the meat-packing industry as suppliers to meat packers.

In order to clarify the meaning of the word "independent" in the title of our association, I would like to explain that this means in general (though there are certain exceptions) that our members are essentially one-plant operations serving a community or a region, in contrast to meat-packing firms with national or near national distribution of their products. Quite obviously, the economic welfare of our members is greatly dependent upon the continued acceptance and increased consumption on the part of the consuming public of meat and meat food products.

For some 40 years, the National Live Stock and Meat Board has contributed greatly toward the achievement of this goal, by its prolonged and expert campaign of meat promotion, education, and research. When the very existence of the National Live Stock and Meat Board seemed to be threatened by a proposed amendment to regulations which were published last year by the Packers and Stockyards Division of the U.S. Department of Agriculture, we notified Secretary of Agriculture Orville Freeman and the then Director of the Packers and Stockyards Division, Mr. Clarence Girard, of our apprehension over the proposed amendment to packers and stockyards regulations, as published in the Federal Register, which, in our opinion, would have made it impossible for the National Live Stock and Meat Board to continue to function. We asked that public hearings be held regionally so that every livestock producer in the Nation could be given an opportunity to express his views in person about the potentially devastating impact on the livestock and meat industry of these proposed amendments, but such hearings were never scheduled by the U.S. Department of Agriculture.

It was with some dismay, therefore, that we witnessed in the Federal Register of February 27, 1963, the publication of an amendment to become effective July 1, 1963, because we remain convinced that no benefit whatever could possibly accrue from this amendment, and that if this amendment is allowed to become effective it could only open the door to chaos and confusion in the production, processing, distributive and promotional aspects of the livestock and meat industry. Moreover, we felt that this amendment would impose an unnecessary, expensive and unbelievably complicated clerical and financial burden on the meat-packing industry.

In view of the known position of our association on this matter, we were naturally gratified to learn of the introduction, on April 25, of H.R. 5860 by Representative W. R. Poage and an identical bill, H.R. 5861, introduced by Representative Don L. Short. These bills would have the effect of permitting market agencies and meat packers to process producer contributions from the sales of livestock in the manner presently in use, and it is our understanding that these measures have the support of the directors of the National Live Stock and Meat Board.

Our association is represented on the National Live Stock and Meat Board by Mr. John G. Stephen, president of Arbogast & Bastian, Inc., Allentown, Pa., and he has informed me that as NIMPA's representative on the Board he had voted in favor of the proposed legislation. Moreover, the Executive Committee of NIMPA, meeting in Dallas, Tex., on March 7, 1963, also voted unanimously to direct me to indicate the support of our association to any solution of this problem which would enable the National Live Stock and Meat Board to continue its program of meat promotion, education, and research in the manner in which it is presently being conducted.

Therefore, we are asking to have this statement entered in the record as tangible evidence of the desire of the National Independent Meat Packers Association for the Subcommittee on Feed Grains of the House Committee on Agriculture to report favorably on H.R. 5860 and H.R. 5861 and we humbly beseech you to urge the passage of these measures, so that one of the strong foundations of the economic welfare of the livestock and meat industry will not be jeopardized.

STATEMENT OF RIVER MARKETS GROUP

This statement is submitted in support of H.R. 5860 and H.R. 5861 by the River Markets Group. These bills, if adopted, would amend section 407 of the Packers and Stock Yards Act of 1921. The River Markets Group is a voluntary trade organization composed of the Live Stock Exchanges at Sioux Falls, Sioux City, Omaha, St. Joseph, Kansas City, and St. Louis.

These bills, which were introduced on April 25, 1963 by Representative W. R. Poage and Representative Don L. Short, would in effect permit marketing agencies and meatpackers to process producer's contributions from the sales of livestock in the manner presently in use. The passage of these bills would guarantee the continuance of the National Live Stock and Meat Board. The board conducts a nationwide program of meat research, education, information and promotion. It is the country's only nationwide meat promotional organization. It is a nonprofit service organization. Through a wide variety of services and facilities, it disseminates correct information on meat cookery, care, storage, selection, nutrition, and other factors related to the subject of meat. Established by the several branches of the livestock and meat industry 40 years ago, the board is now recognized as the major source of meat information and nutritional facts for use both by professional workers and consumers.

It is regarded as a pioneer and leader in the development of the type of self-help industrywide promotion program which is carried out without Government funds and for the benefit of the general public as well as the sponsoring industry. Many valuable findings in regard to human nutrition have come out of research made possible by some 250 grants-in-aid provided by the board to medical schools, hospitals, and foundations during the past 40 years. The members of our organization have been deducting and remitting shipper's funds to the National Live Stock and Meat Board for well over 30 years. Last year approximately \$330,000 was collected and remitted by the six member markets.

The two bills, as introduced by Representative Poage and Representative Short would serve to legalize the deduction procedure now in use. At the present time our country is faced with depressed livestock prices. It is a crucial period for the livestock producer. Established programs of meat education, promotions, and research must be kept at a high level. Any lessening of red meat promotions at this time could have drastic consequences in all branches of the livestock and meat industry and hence have a drastic consequence on the national economy as a whole.

The National Live Stock and Meat Board, since its original inception has been financed in part through voluntary contributions of livestock growers and feeders in cooperation with livestock marketing firms, who assemble the funds on a per head basis at the time the livestock is marketed. Contributions to the program are made on some 42 percent of all livestock marketed and slaughtered in the United States, generally at the rate of 2 cents per head on cattle; two-thirds cent per head on hogs and calves and two-fifths cent per head on sheep and lambs. The total contributions provide the board with a budget of slightly over \$1 million a year.

The River Markets Group and its member marketing agencies and dealers unanimously endorse the above bills and urge their adoption.

(The following communications were also submitted to the subcommittee:)

AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION,
Denver, Colo., April 26, 1963.

Re H.R. 5860 and H.R. 5861.

Hon. W. R. POAGE,

Chairman, Livestock and Feed Grains Subcommittee, House Committee on Agriculture, House Office Building, Washington, D.C.

DEAR MR. POAGE: The American National Cattlemen's Association, headquartered in Denver, Colo., for 65 years, is an affiliation of thousands of individual members, 37 State cattle producer and feeder associations and more than 100 local, regional, and breed associations.

Through more than 40 of its 65-year life, the organization has firmly and positively supported the principles and activities of the National Live Stock and Meat Board.

Not only has the official policy of the American National Cattlemen's Association so expressed such support in repetitive resolutions, but the bulk of our affiliated organizations over the years have established similar policies.

We have, collectively, supported the National Live Stock and Meat Board because:

1. Research into and promotion of use of meat and meat products is vital to the maintenance of a healthy and prosperous livestock industry through the various "fads" and ups-and-downs of consumer preference for red meat.

2. We recognize that as diverse an industry as that of livestock production, breeding, feeding, and marketing must have coordination in such interrelated activities as meat research, education, and promotion.

3. The board, made up as it is of proportionate representation from all phases of livestock and meat interests, has proven over the years that it can reflect the wishes of producers, handlers, processors, and sellers of animals and product in an effective, balanced fashion. With recent changes in board concept and activities, i.e., the creation of specie promotion committees, even more effectiveness is promised.

4. Through their constant support of board policies and activities, as evidenced by widespread willingness to contribute funds, individual stockmen, as well as marketing and packing interests, have indicated that the board's method of financing is appropriate and acceptable.

For these reasons, the American National Cattlemen's Association wishes to join with other organizations and individuals of the livestock and meat industry in heartily endorsing H.R. 5860 and H.R. 5861. Further, we wish to emphasize that prompt consideration by Congress is necessary if the work of the board is not to be disrupted by even temporary invocation of the Secretary of Agriculture's regulation relative to fund collections under the Packers and Stockyards Act. With the beef cattle industry in its current precarious situation, all avenues of marketing, promotion and consumption must be kept open and vigorous. To this end, the National Live Stock and Meat Board must provide uninterrupted services.

We respectfully request that this letter be made a part of the hearing record on H.R. 5860 and H.R. 5861.

Cordially,

C. W. McMILLAN.

WYOMING WOOL GROWERS ASSOCIATION,
Casper, Wyo., May 2, 1963.

HON. W. R. POAGE,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN POAGE: The support of H.R. 5860, by the Wyoming Wool Growers Association, is hereby voiced in this letter and your including it in the hearing record of the above mentioned bill will be appreciated.

Because meat production has reached record highs, it is especially necessary at this time for the National Live Stock and Meat Board to be allowed to continue their excellent program in promoting the products of the livestock and meat industry.

The amendment of February 26 to the regulations of the Packers and Stockyards Act, would greatly jeopardize the excellent all-industry, self-help program of meat research, education, information, and promotion which has been conducted for the past 40 years through the services and facilities of the National Live Stock and Meat Board.

Therefore the Wyoming Wool Growers Association, which represents the interests of the Nation's second largest sheep producing State strongly supports H.R. 5860 and urges its prompt enactment.

Very truly yours,

ROBERT P. BLEDSOE,
Secretary, Wyoming Wool Growers Association.

GREAT FALLS, MONT., April 29, 1963.

HON. W. R. POAGE,
Livestock and Feed Grains Subcommittee,
House Office Building,
Washington, D.C.

DEAR SIR: The Montana CowBelles, Inc., is a 1,600 member organization of ranchwomen with 40 affiliated local groups. We are an auxiliary to the Montana Stockgrowers Association, and our purpose is to promote public acceptance and use of cattle industry products and to promote better public relations be-

tween the cattle industry and the general public. Without the assistance of the National Live Stock and Meat Board, we would be unable to carry out the purpose of our organization.

We support the National Live Stock and Meat Board because:

1. Research into and promotion of use of meat and meat products is vital to the maintenance of a healthy and prosperous livestock industry through the various fads and ups-and-downs of consumer preference for red meat.

2. We recognize that as diverse an industry as that of livestock production, breeding, feeding, and marketing must have coordination in such interrelated activities as meat research, education, and promotion.

3. The board, made up as it is of proportionate representation from all phases of livestock and meat interests, has proven over the years that it can reflect the wishes of producers, handlers, processors and sellers of animals and products in an effective, balanced fashion. With recent changes in board concept and activities, i.e., the creation of species promotion committees, even more effectiveness is promised.

4. Through their constant support of board policies and activities, as evidenced by widespread willingness to contribute funds, individual stockmen, as well as marketing and packing interests, have indicated that the board's method of financing is appropriate and acceptable.

For these reasons, the Montana CowBelles, Inc., wishes to join with other organizations and individuals of the livestock and meat industry in heartily endorsing H.R. 5860 and H.R. 5861. Further, we wish to emphasize that prompt consideration by Congress is necessary if the work of the board is not to be disrupted by even temporary invocation of the Secretary of Agriculture's regulations relative to fund collections under the Packers and Stockyards Act. With the beef cattle industry in its current precarious situation, all avenues of marketing, promotion, and consumption must be kept open and vigorous. To this end the National Live Stock and Meat Board must provide uninterrupted services.

We respectfully request that this letter be made a part of the hearing on H.R. 5860 and H.R. 5861.

Very truly yours,

BETTY MAURER
Mrs. Joseph Maurer,
President, Montana Cowbelles, Inc.

MICHIGAN LIVESTOCK IMPROVEMENT ASSOCIATION,
East Lansing, Mich., May 3, 1963.

Congressman W. R. POAGE,
*Livestock and Feed Grains Subcommittee,
House Office Building, Washington, D.C.*

DEAR CONGRESSMAN POAGE: I am writing on behalf of the officers and directors of the Michigan Livestock Improvement Association in support of your H.R. 5860 and Representative Short's H.R. 5861, "Fund collection system for the National Live Stock and Meat Board."

We feel that the work of the meat board should go on uninterrupted and strongly recommend that the appropriate legislation be passed to attain this goal.

The work that the National Live Stock and Meat Board has done in the past 40 years has been of invaluable help to the livestock and meat industry. It is of paramount importance at this time that their good services not be interrupted because of the surplus situation of livestock and meat. The only way that this surplus can be relieved is through an active promotional program backed by research and education such as the National Live Stock and Meat Board carries on.

We respectfully request that this letter be made a part of the hearing record on H.R. 5860 and H.R. 5861.

Sincerely yours,

PATRICK H. BROWN,
Secretary-Manager
(For Blaque Knirk, president).

(The following communications were received and submitted by Representatives W. R. Poage and Don L. Short:)

POMONA, KANS., *May 2, 1963.*

DEAR SIR: The Kansas Livestock Association, with a membership of 6,500, has represented the livestock industry in our State for over 50 years. It is with pride that we recall that our organization originated the idea of having the National Live Stock and Meat Board to carry out a self-help program of meat research, education, information, and promotion which it has conducted the past 40 years. The livestock industry would suffer greatly if the activities of this organization were curtailed in any way.

Our association has firmly supported the National Live Stock and Meat Board through resolutions and active participation by our members in the many activities of the board. We believe its services are vital and necessary because:

1. Research into and promotion of use of meat and meat products is vital to the maintenance of a healthy and prosperous livestock industry through the various fads and ups and downs of consumer preference for red meat.

2. We recognize that as diverse an industry as that of livestock production, breeding, feeding, and marketing must have coordination in such interrelated activities as meat research, education, and promotion.

3. The board, made up as it is of proportionate representation from all phases of livestock and meat interests, has proven over the years that it can reflect the wishes of producers, handlers, processors, and sellers of animals and animal products in an effective, balanced fashion.

4. Through their constant support of board policies and activities, as evidenced by widespread willingness to contribute funds, individual stockmen, as well as marketing and packing interests, have indicated that the board's method of financing is appropriate and acceptable.

As chairman of the Kansas Livestock Association legislative committee, I wish to assure you that we join with other organizations and individuals of the livestock and meat industry in heartily endorsing H.R. 5860 and H.R. 5861. Further, we wish to emphasize that prompt consideration by Congress is necessary if the work of the board is not to be disrupted by even temporary invocation of the Secretary of Agriculture's regulation relative to fund collections under the Packers and Stockyards Act. With the beef cattle industry in its current precarious situation, all avenues of marketing promotion and consumption must be kept open and vigorous. To this end the National Live Stock and Meat Board must provide uninterrupted services.

I respectfully request that this letter be made a part of the hearing record on H.R. 5860 and H.R. 5861.

Very truly yours,

NICHOLAS V. HUDELSON,
*Chairman Legislative Committee,
Kansas Livestock Association.*

ARIZONA CATTLE FEEDERS' ASSOCIATION,
Phoenix, Ariz., April 29, 1963.

DEAR SIR: We have just learned that Congressman W. R. Poage and Congressman Don Short have introduced identical bills (H.R. 5860 and H.R. 5861), which would amend the Packers and Stockyards Act of 1921, by removing the authority of the Secretary of Agriculture from jurisdiction over market deductions for meat promotion purposes.

In our opinion, such legislation will be extremely beneficial to all segments of the livestock industry over the United States. It will keep alive the National Live Stock and Meat Board, which for the past 40 years has done a tremendous job in meat research, education, and promotion. Voluntary fund contributions by farmers, feeders, marketing and packing interests to the National Live Stock and Meat Board for many, many years have been an industry-accepted practice and continuance of this successful, accepted practice is necessary in order that the meat board may do more and more in the research, educational, and promotional fields.

We strongly endorse H.R. 5860 and H.R. 5861. We urge the Congress to take prompt and favorable action on this legislation.

We respectfully request that this letter be introduced and made a part of the record of hearing on H.R. 5860 and H.R. 5861.

Very truly yours,

AUBREY GROUSKAY,
Chairman, Board of Directors.

(The following communication was received and submitted by Representatives W. R. Poage, Spark M. Matsunaga, Don L. Short, and Albert H. Quie:)

AMERICAN HEREFORD ASSOCIATION,
Kansas City, Mo., April 30, 1963.

DEAR SIR: The American Hereford Association represents over 50,000 breeders of registered Hereford cattle, with headquarters in Kansas City, Mo. Membership in the association comes from all States and the District of Columbia. The association has been in existence since 1881.

The association has and does now support the principles and activities of the National Live Stock and Meat Board. This support we feel is justified because of the meat board's activities in:

1. Research and promotion of the use of meat and meat products in the maintenance of human health and the prosperity of the livestock industry.
2. The meat board's activity in research and promotion of all segments of the livestock industry.
3. Its support by producers, handlers, processors, and retailers of meat and meat products, and
4. The willingness of the industry to support its program in all of its phases.

We, therefore, join with other organizations and individuals of the livestock and meat industry in endorsing H.R. 5860 and H.R. 5861. Prompt action by the Congress is imperative if the work of the board is to be continued.

We respectfully request that our opinions be made a part of the hearing record on H.R. 5860 and H.R. 5861.

Sincerely,

PAUL SWAFFAR, *Secretary.*

Mr. POAGE. The committee will now go into executive session to consider this legislation.

Thank you very much.

(Whereupon, at 11:05 a.m., the subcommittee proceeded into executive session.)



The committee report that the bill is a necessary one and that it should be passed.

The following members of the committee are present: Mr. J. B. ...

The committee report that the bill is a necessary one and that it should be passed.

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