SALE OF GRAIN STORAGE FACILITIES

HEARING

BEFORE THE

SUBCOMMITTEE ON DOMESTIC MARKETING AND CONSUMER RELATIONS

OF THE

COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH CONGRESS

SECOND SESSION

ON

H.R. 12360

JULY 18, 1966

Serial QQ

Printed for the use of the Committee on Agriculture

U.S. GOVERNMENT PRINTING OFFICE
68-394 WASHINGTON : 1966

COMMITTEE ON AGRICULTURE

HAROLD D. COOLEY, North Carolina, *Chairman*

W. R. POAGE, Texas, *Vice Chairman*

E. C. GATHINGS, Arkansas
JOHN L. McMILLAN, South Carolina
THOMAS G. ABERNETHY, Mississippi
WATKINS M. ABBITT, Virginia
PAUL C. JONES, Missouri
HARLAN HAGEN, California
FRANK A. STUBBLEFIELD, Kentucky
GRAHAM PURCELL, Texas
JAMES H. MORRISON, Louisiana
ALEC G. OLSON, Minnesota
SPARK M. MATSUNAGA, Hawaii
MASTON O'NEAL, Georgia
THOMAS S. FOLEY, Washington
JOSEPH Y. RESNICK, New York
LYNN E. STALBAUM, Wisconsin
ELIGIO DE LA GARZA, Texas
JOSEPH P. VIGORITO, Pennsylvania
JOHN C. MACKIE, Michigan
ROLLAND REDLIN, North Dakota
BERT BANDSTRA, Iowa
STANLEY L. GREIGG, Iowa
CLAIR A. CALLAN, Nebraska

PAUL B. DAGUE, Pennsylvania
PAGE BELCHER, Oklahoma
CHARLES M. TEAGUE, California
ALBERT H. QUIE, Minnesota
MRS. CATHERINE MAY, Washington
RALPH HARVEY, Indiana
PAUL FINDLEY, Illinois
ROBERT DOLE, Kansas
LAURENCE J. BURTON, Utah
PRENTISS WALKER, Mississippi
GEORGE V. HANSEN, Idaho

RESIDENT COMMISSIONER

SANTIAGO POLANCO-ABREU, Puerto Rico

Mrs. CHRISTINE S. GALLAGHER, *Clerk*
HYDE H. MURRAY, *Assistant Clerk*
JOHN J. HEIMBURGER, *General Counsel*
FRANCIS M. LEMAY, *Staff Consultant*

SUBCOMMITTEE ON DOMESTIC MARKETING AND CONSUMER RELATIONS

SPARK M. MATSUNAGA, Hawaii, *Chairman*

HARLAN HAGEN, California
GRAHAM PURCELL, Texas
THOMAS S. FOLEY, Washington
JOSEPH Y. RESNICK, New York
STANLEY L. GRIEGG, Iowa

CHARLES M. TEAGUE, California
CATHERINE MAY, Washington
LAURENCE J. BURTON, Utah

CONTENTS

SALE OF GRAIN STORAGE FACILITIES

MONDAY, JULY 18, 1966

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DOMESTIC MARKETING
AND CONSUMER RELATIONS OF THE
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 1301, Longworth House Office Building, Hon. Spark M. Matsunaga (chairman of the subcommittee) presiding.

Present: Representatives Matsunaga, Hagen of California, Purcell, Redlin, Greigg, Callan, Teague of California, and May.

Also present: Representative John Hansen.

Mr. MATSUNAGA. The Subcommittee on Domestic Marketing and Consumer Relations will please come to order.

The bill which is the subject of hearings before this subcommittee is H.R. 12360, which will amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations. The proposal has aroused interest among members of our farming community as well as those within Government circles.

Without objection, H.R. 12360 is made a part of the record at this time.

We do have a report from the Department of Agriculture concerning this bill, a report which was requested of the Department by Chairman Cooley of the full committee.

Without objection, that report is made a part of the record at this time.

(H.R. 12360 introduced by Mr. Greigg and the departmental report follow:)

[H.R. 12360, 89th Cong., 2d sess.]

A BILL To amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 404 of the Agricultural Act of 1949, as amended, is amended by inserting before the period at the end thereof the following: "*: Provided,* That, notwithstanding any other provision of law, where a grain storage facility is not needed by the Secretary of Agriculture and, upon being offered for sale no person offers to pay the minimum price set by the Secretary for such facility for use in connection with storage or handling of agricultural commodities, then the Secretary may, without declaring such facility to be excess property, sell it to any public or private nonprofit agency or organization for use for the purposes of such agency or organization".

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 18, 1966.

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

DEAR MR. CHAIRMAN: This is in reply to your request of February 3, 1966, for a report on H.R. 12360, a bill "To amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations."

The bill provides that where a grain storage facility is not needed by the Secretary and cannot be sold to any person at the minimum price set by the Secretary for use in storing or handling agricultural commodities, he may sell it to any public or private nonprofit agency or organization for its use.

Since January 1961, the Department has disposed of 256.7 million bushels of grain storage facilities owned by the Commodity Credit Corporation (CCC). This storage was no longer needed directly by the Corporation due to the effectiveness of the feed grain program in reducing grain surpluses. There was, however, a continuing private need for most of this storage capacity in programs of CCC. A total of 252.7 million bushels of the storage space was sold through public auctions and sealed bids to purchasers who certified that the bins would be used for the storage or handling of agricultural commodities. This represented the continuing need for use of these facilities by the respective purchasers in programs of CCC. It is estimated that at least 90 percent of these bins was purchased by farmers and the balance by warehousemen, cooperatives and others for grain storage. Approximately 4 million bushels which would not be sold at fair prices for the storage or handling of agricultural commodities were transferred either to other agencies within the Department for use in connection with their programs, or were transferred to the General Services Administration (GSA) for disposition.

Property which is "excess" to the needs of the Federal agency which has control of the property or "surplus" to the needs of any Federal agency, must be transferred or disposed of in accordance with provisions of the Federal Property and Administrative Services Act, 40 U.S.C. 471 et seq.

Commodity Credit Corporation has no authority to dispose of its storage facilities which have been acquired for the storage of its own grain except pursuant to other programs of the Corporation.

In actual practice ASC State and county committees determine the bins which are no longer needed by CCC directly for its storage needs. Upon approval by the Department in Washington, these bins are offered for sale to be used in programs of the Corporation, such as for storage under price support programs, reseal programs, and commercial warehouse storage under the Uniform Grain Storage Agreement. To insure that bins are eligible for sale for program uses, rather than for other uses which could only be authorized under regulations of GSA, each purchaser of a bin which is to be sold for CCC program uses is required to certify that the structure purchased from CCC will be used in connection with the storage or handling of agricultural commodities.

Bins which are not needed for these purposes are then declared "excess" property and are offered to other agencies within the Department of Agriculture for use in connection with their programs. If not needed by other departmental agencies, the bins are reported to the GSA for transfer to other Government agencies or other disposal.

Approximately 80 percent of the total storage capacity still owned by CCC is made up of the standard round 3250 bushel steel and aluminum bins which have no practical use other than for grain storage. The balance of the storage capacity consists mostly of large flat buildings and miscellaneous types of storage which have other uses besides grain storage.

We have no objection to the procedures under existing legislation. If, however, in the judgment of the Congress further consideration is to be given to enactment of legislation embodying the objectives of H.R. 12360, a revision of the bill is recommended for the technical reason discussed below.

It is the view of this Department that amendment of Section 404 of the Agricultural Act of 1949 to meet the objectives of H.R. 12360 is not appropriate. That section deals with Section 32 of Public Law 320, 74th Congress, as amended, 7 U.S.C. 613c, and Section 6 of the National School Lunch Act. The word "facilities" used in Section 404 has no bearing or connection with grain storage facilities. We believe that it would be more logical to amend the Commodity Credit Corporation Charter Act. Accordingly, we suggest that if the legislation

is enacted, the words in the bill "section 4(h) of the Commodity Credit Corporation Charter Act, as amended," be substituted for "section 404 of the Agricultural Act of 1949, as amended;" that the words "owned by the Corporation" be inserted after words "grain storage facility;" and that the word "Corporation" be substituted for "Secretary of Agriculture" and "Secretary".

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

ORVILLE L. FREEMAN.

Mr. MATSUNAGA. We have as our first witness this morning from the Department of Agriculture Mr. Ray Fitzgerald, Deputy Administrator of State and County Operations, ASCS.

Mr. Fitzgerald, we are pleased to have you with us. We shall be pleased to hear from you.

STATEMENT OF RAY FITZGERALD, DEPUTY ADMINISTRATOR, STATE AND COUNTY OPERATIONS, ASCS, USDA, ACCOMPANIED BY T. SCOTT MOWRY, DIRECTOR, BIN STORAGE DIVISION, ASCS, USDA, AND JOHN H. SHOUSE, OFFICE OF GENERAL COUNSEL, USDA

Mr. FITZGERALD. Thank you, Mr. Chairman. I have with me Mr. T. S. Mowry, Director of the Bin Storage Division of ASCS and Mr. John Shouse, Office of the General Counsel.

My name is Ray Fitzgerald. I am Deputy Administrator of State and County Operations, ASCS.

I welcome the opportunity to appear before this committee to present our views on H.R. 12360.

Successes of the feed grain programs beginning in 1961 have greatly reduced grain surpluses and storage requirements. On January 1, 1961, CCC-owned storage was filled to 84.5 percent of capacity as compared to 33.5 percent today.

Due to the substantial reduction in grain stocks, the Department began in 1961 to dispose of bins that no longer were needed for grain storage directly by the Corporation. There was, however, a continuing private need for most of this storage capacity in programs of CCC.

Bins which have been acquired by CCC for the storage of CCC-owned grain and for which the Corporation no longer has a need are offered for sale to be used in programs of the Corporation such as the price-support programs, reseal programs, and commercial warehouse storage under the uniform grain storage agreement. Such disposals are made under the general authority of section 4(m) of the Commodity Credit Corporation Charter Act, 15 U.S.C., 714b(m), which provides that the Corporation "shall have such powers as may be necessary or appropriate for exercise of the powers specifically vested in the Corporation," and section 5(b) of the act which provides that "in the fulfillment of its purposes and in carrying out its annual budget programs submitted to and approved by the Congress * * * the Corporation is authorized to—

* * * * * * *

"(b) make available materials and facilities required in connection with the production and marketing of agricultural commodities."

The budget estimates for the U.S. Department of Agriculture for the fiscal year ending June 30, 1966, as submitted to the Congress, described the storage facilities program of the Corporation as follows:

> The Corporation conducts a program to provide storage adequate to fulfill its program needs. This program is conducted pursuant to sections 4(h) and 4(m), and 5 (a) and (b).
>
> The Corporation buys and maintains (in storage-short areas) bins and equipment for care and storage of grain owned by Commodity Credit Corporation or under its control. It makes loans for the purchase, building, or expanding of storage facilities on the farm and sells to producers and others bins needed for the storage of grain. Bins sold by the Corporation may be those acquired for resale for this purpose or those which are no longer required by the Corporation for the storage of its own grain. The Corporation may also provide storage use guarantees, to encourage building of commercial storage and undertake other operations necessary to provide storage adquate to carry out the Corporation's programs.

A total of 253 million bushels of bin storage space has been sold mostly through public auctions and sealed bids to farmers, warehousemen, cooperatives, and others for use in the storage or handling of agricultural commodities. To insure that structures sold by the Corporation will be used for program purposes, each purchaser is required to certify that the facilities purchased from CCC will be used in connection with the storage or handling of agricultural commodities.

Pursuant to the Federal Property and Administrative Services Act of 1949, bins which cannot be sold under the required certification are offered to other agencies within the Department of Agriculture for use in connection with their programs. If not needed by these agencies, the bins are declared to General Services Administration (GSA) for transfer to other Government agencies or outright sale for any use. Some 4 million bushels has been transferred either to other agencies within the Department or to GSA for disposition.

When property of the Corporation cannot be disposed of for programs of the Corporation as previously mentioned, such property is then "excess." Property which is "excess" to the needs of the Federal agency which has control of it, or which is "surplus" to the needs of any Federal agency, must be transferred or disposed of in accordance with the provisions of the Federal Property and Administrative Services Act (40 U.S.C. 471 et seq.).

We feel that the bin sales program has been very successful. It is estimated that at least 90 percent of the bins sold are purchased by farmers and moved to farms. A small percent is purchased by warehousemen to increase their grain storage capacities. This type of storage is needed on farms in the States where bins are surplus to the requirements of the Commodity Credit Corporation. Farmers who buy this storage are able to participate to a greater extent in the price-support, loan reseal, and storage programs of the Department.

We have no objections to the procedures under existing legislation. If, however, the Congress in its good judgment feels consideration should be given to enactment of legislation embodying the objectives of H.R. 12360, we recommend revision of the bill for a technical reason.

It is the view of this Department that amendment of section 404 of the Agricultural Act of 1949 to meet the objectives of H.R. 12360 is not appropriate. That section deals with section 32 of Public Law 320, 74th Congress, as amended, 7 U.S.C. 613c, and section 6 of the National School Lunch Act. The word "facilities" used in section 404 has no bearing or connection with grain storage facilities. We be-

lieve that it would be more logical to amend the Commodity Credit Corporation Charter Act. Accordingly, we suggest that if the legislation is enacted, the words in the bill "section 4(h) of the Commodity Credit Corporation Charter Act, as amended," be substituted for "section 404 of the Agricultural Act of 1949, as amended;" that the words "owned by the Corporation" be inserted after words "grain storage facility;" and that the word "Corporation" be substituted for "Secretary of Agriculture" and "Secretary".

Thank you.

Mr. MATSUNAGA. Thank you very much, Mr. Fitzgerald.

You are then suggesting an amendment of an altogether different section from that proposed in H.R. 12360?

Mr. FITZGERALD. Yes, sir.

Mr. GREIGG. Mr. Chairman, I have no objection to that technical change.

Mr. MATSUNAGA. You have no objection?

Mr. GREIGG. No.

Mr. MATSUNAGA. One thing that puzzles me is if the language is left as is, that is the other sections of the bill, at what price would you be selling these so-called excess facilities?

Mr. FITZGERALD. In either case, Mr. Chairman, they would be sold presumably at the fair market price.

Mr. MATSUNAGA. Is the language clear enough to insure this?

Mr. FITZGERALD. That is what we have been doing with them thus far, Mr. Chairman, selling them to farmers and others for storage of agricultural commodities at the fair market price and presumably we would make them available to other agencies and nonprofit organizations at a fair market price.

Mr. MATSUNAGA. As I understand it, right now under the present setup, when you sell to a Government agency requiring the use of your excess facilities, frequently these facilities are transported to other areas at a cost to the Government.

Mr. FITZGERALD. Mr. Chairman, we do not sell to other Federal agencies.

Mr. MATSUNAGA. I mean transferred.

Mr. FITZGERALD. We do transfer; yes, sir. And they are transported oftentimes to other parts of the country; yes, sir, at Federal expense.

Mr. MATSUNAGA. At rather excessive costs, I am told?

Mr. FITZGERALD. The recipient agency would have to judge whether the cost is excessive or not.

Mr. MATSUNAGA. It has been suggested that the price to these nonprofit institutions be the fair market value of the property less what it would cost to transport the facilities to the agency which would have wanted the use of the excess facilities.

Mr. FITZGERALD. I do not believe we would have any objection to that, Mr. Chairman.

Mr. MATSUNAGA. You have no objection to that?

Mr. FITZGERALD. No.

Mr. MATSUNAGA. Are there any questions?

Mr. TEAGUE. Yes, Mr. Chairman.

It seems to me, Mr. Fitzgerald, you are saying that you have no objection to this bill if it were amended as you suggested, but that really you see no real need for it; is that correct?

68-394—66——2

Mr. FITZGERALD. I think we are saying, yes, sir, that we are not asking for the additional responsibility but we would not object to administering it if we had to.

Mr. TEAGUE. Is it your view that this would save the Government money or would it cost the Government money?

Mr. FITZGERALD. I suppose, in that it might shortcut the present procedure, it might conceivably save some money. But I think it would be somewhat minor.

Mr. TEAGUE. I have not discussed this with Mr. Griegg or anyone else and I am entirely openminded on it. This would give, would it not, the Secretary of Agriculture some additional discretion or authority and at the same time remove from the discretion and the authority that the Administrator of GSA now has for disposing of surplus property; is that correct?

Mr. FITZGERALD. Yes, sir; I think that is about it.

Mr. TEAGUE. That is all.

Mr. MATSUNAGA. Mr. Greigg?

Mr. GREIGG. Mr. Fitzgerald, just a couple of questions before I have my own statement in relation to the measure.

Can you give me some indication at the present time as to what the Commodity Credit Corporation has realized in profits in terms of money as a result of the sale of these facilities?

Mr. FITZGERALD. I guess I can say it this way, Mr. Greigg: that our experience thus far is to the effect that we sell the standard 3,250-bushel round bins, steel or aluminum bins, for about the range of 8 to 10 cents a bushel. This is $260 to $325 a bin. And these bins cost originally from $500 to $600 f.o.b. unerected.

Mr. GREIGG. I want to draw a distinction between the circular type bin and the quonset type bin. The primary purpose of this legislation, of course, is to make the quonset type facility available.

Do you have any comment in relation to the sale of the quonset?

Mr. FITZGERALD. We get about $1,000 or $2,000 for what you call the quonset type building.

Mr. GREIGG. What was the original cost of the quonset facility?

Mr. FITZGERALD. $4,500 to $6,000 unerected.

Mr. GREIGG. Does this include the concrete slab that is required in order to mount these facilities?

Mr. FITZGERALD. No; we consider this as part of the erection cost.

Mr. GREIGG. From previous history of the sale of these quonset type facilities, what has happened to the concrete slab once the quonset has been dismantled and moved to another Federal agency somewhere else throughout the industry?

Mr. FITZGERALD. Congressman, our expense is somewhat limited, but usually we do not have to stand the expense of restoration, that is tearing up the slab and restoring the site for the reason that usually the landowner, in consideration of our leaving the fencing, the electricity, the slab itself, will let us off without any cost of restoring.

Mr. GREIGG. What happens, Mr. Fitzgerald, when you move it to a new location? Who stands the cost of laying the new concrete slab for construction?

Mr. FITZGERALD. The purchaser.

Mr. GREIGG. What if it is another Federal agency? Would this not be an additional cost to the taxpayer?

Mr. FITZGERALD. They would stand the cost; yes, sir.

Mr. GREIGG. Are we talking about roughly $500?

Mr. FITZGERALD. Yes, about that.

Congressman, let me correct that. It is about $2,500 to lay a slab and costs about $500 to tear one up.

Mr. GREIGG. You indicated that a number of farmers are interested in acquiring these facilities, and it is very true. Are they in a position to receive any FHA assistance in the purchase of these storage facilities?

Mr. MOWRY. We have a farm facility loan program that we will loan money on these buildings purchased from CCC. I believe it is a 4-year loan with a total of 5 years to repay, at 4 percent interest.

Mr. GREIGG. They can actually use this money in the purchase of these units that are surplus?

Mr. MOWRY. Yes.

Mr. GREIGG. We are fortunate, I believe, in seeing the reduction of surpluses at the present time. These facilities were used in the storage of these commodities. These quonsets and other facilities are located in what I would consider to be some rather strategic areas in the countryside. I know in my district in northwest Iowa they dot the entire 18-county countryside.

Should a quonset facility be moved from one of my counties in northwest Iowa to another county in an adjoining State or somewhere else, to be used by another Federal agency; is there not some merit in keeping these facilities where they presently are in that the time could conceivably come when the need would also be great in that immediate area for the same purpose for which they were originally constructed?

Mr. MOWRY. Yes, sir.

Mr. GREIGG. Are most of the leases for the quonset type facility lease arrangements that run about a cost of $50 a year for the quonset type?

Mr. MOWRY. For buildings?

Mr. GREIGG. Right.

Mr. MOWRY. Those leases are at wide variance. Most of them we entered into in 1949 when land was much cheaper than it is today and we have not increased them very much. They have been increased very little. So I would suppose in Iowa—and this would be just a good guess—it probably would run $150 to $200 an acre, something like that. It may be higher. And in some areas like Ohio industrial centers, it was higher than that. When you get into the Northwest in a State like Montana where the land was cheaper at that time, we have leases for 4 or 5 acres for as little as $50 to $75 a year.

Mr. GREIGG. Is any of that Government-owned property or is it by and large leased property?

Mr. MOWRY. Out of some 3,300 bin sites that the CCC leases, the Corporation owns 33 outright.

Mr. GREIGG. I have, Mr. Chairman, some very specific statements I would like to make a little later on this morning in relation to the measure.

I would point out that it seems to me that it is going to be extremely difficult to convince a farmer or someone who needs one of these facilities for something other than the storage of grain to sign an agreement that states—

This is to certify that the structures or equipment identified above, purchased by the undersigned from the Commodity Credit Corporation of the United States

Department of Agriculture, will be used in connection with the storage and handling of agricultural commodities.

The very reason that these facilities are now vacant comes because there is no longer the agricultural commodities to store in them.

My concern and the reason I introduced the legislation resulted from a great local need ranging from school boards to fair boards, to industrial development corporations, county and State offices for storage purposes. But I will point this all out to show the members of the subcommittee in a short period of time why the introduction of the bill and the need for the facilities. Thank you very much.

Mr. MATSUNAGA. Mr. Callan.

Mr. CALLAN. What are the terms of the lease of the Commodity Credit Corporation?

Mr. MOWRY. The terms of the lease vary. Generally at the beginning we tried to get anywhere from 5 to 10 years with 5- to 10-year option on renewal, and wherever we had the large flat permanent-type storage we always tried to get an option to purchase the land.

Mr. CALLAN. Do you have options to purchase?

Mr. MOWRY. We do not have them on every place we have bin sites, but mostly where we have the large permanent-type buildings we do have an option to purchase.

Mr. CALLAN. Do I understand you received about $1,000 for the steel in 55,000 bushel bins?

Mr. MOWRY. There are two sizes of quonsets, 25,000 bushels and 40,000 bushels.

Mr. CALLAN. You get about $1,000 for them?

Mr. MOWRY. A thousand or 2,000, in that range.

Mr. CALLAN. From 1,000 to 2,000?

Mr. MOWRY. That is right.

I believe in Nebraska that earlier last year they sold a few for $3,000 or $4,000.

Mr. CALLAN. If you built them new today in a rural area it would probably cost at least $12,000 to $15,000 by the time you put the slab down and erect the steel; is that right?

Mr. MOWRY. We checked with a reliable company and asked them what it would cost to erect a 40 by 100 large quonset-type building in central Iowa, and they said today it would cost around $13,000, turn key job.

Mr. CALLAN. What this would mean then, you could probably realize at least twice what you are getting out of them right now if you left them on the site; is that right?

Mr. MOWRY. Right now some of these buildings are left on sites when we sell them because the buyer, the warehouseman, for example, will go to the owner of the land and make arrangements to lease the land and in some cases buy it and leave the buildings there. So they are not all moved when we sell them.

Mr. CALLAN. Do you get more money out of those buildings then?

Mr. MOWRY. No, I would not say we did.

Mr. CALLEN. Do you not think they are worth more than $1,000?

Mr. MOWRY. They are good buildings in most cases.

Mr. CALLAN. It would seem to me if you let it go to an agency or school district or small industrial development corporation they would be real pleased to give something like $2,000, $3,000, or $4,000. Would you agree to that?

Mr. FITZGERALD. Yes, sir.

Mr. GREIGG. Mr. Fitzgerald, do you have any instances you know of throughout the country at the present time where the purchasers have signed this statement indicating that they will be used for the storage of agricultural commodities and yet they are being used for other purposes?

Mr. FITZGERALD. We have one that I am familiar with at the present time in a Midwest State where we believe the purchaser didn't carry out the intent of the certification after he purchased the building.

Mr. GREIGG. Does the Department follow through to make sure that once these are sold they are used for strictly agricultural storage?

Mr. FITZGERALD. No, we do not have any system of checking, formal system of checking, usually relying upon local information or complaints that are registered with us.

Mr. GREIGG. That is all.

Mr. MATSUNAGA. Mr. Teague?

Mr. TEAGUE. This impresses me as legislation which is probably meritorious but I suggest we would be asking for trouble if we take it to the floor without a report from the GSA, since we are taking some authority and jursidiction away from them and bestowing it upon someone else. That is just a suggestion.

Mr. MATSUNAGA. We will seek a report then from the General Services Administration as to what its position is on the matter, if there is no objection.

Mr. GREIGG. I would like to discuss that based on the attitude in correspondence I have had with GSA. And here again I think we must be frank. GSA, like all agencies and departments of Government, have certain jurisdictional areas. I am talking about a piece of legislation that would make it possible for the sale of these facilities before that step is taken before given to GSA.

Mr. Teague, I appreciate your suggestion, but I think that this step comes prior to what would normally be the jurisdiction of the GSA. I do not see a report is necessary from that administration.

Mr. TEAGUE. I am not requesting it, I am suggesting it is something that ought to be considered.

Mr. MATSUNAGA. Any further comment, Mr. Greigg?

Mr. GREIGG. No.

Mr. MATSUNAGA. Mr. Hagen?

Mr. HAGEN. I am at a little bit of loss to understand what you contemplate. Do you contemplate sale for market value to public or private nonprofit agencies?

Mr. GREIGG. These would be put on a bidding process as has been the case in all previous sales. In my testimony this morning, Mr. Hagen, I will outline what the past procedure has been and what my bill would do in terms of making an adjustment and possibly at that time additional questions could be raised as to your point.

Mr. MATSUNAGA. We raised the question earlier of Mr. Fitzgerald as to what the price would be if the sale as provided in the bill were allowed, and he indicated that we do have other provisions in the existing law which would provide for that.

Mr. HAGEN. I might ask Mr. Fitzgerald a question.

As I understand it, most of the storage is somewhat of a temporary nature; is that correct?

Mr. FITZGERALD. They have been temporary for 20 years or more.

Mr. HAGEN. I mean they are not a big fixed cement warehouse or anything like that?

Mr. FITZGERALD. No, sir.

Mr. HAGEN. What do you call the metal bin? Is there a name for it?

Mr. FITZGERALD. Quonsets are the large ones; the others are standard round bins.

Mr. HAGEN. Your policy has been to offer them first to other Government agencies?

Mr. FITZGERALD. Farmers first of all.

Mr. HAGEN. You have authority to sell directly to farmers?

Mr. FITZGERALD. Restricted to making them available to storage of agricultural commodities.

Mr. HAGEN. Do you have a minimum price attached in each instance?

Mr. FITZGERALD. We do have. However, practically the State ASCA committees set what they consider to be a fair market value so we are not depressing the market or overloading the market.

Mr. HAGEN. So if you do not get takers from the farmers at those fair market value prices, you offer them to the other agencies of Government. Is that correct?

Mr. FITZGERALD. First of all, they would be declared excess to our needs, that is, Commodity Credit Corporation.

Mr. HAGEN. Right.

Mr. FITZGERALD. Then we send the paper to Kansas City to the MFO office. This office then has a committee which makes them available to other agencies in Agriculture. If these agencies then indicate no desire or need for them, they are made available to GSA who disposes of them to other Government agencies or by sale or donation or whatever.

Mr. HAGEN. At what point do the farmers come into the picture?

Mr. FITZGERALD. The farmers have the first opportunity.

Mr. HAGEN. They have the first opportunity?

Mr. FITZGERALD. Yes, sir.

Mr. HAGEN. Then you offer them to other Government agencies?

Mr. FITZGERALD. Yes, sir, in Agriculture, and then to GSA who offers them to all other Federal agencies.

Mr. HAGEN. Then if they get no takers they are offered for sale through the GSA?

Mr. FITZGERALD. They can be donated or sold, yes, sir.

Mr. GREIGG. Will the gentleman yield?

Mr. HAGEN. Yes.

Mr. GREIGG. I think we ought to draw a distinction between the type of facilities we are talking about.

Out in the rural areas we have two types, the circular type that I think is most appealing to the farmers, and the quonset type that not too many farmers are going to be bidding on because of the size and the cost involved. I think this distinction should be drawn.

I also want to go back to a point made a few minutes ago and possibly challenge the statement as to whether or not these facilities are temporary. These are not temporary facilities; these are permanent facilities, are they not, Mr. Fitzgerald?

Mr. FITZGERALD. They are not permanent in the sense I thought the Congressman was referring to, that is, concrete structures like a warehouse facility.

Mr. GREIGG. But from the standpoint of lease arrangement, Mr. Hagen, these are pretty permanent structures. We are not talking in terms of concrete.

Mr. HAGEN. They are metal type structures?

Mr. GREIGG. They are.

Mr. HAGEN. Right. Then GSA offers them for sale to any taker. Do they have a minimum price?

Mr. FITZGERALD. I really cannot say how they operate.

Mr. HAGEN. They establish a fair market value, do they not, and they sell them for that, I assume?

Mr. FITZGERALD. I could not answer your question intelligently. I do not know.

Mr. HAGEN. What percentage of your disposals have been made to farmers and what percentage through the GSA?

Mr. FITZGERALD. The bins as a whole, over 90 percent have been sold to farmers.

Mr. HAGEN. Over 90 percent?

Mr. FITZGERALD. Yes.

Mr. HAGEN. And the remaining 10 percent disposed of through GSA.

Mr. FITZGERALD. Some of them go to warehousemen for storage of agricultural commodities.

Mr. HAGEN. Through you?

Mr. FITZGERALD. And others are donated or given to other agricultural agencies in the Department of Agriculture or transferred to GSA, which may make them available to State agencies such as conservation commissions.

Mr. HAGEN. What percentage of them have been disposed of through GSA?

Mr. MOWRY. A total of 4 million bushels so far have been transferred either to other agencies in Agriculture in our own Department or have been given to GSA, and as I recall we have a breakdown in the numbers here if I can find it.

Mr. FITZGERALD. A total of 101 have been transferred. Of those, 61 have been transferred within the Department of Agriculture and 40 to GSA, in addition to which there are 44 now undergoing screening.

Mr. TEAGUE. Will the gentleman yield?

Mr. HAGEN. Yes.

Mr. TEAGUE. Is there anything in existing law which prohibits the GSA from selling these bins to schools or industrial concerns?

Mr. FITZGERALD. I really do not know, Congressman.

Mr. TEAGUE. I am trying to get at—maybe you will explain to us, Mr. Greigg, later what this will really accomplish that cannot be done under existing law.

Mr. HAGEN. What percentage of those sales you made will be continued to be used as grain storage and what percentage will disappear? I would assume this is one of Mr. Greigg's concerns, reduction in the amount of storage.

Mr. FITZGERALD. The great overwhelming majority of bins we have is what we call standard round bins, 3,250 bushels or less. These are not good for much of anything except storage of grain. Very limited

in use. The ones Mr. Greigg is concerned with I think is what we call the large flat storage structures, and specifically, the quonset type of buildings. These can be used for things other than the storage of agricultural commodities.

Mr. GREIGG. Will the gentleman yield?

Mr. HAGEN. Yes.

Mr. GREIGG. I would like to go back to Mr. Teague's question and point out to you that the problem that arises is that once the Agriculture Department turns over the jurisdiction to GSA, then the General Services Administration follows very methodical procedure of contacting the various Federal agencies to give them priority for these facilities. Conceivably we could get down possibly to the time when no Federal agency would want to consider the quonset and a school board or a fair board would have something to say, but it would be indeed remote because, as most of the agencies are anxious to acquire additional storage facilities, these Federal groups are anxious, and certainly do not pass up the chance. I know that the Forestry Division, for example, looks upon these facilities with real need.

I believe a good case in point would be in Minnesota, at Sandstone, Minn., a correctional institution. They have need for quonset type facilities. So by the time these Federal agencies say we need them, there would be little opportunity for someone on the local level to even be considered.

My attitude on this, Mr. Teague, is that on the local level where these facilities are presently located, need is great. Not only is the need great, but it seems economical to me that they remain in the locale where they have been constructed and thus saving the taxpayers dollars by not dismantling them and sending them somewhere else.

Mr. HAGEN. I am not trying to filibuster, but you contemplate—I cannot imagine a school, for example, in the grain storage business. You contemplate nongrain storage use of the facilities?

Mr. GREIGG. Mr. Hagen, that is the whole purpose of the legislation—to make these available to private and nonprofit agencies for use other than grain storage.

Mr. MATSUNAGA. Mr. Callan?

Mr. CALLAN. I want to make a couple of points here.

Number one is that round bins go out to farmers, and in the flat storage bins out there, the Government has $12,000 or $13,000 invested, and they get about $1,000 out of the steel. This leaves all the concrete in place.

Mr. MATSUNAGA. May I suggest, Mr. Callan, if we have no questions of the witness here that we make our statements subsequently.

Mr. CALLAN. All right.

Mr. MATSUNAGA. Does anyone have a question of the witness?

Mr. REDLIN. I have one question.

I am aware of a situation in my district wherein a Job Corps which is supervised by the Forest Service acquired some quonset buildings and moved them from a point to the point of a former radar site. This would be an example of what you have turned over to GSA and they handled it.

Mr. FITZGERALD. That was handled within the Department of Agriculture. When your State committee decided that this bin could not be sold at a fair price to a farmer or warehouseman for storage of an agricultural commodity, the bin was declared excess to our ASCS

needs and transferred to a departmental committee. This committee then makes its bin available to all the agencies within the Department of Agriculture. In this case the Forest Service said "Yes, we have a need for this bin," therefore the Forest Service got the bin.

If, however, no agricultural agency had put a claim on this bin, it would have been transferred to GSA.

Mr. REDLIN. The point I believe I understand Mr. Greigg is seeking to make is that had there been a local organization, a school board or fair board in the town at the point where the quonset was standing on the cement slab ready to be used, they would not then under this procedure have had an opportunity to enter into the picture at all.

Mr. FITZGERALD. They have not had.

Mr. REDLIN. As I understand, Mr. Greigg, you are seeking to create this opportunity.

Mr. GREIGG. The opportunity only after the Department indicates that there is no area for the consumption or use of these facilities under their regulations, that point where they declare that none of their agencies can use them and thus turn them over to GSA. At that point is when I want them available to the local communities.

Mr. REDLIN. Then as I understand it, in this particular instance this would have been a departmental need within the Department of Agriculture and the local entity would not have entered into the picture even had this legislation been law?

Mr. FITZGERALD. Yes, sir.

Mr. HANSEN. I do not want to ask any questions, Mr. Chairman. I merely would appreciate very much to make a statement regarding the measure.

Mr. MATSUNAGA. We will call on you then after we excuse the witness if we have no further questions of the witness.

Thank you very much.

Are there any witnesses other than those listed who would like to testify in this matter?

Mr. HAGEN. I might ask one more question of Mr. Fitzgerald.

Do your procedures with these bins differ in any sense from disposal of other real estate or personal property by any other agency of Government? For example, the armed services. Are your procedures any different?

Mr. SHOUSE. In answer to your question, I would say that the Commodity Credit Corporation disposes of grain storage structures, as Mr. Fitzgerald outlined in his testimony, through the specific and general powers of the Commodity Credit Corporation as set forth in the Commodity Credit Corporation Charter Act and under the budget program of the Commodity Credit Corporation which have been submitted to and approved by the Congress.

Mr. HAGEN. Do your procedures differ, we will say, from the method the Navy might use to dispose of some similar building?

Mr. SHOUSE. So far as I know, the Navy would dispose of its surplus property under authority of the Federal Property and Administrative Services Act through the General Services Administration. I do not know of any special legislation applicable to that agency. I know Commodity Credit Corporation disposes of storage facilities under the powers of the Commodity Credit Corporation before they become excess or surplus and while we still have a program use for

68-394—66——3

them for Commodity Credit Corporation in the storage program of the Commodity Credit Corporation. If Commodity Credit Corporation has no program need, or if the structures cannot be disposed of for a program need, they are declared excess pursuant to the Federal Property and Administrative Services Act.

Mr. FITZGERALD. My impression is that we probably have more authority than most Government agencies in disposing of surplus properties and in this case making it available to farmers.

Mr. MATSUNAGA. Thank you very much.

We will now hear from Mr. Stanley Greigg, not as a member of the subcommittee but as a witness and author of the bill, Mr. Greigg.

STATEMENT OF HON. STANLEY L. GREIGG, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Mr. GREIGG. Thank you very much, Mr. Chairman and members of the committee. I very much appreciate this opportunity to present my views on H.R. 12360.

This measure would make it possible to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations. A great number of these storage facilities have become available in the Midwest as a result of a substantial reduction in surpluses, which posed a severe problem in the late 1950's and early 1960's. H.R. 12360 would not alter the law which allows farmers to buy the units for farm use. It would only pertain to those Commodity Credit Corporation buildings which still remain available after farm producers have had every opportunity to purchase them. As a result, no present policy for use by the Agriculture Department or the entire structure of the farm producer would be affected. The point at which disposal would take place under H.R. 12360 is just prior to the jurisdictional declaration by the Secretary of Agriculture that "these units are excess to CCC needs." This determination, if made by the Secretary, automatically causes the units to come under General Services Administration jurisdiction and they then follow the regular disposal system set up under the Federal Property and Administrative Services Act.

A distinction can be made at the outset as to the type of building H.R. 12360 would as a practical matter make available to public and nonprofit private agencies. Generally there are two basic types: One the familiar single purpose circular metal building, and second was commonly known as the multipurpose quonset type.

In regard to the former, little real use can be foreseen except for grain storage. The latter is a very different matter, however. The multipurpose quonset type is generally 40 feet wide by 100 feet long. These buildings are generally in place on leased ground with substantial concrete foundations. They can be found in most areas throughout the Midwest and very specifically in my district in northwest Iowa.

More than 90 percent of these available facilities have been purchased by farm producers. Still the problem remains.

These remaining structures are greatly desired by local citizens for use in a variety of local public and quasi-public needs. One is on the property of a county fair board and can be an integral part of the fair facility. One is near the consolidated school that needs garage

space for their buses. One is adjacent to an industrial park complex in which there is substantial demand for storage facilities of this type.

These people cannot, under present law, bid for or purchase these structures even when they are normally placed upon their ground and surplus to any U.S. Department of Agriculture needs. Present law declares that a purchaser must sign the following statement, and that statement again is:

> This is to certify that the structure or equipment identified above, purchased by the undersigned from the Commodity Credit Corporation, U.S. Department of Agriculture, will be used in connection with the storage or handling of agricultural commodities.

H.R. 12360 is short and to the point:

> Where a grain storage facility is not needed by the Secretary of Agriculture and upon being offered for sale no person offers to pay the minimum price set by the Secretary for such facility for use in connection with storage or handling of agricultural commodities, then the Secretary may, without declaring such facility to be excess property, sell it to any public or private nonprofit agency or organization for use for the purposes of such agency or organization.

Many times I feel it is most important in my own mind to know what a certain bill will not do as well as what it will do. This bill will not affect anyone in the U.S. Department of Agriculture, it will not affect anyone in the entire range of farm productivity, but it will answer any definite need for a great number of farm communities.

The alternative is that these buildings will be diluted into the federal system. There will be no cost recovery, there will be additional expense to uproot the foundation as per Government lease requirement. But most important, you will have a fine group of public-spirited citizens who simply will not accept the logic of seeing these rural related buildings being carried away.

Mr. Chairman, I know that we have some additional Congressmen this morning who have some statements relating to this measure. Also I have a statement, as I indicated a little earlier, which will be a part of the record, from Senator McGovern, as he has experienced similar problems as they relate to consolidated school districts.

But I also have a gentleman who has come from my district of northwest Iowa who has, for many months now, been involved in this entire process of attempting to acquire one of these quonset buildings for the local fair board, adjacent to the grounds that the fair board has a lease on, on which some of these quonsets are actually constructed. So a little later this morning Mr. Heline can also be heard on this, as he has lived with this problem.

I will be more than pleased to answer any questions members may have.

Mr. MATSUNAGA. Any questions of Mr. Greigg?

Mr. TEAGUE. Just one, Mr. Greigg, and I do not wish to sound as though I am opposed to this bill, because I do not know that I am. It was mentioned a while ago that the Secretary of Agriculture, in one instance at least, transferred some of these bins to the Forest Service.

Mr. GREIGG. Yes.

Mr. TEAGUE. Within the Department?

Mr. GREIGG. Yes.

Mr. TEAGUE. Suppose the National Park Service in a comparable situation expressed desire to get the bins. Not being part of the

Agriculture Department, I assume they would be out of the picture under this bill.

Mr. GREIGG. Mr. Teague, I really feel as far as changing the law, this bill does not change the jurisdiction of the Agriculture Department or affect, as I pointed out, the farm productivity area, so to speak.

As was pointed out this morning, I think it was pretty clear that the Department has probably more authority in disposal than most agencies and departments of the Government. I do not want to enlarge that. I want to make these available to the local communities at that point where the Agriculture Department has exhausted all areas. I do not want to add to that list.

The group that you speak of would come in for consideration once the GSA would have jurisdiction allowing them to go to another Federal agency. But I would not want to increase the list at this point because I think that this was considered early when the Agriculture Department stated their initial needs.

Mr. TEAGUE. It is true though, is it not—it may be all right but I want to be sure it would be the situation—that if a local fair board and the National Park Service each expressed an interest in a particular quonset, under this legislation the Secretary of Agriculture would be required to sell it to the local fair board rather than the National Park Service?

Mr. GREIGG. No. It would be again on a bid basis on the local scene.

You raise the point as to making them available for the Park Service. Possibly they have some storage they could use these for also. I do not know.

Mr. TEAGUE. I cite that as an agency somewhat comparable to the Forest Service, just in a different department.

Mr. GREIGG. I think that a good case could be made for all Federal agencies outside of the jurisdiction of the Agriculture Department for the need of these facilities. I think this is probably a valid statement. The only thing, I do not want to increase the list. I want to stop at that point where the Agriculture Department decides that there is no need for them within their jurisdiction before they turn them over to the General Services Administration to go into the entire federal system. I am not questioning there could be the need in the Department for the same facility.

Mr. TEAGUE. I want to be sure about one thing which is not quite clear to me.

If we should pass this bill and the National Park Service expressed interest in a quonset—they might know about it even though it was not referred through the GSA—and a local fair board, let's say, wanted the same quonset for storing buses—certainly not connected with Agriculture—then would the Secretary be required to dispose of it to the local school board and leave the Forest Service out?

Mr. GREIGG. Yes, that is true under the bill.

Mr. TEAGUE. I am not saying that is wrong, but I want to understand it.

Mr. GREIGG. This is a true statement, as it would be with any other Federal agency outside the Agriculture Department.

Mr. MATSUNAGA. Mr. Hagen?

Mr. HAGEN. Already, of course, under the present law once it gets into the channels of GSA, these public or nonprofit agencies can com-

pete with any one in acquiring the property. In fact, I think under the law they have a priority.

Mr. GREIGG. If they have a priority, I am not familiar with that priority, Mr. Hagen. I can tell you that we have fought long and hard to try to find them priority for a local school board, but we have not been successful. As a result of the introduction of this piece of legislation back in January, a freeze has been placed on the dismantling of these quonset facilities pending the outcome of this piece of legislation.

To show you the type of problems related to this, Senator McGovern had a dire need for two of these facilities for some consolidated school districts in South Dakota. We sent a letter to GSA asking them, through Chairman Cooley of the House Agriculture Committee, to see if they could make allowance so that these school boards could acquire these. GSA would not make that allowance, because the law is pretty clear that such facilities be put into Federal agencies first.

Mr. HAGEN. I think we should clarify this aspect of it. I have some interest in it, because I am trying to get authority for the Navy to donate a parcel of real estate to one of my counties for about 3 years now. It is my understanding that any surplus Government real estate, or I would assume a building, if an educational agency, say a school district, wants property they have a priority, and not only do they have a priority, they can get it for nothing if it is for educational purposes. That is my understanding. If they want if for recreational purposes, they can get it for 50 percent of the appraised market value.

This is the problem I have because in this particular instance, where I am speaking of Navy property, 50 percent is more than the county wants to pay. That is my understanding of the law. I could be in error. If it is for educational purposes, I think you can get an outright gift under the present law.

Mr. MATSUNAGA. It is only through GSA.

Mr. HAGEN. I understand.

He just wants to put a priority ahead of the GSA process. Actually, all I am saying, if he lets it go through GSA and it is for educational purposes for school districts, they could get if for nothing.

Mr. GREIGG. This has not been the case.

Mr. HAGEN. I am curious about this because I have struggled with this problem in connection with the parcel of Navy land I am trying to get.

Mr. GREIGG. Mr. Chairman, let me point out something I was pointing to——

Mr. MATSUNAGA. Mr. Hagen still has the floor.

Mr. HAGEN. I think we ought to clarify that and for that reason alone have GSA up here. I want to know what their rules are.

Mr. MATSUNAGA. The witness, Mr. Greigg.

Mr. GREIGG. I pointed out to Mr. Fitzgerald a while ago, and I think we should emphasize the point again, when these quonsets remain in the local communities the tie-in I think with agriculture is significant. Should we find in the future the same kind of surpluses that we have had the past 6 or 10 years, the Agriculture Department would be in a better position to acquire these facilities right in the area than to go to the additional expense of building new structures or moving them in. This is why I think it is important to tie this in

with the Agriculture Department. I think this makes it a little more unique than having just the whole sphere that the General Services Administration follows.

I wanted to point that out in answer to Mr. Hagen's comments.

Mr. HAGEN. You don't spell out any formula for price here, if any?

Mr. GREIGG. No.

Mr. HAGEN. You are liable to run into a problem. Senator Morse has the Morse formula that you are well aware of, where he requires market value cash on the barrelhead except for these specified purposes of education and recreation.

Also you not only include public agencies, but private nonprofit agencies as eligible and I think this aggravates the problem unless you do state this is to be a sale for the fair market value.

Mr. GREIGG. Again this follows the same procedure that is being used at the present time and that is the bidding process and the department accepting the bid based on what the market price is.

As far as spelling it out is concerned, I don't know that there is any need for additional spelling out, but if it would improve the piece of legislation, I would have no objection to making some adjustment to make it specific about price.

Mr. HAGEN. I think you might have a problem there. I know Senator Morse from Oregon is very adamant on this.

Mr. TEAGUE. I think so too. I repeat, I am not opposed to this, but I forsee some troubles. You are going to have people say, "Well, why should we sell this quonset hut to the local fair board for $2,000 when another Government agency wants it and it would cost $13,000 or $15,000 to build a comparable facility which is needed by the other Federal agencies?"

Mr. GREIGG. Mr. Teague, I don't see how you can justify the dismantling of one of these quonset facilities and, at great cost, move it 400 or 500 miles for another Federal agency and put in another concrete slab, erect a structure elsewhere. Keep in mind the department is not going to take a loss in the purchase price back in the community that will be seeking these facilities.

Mr. TEAGUE. Perhaps you can't justify it, but I just point out again that this is the sort of thing you are going to run into when it reaches the floor.

Mr. GREIGG. I will say this, that Mr. Heline this morning has followed this whole process step by step, and I am sure that in his testimony he will have some comments to make that will probably go into a little more detail as to some of the real problems he has encountered as to securing one of these on the local level.

Mr. MATSUNAGA. If there are no further questions of Mr. Greigg, we will call our next witness.

Are there any questions of Mr. Greigg?

If not, our next witness will be Mr. Oscar Heline, of Marcus, Iowa.

Mr. Heline, will you kindly take the witness stand?

STATEMENT OF OSCAR HELINE, MARCUS, IOWA, REPRESENTING THE MARCUS COUNTY FAIR BOARD

Mr. HELINE. Thank you, Mr. Chairman and members of the committee.

Because of my eyesight, I haven't been able to put down on paper notes or a statement and read it if I had it, so I am going to talk for a few minutes.

First, I would like to give you a little background to indicate my reason for this interest. It has been a longtime interest in all of the activities of the Department of Agriculture. Originally I was a member of the State corn and hog committee. Many of you don't remember back that far. It was in the State of Iowa and we were associated with men like the late Spike Evans who was on the Federal Reserve Board and Bill MacArthur, who was in the Department of Agriculture; Bob Morse, whom many of you have known, and Henry Wallace, when he was Secretary of Agriculture. We started in the old AAA days and we used to have to write some of these rules. I remember when we used to experiment with the rules out in the field and then we would go into Washington and have them written so they could be used by the Government in other areas.

The rules have been written and looked at for a long time as far as I am concerned. I know what some of the difficulties are and the processes which we have to go through, but this local problem is one in which I get amused sometimes when I think about the effort that we have put forth for a few quonset buildings for a local school and fair board. The total value, the acquisition cost, was less than $16,000, but they are a part of a community which is agricultural.

The law originally was for the purpose of helping agriculture and it has done so very well over these many years. Everybody out in our country are farmers, whether they are local business people or are actually tilling the soil, as you well know, and so this total community is interested in these quonsets that happen to be on the fairground property. They have been used for a small fee each year that there was need for storage. I was visiting with some of the members of the school board the other day and I said, "If you acquired the property and could use it for your purposes, would there be any question of doubt if the Government needed them again, but what they would be made available," and he said, "Of course not. That is the reason they were put there in the first place, so they could serve the agricultural needs of that community," and they would be available and serve again in many ways.

Now, this is just a little fair. They have about 3,000 exhibits. It is rated quite highly by judges as comparable to much larger fairs. We have got some records up there on livestock entries all over the United States, so we have a good community with good farmers and with people who are good citizens and all we are asking for is an opportunity to retain that which they have used and have helped contribute to.

This is only a typical example of many areas and many other situations. They could be listed from this local fair board to the consolidated school district which had two quonsets just two miles from where I live—I have some land in two school districts and I am right in the center of them. These two buildings were situated right across the street from the consolidated school. The school board would have liked to have acquired them for storage of school buses but because they couldn't be sold under the law that exists now, to the school board because they were not handlers for storage of agricultural

commodities, they were finally sold to two farmers; they were hauled out into the country and they were sold for $1,000 apiece.

I don't remember the acquisition cost of those, but it was probably around $5,000 apiece. They were hauled to the country and the slab was left on the ground. They were sold for $1,000. The county has to tear up the concrete and dispose of it and clear the land in its original state which costs about $500 for each unit. So the net income to the U.S. Government is $500 for each of these quonsets.

You can readily see there isn't very much return to the Government when you have to go about it in that method. The same thing would occur at the fair board so the fair board decides they have no use for the cement slabs and the county would have the expense of removing them.

Now, this happens in every place where there is a Government facility on a piece of public land, or where a public unit would like to acquire it.

We had a situation of a county that had a quonset on county land. It would have liked to have used it for storage and found exactly the same situation. I could go on and on.

The point that I think this bill provides is that these other agencies could purchase these in competitive bidding if they were not used for the storing or handling of agricultural products, but were used for public need. I would like to see the bill go further than that. I think in situations like the school board I was telling you about, it should be given as a grant as one of the Congressmen mentioned, because it is for public and educational purposes.

The GSA, I understand, has given considerable property over the United States to Government agencies, to educational institutions and we don't see any reason why it shouldn't be done similarly in these smaller communities.

But there is something in the law which keeps the Department of Agriculture from selling the buildings to anyone who cannot sign this statement: for the handling and storage of agricultural commodities.

I might add one word. Some of these buildings that go into the country aren't always used for that purpose. Once they become the property and are placed on the land of the farmer, it is pretty hard to keep that building from being used for whatever purpose suits his particular needs once it arrives. I don't think anybody is running around trying to find out how many people are disregarding the law. If a public institution such as the school board or the fair board, or any other county unit, local or State, would use them for other purposes, it would be known immediately. So most people don't like to sign a statement of that kind whether it will be used for the purpose or not and, therefore, they just don't want to bid.

Now, those are some of the problems that are arising. Once these quonsets were turned over to GSA, they went to forestry. Forestry turned it over to our State conservation commission. The State conservation commission couldn't do anything with them to help us. They had to use them for the specific purpose for which the law provided under the forestry section.

Now, the commission in Iowa would like to have buildings for their forestry section and they would also like to have them for the fish and game, but the law doesn't permit them, as a conservation committee, to use them for fish and game. They only can use them for

forestry. In other words, hands are tied here and there along the way where it would make good sense to have some freedom to do some of the things which would be in the public interest.

Now, all we are asking is that we try to do the sensible thing, whatever it takes to do this thing in a sensible manner, which does the most good for the most people. This is all we are asking. This bill goes, I think, quite a ways in that direction. I don't think it goes far enough, but I think there is fear on the part of some of the departments that if you open this up once, you get into a great deal of trouble and I can see where that might be true.

Mr. MATSUNAGA. Have you finished your statement now?

Mr. HELINE. Yes; I think I have talked long enough.

Mr. MATSUNAGA. Thank you very much.

Mr. HAGEN. I am not quarreling with Mr. Greigg, who is one of the very able new Congressmen from Iowa that we have here, but actually his bill wouldn't reach your situation. The problem is, these farmers have a first priority. This would establish a priority after the farmers had exhausted theirs. What you want really is a priority equal to that the farmers have, or even ahead of it, if I am correct in understanding your situation.

Mr. HELINE. In this particular situation, the farmers would not have bid on these buildings if they were wanted by the fair board because it was a community project. The other thing is that it would be almost impossible to move them out intact because of the difficulties in the area surrounding it. They would have to be torn down.

Mr. HAGEN. That is very true, but under that portion of the law, which would not be changed by Mr. Greigg's bill, the farmers have an absolute priority. That is the first route of disposal and if a farmer wants to come in, he gets it regardless of whether the school district wants it or not. That is the point I wanted to establish.

Mr. HELINE. If they have priority, they would be permitted to bid and if they were the high bidder, they would receive them.

Mr. HAGEN. Would you be in favor of eliminating this farmers' priority and giving a local agency of government equal priority or a higher priority?

Mr. HELINE. Oh, no. I think the farmer should have the priority and under the bidding system they do have it.

Mr. HAGEN. That would not be changed by this bill so it really wouldn't handle your particular situation with this bill, as I understand it.

Mr. MATSUNAGA. Mr. Heline, in the case of a farmer purchasing on priority from the Department of Agriculture, is he permitted to remove the quonset hut, for example, off the property upon which it is located after he is successful in the bidding?

Mr. HELINE. Yes, sir.

Mr. MATSUNAGA. In about what percentage of the cases would you say the quonset is removed out of the district?

Mr. HELINE. Well, I don't know of any farmer, or warehouseman who has moved them out of the district once they were purchased. When I say "district," I mean the local community. The nearby community.

Mr. MATSUNAGA. Then you are saying in the overwhelming majority of cases the facility is kept right within the district wherein the facility is located?

Mr. HELINE. Yes, sir; I am sure that is right.

Mr. MATSUNAGA. So actually the farmer is being restricted to the storage of agricultural products and the facility is being put to the original intended purpose?

Mr. HELINE. In most cases.

Mr. GREIGG. Mr. Heline, I think you have stated exactly your feelings on the question. You do not want a bill that would change the overall procedure of taking care of farm productivity. This was my thinking in the introduction of this bill. As I said in my testimony this morning, this bill will not affect anyone in the Department. It will not affect anyone in the entire range of farm productivity, but I do think a distinction should be drawn here between these circular bins and the quonset-type bin. There is a continuing need in the rural areas for the circular-type bin. On the other hand, Mr. Heline pointed out a couple of instances where some quonsets were moved out into some rural adjacent areas. This is rather rare. Mr. Hagen expressed concern that this bill would not change the law and the farmers would still proceed and bid and acquire the quonset facilities. I do want to emphasize the point which Mr. Heline was making that in a community such as Marcus, where there is a closeness in cooperation between the various segments, that the majority of the farmers there would do everything possible to see that these quonsets could be acquired for fair purposes rather than for one farmer to try to bid so that he could move them out.

Mr. TEAGUE. I want to ask Mr. Greigg a question if I may.

In your bill you refer to the minimum price set by the Secretary. Well, suppose the Secretary sets a minimum price of $2,000 and no one offers that. Suppose the local school board offers $1,950 and the local farmers offer $1,900. The school board would get it, would it not?

Mr. GREIGG. The school board would not get it. The first use would still go to the farmer. This would be the procedure. The use would first go, Mr. Teague, to anything connected with agriculture and the farmer then would be in a position to acquire that facility. After all of the agricultural uses have been exhausted, then the school board or industrial corporation or a fair board would have an opportunity.

Mr. TEAGUE. Supposing the school board bids $1,950 and the farmer bids 10 cents. That is a little ridiculous, I realize, but the farmer would get it?

Mr. GREIGG. The rights are stated in the measure which would follow the bidding procedure which would initially make them available to farmers. After this use has been exhausted—the minimum price figure still holds for the farmer.

Mr. TEAGUE. Suppose no one offers the minimum price. Then you provide it can be offered to any public or nonprofit agency. Suppose a farmer is interested but neither the agency nor the farmer is willing to pay the minimum price? I think Mr. Heline wanted to comment on this.

Mr. HELINE. Once the Government set a minimum price, they were not sold regardless of the price bid by the individual farmer and what has actually happened in most cases, whether they are round bins or quonset bins, there has been a minimum price set. Generally the auxiliary would go down the line and a bunch of farmers will say

"I will take one, two, three, four, five," and they take them at the minimum price and the auction doesn't go beyond that. That has happened in almost every instance, where they set a minimum price of $1,000 a quonset, if there was no bid there was no sale and no bid was accepted under $1,000 because it was announced it wouldn't be sold for less than $1,000. So, consequently, it wasn't sold at all.

Mr. TEAGUE. Desiring still to dispose of the property, could it not be offered for sale in a sealed bid arrangement?

Mr. HELINE. Yes, and it could be offered for sale again at a different price if they so determined, but at that particular sale that would be it. Whatever they determined.

After that it could be sealed bids or it could be a different price if they should so determine.

Mr. TEAGUE. But the Secretary, if this bill were passed, could still be under obligation to sell to the farmer if the farmer wishes the facility. Is that your answer?

Mr. HELINE. At the minimum price. Not less than the minimum established price.

Mr. TEAGUE. Thank you.

Mr. MATSUNAGA. Mr. Heline, do I understand you to say that in general practice the sale is by direct negotiation with a buyer at a minimum price? Is that the common practice, or is the sealed bid the common practice?

Mr. HELINE. The auction is the common practice, but what actually has occurred in most of the sales that I have seen and attended and heard about is that they will set a minimum price of say $100 for a circular bin and then they don't go through the process of bidding it up to $100 because they wouldn't be sold for less than $100 so they say, "Does anybody want the bin for more than $100?" That is the auctioneer's cry. "Does anybody want to bid more than $100?"

I attended a sale in my own community last winter where I think there were 30 or 40 bins sold and nobody bid over the $100, but we would walk along with the auctioneer and somebody would say, "Well, I will take three," or "I will take two," or "I will take five."

We went down the line and when we got all through, when we got toward the end of the string, the auctioneer said, "Is there anybody who would like to bid more than $100 for the last few bins? "

Nobody did, so the whole string of bins sold for the $100 by everybody saying, "I will take one, two, or three, at that price."

The auctioneer was there to take a higher bid if somebody was afraid he couldn't get it for $100 and wished to pay more. He would have had the opportunity.

Mr. MATSUNAGA. Then the minimum price is the real important thing in the type of sales you have been having?

Mr. HELINE. That is right. That is the method by which they have been held.

Mr. MATSUNAGA. Do you have any idea as to how the minimum price is determined?

Mr. HELINE. No. I think upon some basis of percentage of cost and what the public is willing to pay.

When they have tried to sell them at a price higher than $100, they haven't had many takers. They just sit there. We still have some buildings that are not sold because there are not enough people who are willing to buy them at that price. It depends on the kind of

construction of the bin, whether it is aluminum or steel or double rifted, or single rifted, et cetera. Some people will take most any kind of a bin at $100 and others will take only the choice ones.

Mr. MATSUNAGA. Have you attended any sale where there was a sealed bid method of sale?

Mr. HELINE. The sealed bids would be taken at the county office.

Mr. MATSUNAGA. Have you attended any sales where the method of sales was by sealed bid?

Mr. HELINE. No, I have not.

Mr. TEAGUE. As I understand it, the purpose of this bill is to provide a procedure where nobody will pay the minimum price. There is no requirement that the Secretary set another minimum price. It is offered at the minimum price and there are no takers. Then he can go ahead without restriction and sell it to any nonprofit private or public organization.

Mr. HELINE. And the reason in many instances where there was not a bid was because of the clause "to be used for the handling or storage of agricultural commodities." The Fair Board could stretch its imagination by saying, "Yes, we accept exhibits and we store them for the period of time of the fair," but that is stretching your imagination a little bit and some of the people who are particular about what they sign dislike the idea of signing for buildings where it is really not the intent. That really wasn't the intent of the law, to use it for that particular purpose. It was to be used for the storage and handling of grain.

For that reason, the Fair Board—they would have made the purchase, there was no question about that, if they could have felt justified in signing the statement.

Mr. GREIGG. As Mr. Heline knows, I have had many requests for consideration of these quonset facilities in northwest Iowa. The procedure we followed, once it was indicated a hearing would be held on this measure, was to send telegrams to these people who had indicated some additional interest. In the community of Pocahontas, Iowa, there are some quonsets there that are sorely needed by the local industrial development corporation. I think one thing we should also emphasize is that if we are going to do everything we can to boost these rural communities, a substantial incentive for industry coming into these little communities would be to make these facilities available.

In Pocahontas, for example, the department made available these quonsets for farm use. Apparently there was no interest on the part of farmers in that area to acquire the facility. The next step was then to turn the facility over to GSA and until a freeze was put on the dismantling of these facilities, one was slated to go to Sandstone, Minn., for part of the services connected with the correctional institution in that community.

As Mr. Heline pointed out, we could cite many examples of the need—now, I point to that specific case to show that there was apparently no interest on the part of farmers or those related to agricultural commodity needs for the acquisition of that piece of property. That is why the bill was introduced, so that different groups within the community then would be in a position to secure that facility.

Thank you very much.

Mr. MATSUNAGA. Are there any questions?

Mr. REDLIN. Are these quonset buildings the type called a crimped nail construction?

Mr. HELINE. I haven't paid much attention to that construction.

Mr. REDLIN. In taking them down, do you feel you would do considerable damage unless you are very careful and you wouldn't have as good a building when you reconstructed it as you had in the original installation?

Mr. HELINE. Certainly anybody who knows anything about steel construction of any kind, it doesn't matter how they are built; we have several steel buildings on our farms and we try to do something with them and you hardly could ever make them leakproof and anybody knows just as soon as you start hammering steel you are apt to make indentations or some bends and when you try to straighten them out you will have a real problem in getting a leakproof building. It is difficult enought to install them the first time so that they are leakproof.

Mr. REDLIN. I have several of these buildings on my own farm and I do want to establish this point: The value of the building, when you are contemplating dismantling it, would be considerably less. The man who knows he has to dismantle it is not going to give as much for that building as he would if he could find use for it and could get a lease on the property and leave it where it is and use the foundation in addition.

Mr. HELINE. Certainly.

Mr. REDLIN. There is no question about that.

Would it be a fair statement to say then that the U.S. Government will recover a great deal more if it can sell these on the basis that the man is going to use the building on the spot, with the building being left where it is?

Mr. HELINE. That is right.

As I say, the net to the Government now is about $500. If you sell it for $1,000 and pay $500 to get the foundation removed, it doesn't leave very much for the Government and it could be very useful if it was left intact for various purposes, not only for the purposes we have mentioned but, as you mentioned, relative to industrial use.

The U.S. Government is spending quite a little money. We have attended meetings in our district where they are trying to develop industrial activity in all these little towns, and I guess every little town has spent a good deal of money itself in trying to bring industry in the community in order that we can keep a well-balanced agricultural community. So we take it away with one hand and give it back with the other, but in the process we lose a great deal. There could be a great deal saved, it seems to me, on the part of the public, if we could utilize the facilities wherever they are available for the needs to which they could be applied, whatever that is.

Mr. REDLIN. Coming from an area where we have reorganization of rural school districts, this school garage problem is quite a thing for. us as well. I can conceive of very many areas wherein this would be a tremendous asset to the rural communities.

Mr. GREIGG. Will the gentleman yield?

Mr. REDLIN. Yes, sir.

Mr. GREIGG. I can point out, Mr. Chairman, that there is a small community not far from Sioux City where the county would want to

make use of one of these quonset facilities strictly for the storage of maintenance equipment and yet they are prohibited from doing so because they are not going to go out on a limb and sign the statement that they will be used for the storage of commodities, agricultural commodities.

Mr. REDLIN. In many cases in the community it is quite hard for the local people to understand the tearing down of a building which reduces its usefulness tremendously and then leave a local community with nothing but a bare piece of concrete that has to be destroyed. This is one of the things we are dealing with. It is difficult for the local people to understand how this means provident use of the Government's resources. Is this not true?

Mr. HELINE. Yes, sir. I think there is a great deal of wonderment on the part of the public about some of these things, why they are done the way they are, and I suppose within Government it is necessary to do some of these things. But, after all, we are a group of taxpayers and really pretty good citizens of these United States, and I think most of us feel that we ought to be given a fair deal in the disposition of Government property where it isn't necessary to use it for the original purpose. It is for that reason that we are here. It makes me smile sometimes, when I think of the effort we have put forth in trying to save about $16,000 worth of property that was acquired by the United States when we could be doing so many other things more profitably.

It isn't the funds that are at stake. Our community is a pretty well-to-do community; it is a good agricultural area. I imagine they could go out and buy the buildings and put them up there new if they wanted to, under a community project. We have done some things, communitywise from time to time that have cost a good deal more than that. We are building new churches, a million-dollar school. One night when I was chairman of the local Rotary Club they wanted a golf course up there in my community and we raised $30,000 in one evening and they are playing golf up there now.

It isn't because we are so desperate. We are in one of the best agricultural areas in the United States. But there is some principle involved in this thing. It seems to me it needs to be discussed. It is a principle that ought to be good business sense for the Government and that is what we are concerned about.

I think it is possible for the Congress of the United States, if there have been some errors in the law, they could be corrected to the point where there would be equity established, and so that everybody would be happier than they are at the present time.

Our conservation commission down there, when we visited with them last winter, recognized our situation and then they came up, after they had been given the property, they came up with having to make decisions which are not according to their best judgment. In other words, they have jurisdiction over areas in which they could use these facilities to better advantage in fish and game for instance, than in forestry. At least they would receive more of them, but their hands are tied also. I think they have an interest.

All we are asking is that there be the kind of equity in which good citizens are interested.

Mr. MATSUNAGA. I think you have made your point, Mr. Heline.

Mr. CALLAN. Mr. Heline, don't you think this could probably be

handled if you just amended the Commodity Credit Corporation Act to say that the Commodity Credit Corporation could take factors other than farm storage into consideration in the disposal of this property? Wouldn't this do the job?

Mr. HELINE. I think that would help, but at the present time we have gone too far. These buildings are tied up now in forestry. They have gone past the stage where we could do what you suggest. It could save other situations, but I would surely hope that action could be taken which would save the present situation while they are still there.

We now have a freeze all over the United States because of the situation and we don't want to continue the freeze all over the United States on these quonset buildings. We want them released, like everybody else does. I don't think it is fair that we have them tied up for any length of time.

Mr. CALLAN. They are tied up now, in other words.

Mr. HELINE. All the quonsets in the United States are tied up because of this action. The conservation people in the States that are involved are tied up. They can't do anything. They can't move. They are sitting idle at the moment.

All we are asking is that someone who has some authority—and if it isn't within the jurisdiction of the agencies of Government, then we do have the U.S. Congress, and that is why we are here appealing to you.

Mr. MATSUNAGA. If there are no questions, we thank you very much, Mr. Heline. We certainly appreciate your taking time out to be with us this morning and to come up on a matter such as this, which doesn't really involve too much, but involves real principle, as you say.

Mr. HELINE. Thank you, sir.

Mr. MATSUNAGA. Are there any other witnesses here?

Our next witness will be the Congressman from Iowa, Mr. John Hansen.

STATEMENT OF THE HON. JOHN R. HANSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Mr. HANSEN. Mr. Chairman and members of the committee, as you know, I am Congressman Greigg's next-door neighbor, as well as a next-door neighbor to Congressman Callan. We come from an area where we have a lot of wide open spaces and I concur in what Mr. Heline has said, that this sounds like we are making a mountain out of a molehill, but this question of storage and space in our part of the country is just a little more crucial in the minds of our people than might ordinarily be the case under a given set of circumstances elsewhere.

Now, the thing sums up briefly this way: That there is a situation which could benefit many of our local communities in rural America and this has come about because there has been a successful reduction in our agricultural surpluses and that has left many of these quonset-type storage bins that are no longer needed for that purpose.

It is my understanding that under present law such a building is not purchased by a local farmer or a local firm for grain storage and cannot be held in its present location but is offered to other Federal

agencies and, failing their disposition, it is finally placed in the hands of General Services Administration for disposal.

This usually means that it is shipped away and the concrete base upon which it rests is broken up and too often these buildings are sorely needed. The communities are endeavoring to grow. I think it is a question of where the utilization would be much more beneficial to the country as a whole leaving it where it is rather than sending it to another State, or perhaps to a foreign country.

There are many local governmental or quasi-governmental groups who can use these excellent facilities that are in fine shape. As has been mentioned here before, there is a dire need in practically every county for school bus storage and for county road department storage and for 4–H Club space. The fine thing about these surplus buildings is that they are located in areas where they can be put to use without a lot of expense. This situation offers Congress a unique opportunity to develop much of the local potentiality we have in this area and at the same time save the taxpayers the cost of moving these facilities around the country.

I believe that the purpose of this bill would be realized best if school boards, city councils, county boards of supervisors and other quasi-governmental agencies be given the first opportunity to acquire these buildings after the agriculture requirements have been met in the area.

I urge the committee to approve this bill or a similar piece of legislation that would reach that goal and which would allow and encourage the facilities to be used in these various ways.

I want to point out one additional factor which I think has been overlooked and that is by opening up this one extra slot of acquisition possibility on the part of the potential buyer, I think you are creating a situation where you will have a greater potential market and thus serve the interests of the government and the public to a better degree by bringing about a situation where you have a possibility of a greater number of bidders for these facilities and thus arrive at a better price at the local point.

With that I thank you for your time.

Mr. MATSUNAGA. Thank you, Mr. Hansen. We certainly appreciate your appearing before the committee and sharing with us your views.

Are there any other witnesses?

Mr. CALLAN. I have just one short statement, Mr. Chairman. Most all of this has been covered, but I would like to add one point.

We are considering legislation to establish community development districts. It just occurred to me we could use these unneeded general storage facilities in these rural areas and it would certainly complement this program.

Mr. MATSUNAGA. Thank you very much.

Are there any other statements?

I have a statement from Congressman William L. Hungate and a letter here addressed to me as chairman of the subcommittee, from Senator George McGovern of South Dakota.

Without objection I will have these made a part of the record at this point.

(The statement and letter referred to follow:)

STATEMENT OF HON. WILLIAM L. HUNGATE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. Chairman and other distinguished Members of the Committee on Agriculture, I appear before you today because I strongly believe that the Department of Agriculture is unnecessarily restricted in its authority to dispose of grain storage facilities.

For far too long such facilities have been declared excess property and have not been offered to the private purchaser for uses other than those having to do with the storage or handling of grain commodities.

If the Department of Agriculture has no expressed need of a grain storage structure; and if the minimum price as set by the Secretary of Agriculture is not met by a private bidder seeking the structure for agricultural storage purposes, then said property should be offered for sale to any reputable public or private nonprofit buyer, for unrestricted use.

Let our laws recognize the need for flexibility in administering the disposition of agricultural storage facilities. I respectfully request that this Committee recommend passage of H.R. 12360.

U.S. SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
July 15, 1966.

Hon. SPARK M. MATSUNAGA,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MATSUNAGA: I have been advised that your Subcommittee of the House Agriculture Committee is currently holding hearings on Congressman Stanley Greigg's bill, H.R. 12360, which would allow the Department of Agriculture to dispose of excess grain storage facilities directly to school districts. I would appreciate having my views on this matter made a part of the hearing record.

As you know, the Department is presently required to transfer these bins to the General Services Administration when they become excess to the Department's needs. Under the provisions of the Federal Property and Administrative Services Act, GSA then offers them to other Federal agencies and, if there is no demand, they may be disposed of to school districts through the Department of Health, Education and Welfare.

I have been in close contact with several cases in recent months where this procedure has resulted in bins being unavailable to schools in the same community in which they are located, because they are claimed by Federal installations a considerable distance away. The Subcommittee will no doubt be advised of instances where bins have been moved great distances, at substantial cost, instead of staying in the same locality and filling a legitimate public need.

In my contacts with officials of the General Services Administration, I have found that they are sympathetic to these problems, but that they are bound by present law. I am of the opinion that a change in the law is highly warranted, and that the Greigg bill has great merit. The Subcommittee may also want to consider the possibility of allowing the General Services Administration to sell the bins to school districts at a price equal to the assessed value minus the cost of transporting it to the location at which it is demanded by a Federal agency.

I will be very much interested in your progress on this legislation, and appreciate your courtesy in allowing me to offer my comments.

With every good wish, I am,

Sincerely yours,

GEORGE MCGOVERN.

Mr. MATSUNAGA. As outlined above, the Senator supports Mr. Greigg's bill and requests that he be recorded as being in favor of the Greigg bill.

Are there any further statements?

If not, it has been suggested that the GSA be called as a witness. Is there any objection from members of the subcommittee? The feeling is that unless GSA is heard from we may run into opposition on the floor.

Mr. GREIGG. Mr. Chairman, I have no objection to having the GSA appear before the committee, but I think in all frankness the members of this committee know about the attitude of the General Services Administration; we know that they are not going to be very excited about the suggestion of giving up some of their jurisdiction. If the GSA would want to appear and it is the consensus of the committe that the members would want to hear someone from the GSA, certainly I would not object to it.

Mrs. MAY. Would the gentleman yield?

Mr. GREIGG. Yes.

Mrs. MAY. Have you contacted them, Mr. Greigg?

Mr. GREIGG. Oh, yes; and I can tell you, Mrs. May, that I have a very substantial folder of correspondence on this issue between the Department of Agriculture and the General Services Administration as it relates to the bill introduced.

Mr. HANSEN of Iowa. Isn't it true actually about all you are asking to have done is to set one more slot in the process before it reaches GSA?

Mr. GREIGG. Yes.

Mr. MATSUNAGA. If there is no objection, the subcommittee will stand adjourned until further call of the Chair.

(Whereupon, at 11:50 a.m., the subcommittee was adjourned, to reconvene at the call of the Chair.)

○