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RICE ACREAGE ALLOTMENTS

GOVERNMENT

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON OILSEEDS AND RICE

OF THE

COMMITTEE ON AGRICULTURE

HOUSE OF REPRESENTATIVES

NINETIETH CONGRESS

FIRST SESSION

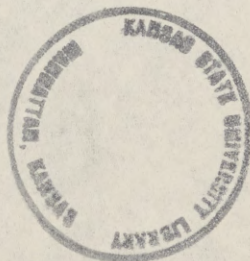
ON

H.J. Res. 263

MARCH 7, 1967

Serial E

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It is recommended to consider the

RICE ACREAGE ALLOTMENTS

TUESDAY, MARCH 7, 1967

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OILSEEDS AND RICE OF THE
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 11 a.m., in room 1302, Longworth House Office Building, Hon. Maston O'Neal (chairman of the subcommittee) presiding.

Present: Representatives O'Neal, Gathings, Purcell, Rarick, Wampler, and Mathias.

Also present: Representatives Mayne, Burke, and Myers. Christine S. Gallagher, clerk; Hyde H. Murray, assistant counsel, and Fowler C. West, assistant staff consultant.

Mr. O'NEAL. The Subcommittee on Oilseeds and Rice will come to order.

The meeting this morning is scheduled to consider House Joint Resolution 263 introduced by our own vice chairman of the full committee and a member of this subcommittee, Mr. E. C. Gathings, of Arkansas.

Before we begin the business of the subcommittee, I would like to say that we are privileged to have with us this morning a very distinguished guest. He is Mr. Wallace Edward Rowling, a Member of Parliament of New Zealand. Incidentally, he is a member of the standing Committee on Land and Agriculture, and has been since 1962. He is also a member of the Committee on Labor.

Mr. Rowling is in this country attending the Governmental Affairs Institute and is accompanied this morning by Mr. Gene Harris of that institute.

We are very delighted to have both of these gentlemen with us. I note here that Mr. Rowling has done considerable travel in his time. He was a Fulbright student in this country back in 1955-56. He worked, I believe, in Singapore, Malaya, in 1959. He has done considerable traveling. We are very glad to have you with us. Will you stand please, Mr. Rowling and Mr. Harris? [Applause.]

Without objection, House Joint Resolution 263 will be made a part of the record at this point, along with any department reports.

(H.J. Res. 263 and report follow:)

[H.J. Res. 263, 90th Cong., first sess.]

JOINT RESOLUTION Relating to the establishment of 1967 farm rice acreage allotments for certain producers and farms

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That for the crop year 1967, in each State in which farm rice acreage allotments are determined on the basis of past produc-

tion of rice and past acreage allotments of producers on the farm there shall be made available from the national acreage reserve for 1967 such acreage as is required for producers who did not produce rice in any of the five years immediately preceding the crop year 1967 sufficient to apportion to each person who prior to 1955 acquired in an established rice-producing area in fee simple land suitable for the production of rice with the intention of producing rice on such land, but did not produce rice on such land in any of the years 1950 to 1954, inclusive, due to being in the military service during such period, a rice acreage allotment of sufficient size to constitute an economic rice operation for the producer, taking into consideration the total acreage of land so acquired which is classified as cropland, the suitability of such cropland for the production of alternative crops, the source and availability of irrigation water, the producer's farming background and dependence upon farming as a livelihood, and the extent of ownership or interest in other lands devoted to the production of agricultural commodities: *Provided*, That for the crop year 1967 the producer rice allotment apportioned to such person shall, as a condition of the apportionment, be allocated to the land so acquired by him; and in States in which farm rice acreage allotments are determined on the basis of past production of rice and past acreage allotments on the farm there shall be made available from the national acreage reserve for 1967 such acreage as is required for farms on which rice was not produced in any of the five years immediately preceding the crop year 1967 sufficient to apportion to each farm containing land suitable for rice production which was acquired in an established rice-producing area in fee simple prior to 1955 by a person with the intention of producing rice on such farm but rice was not produced on the farm containing such land in any of the years 1950 to 1954, inclusive, due to the owner thereof being in the military service during such period, an acreage allotment for such farm of sufficient size to constitute an economic rice operation, taking into consideration the total acreage of land so acquired which is classified as cropland, the suitability of such cropland for the production of alternative crops, the source and availability of irrigation water, the owner's farming background and dependence upon farming as a livelihood, and the extent of ownership or interest in other farms devoted to the production of agricultural commodities.

SEC. 2. For the crop year 1967, in the case of any producer or any farm, as the case may be, to which the provisions of section 1 of this resolution would apply except for the fact that the producer or farm has since 1954 been apportioned a new producer or new farm allotment, there shall be made available from the national acreage reserve for 1967 sufficient acreage to provide each such producer or farm an increase in the producer or farm acreage allotment otherwise determined sufficient to establish an allotment for the producer or farm of sufficient size to constitute an economic rice operation for the producer on the farm, taking into consideration the total acreage of land acquired by the producer which is classified as cropland, the suitability of such cropland for the production of alternative crops, the source and availability of irrigation water, the owner's farming background and dependence upon farming as a livelihood, and the extent of ownership or interest in other lands devoted to the production of agricultural commodities.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 16, 1967.

Hon. W. R. POAGE,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR MR. CHAIRMAN: On March 7, 1967, H.J. Res. 263, "relating to the establishment of farm rice acreage allotments for certain producers and farms," was approved and reported with an amendment by the Oilseeds and Rice Subcommittee to the Full House Agriculture Committee.

Prior to this action, the Subcommittee held hearings on the measure at which time, William O. Shofner, the official spokesman for the Department, presented a prepared statement pointing out the reasons why the Administration took *an adverse position* on the legislation. Also in previous years when requested by the Chairman of the House Agriculture Committee to express our views on this same legislation, the Administration took a negative position on it.

We would like to make it clear that the hearing record of March 7, 1967, contains conflicting testimony from Department officials as to the official position of the Administration. Mr. Shofner was delegated by this Department to present

the official views on H.J. Res. 263. These views had been cleared with the Bureau of the Budget from the standpoint of the Administration's program. Any statement in the Subcommittee hearing record made by other Department officials conflicting with the position stated by Mr. Shofner, whether general information, statistics, or suggested amendment have no official status and are contrary to the position of the Administration and the Department of Agriculture.

As stated in Mr. Shofner's testimony in his appearance before the Subcommittee on Oilseeds and Rice, April 7, 1965, and again on March 7, 1967, and in our legislative report of July 20, 1965, to the Chairman of the House Committee on Agriculture, it was pointed out how this legislation would discriminate against others who would like to grow rice, reduce the allotments of the traditional grower, and could lead to requests for similar type legislation for growers of other commodities. In the view of this Department, each of these points continues to be valid notwithstanding the amendment to the resolution as reported by the Subcommittee.

We further pointed out eligibility of an allotment under the resolution would depend, in part, on a person's intended actions during a period of from 12 to 17 years ago. We are more than a decade removed from the last year of the base period provided by law for establishing rice allotments. During the interim most persons engaged in agriculture as a livelihood have developed their farming operations in the context of legislation which has been in effect. In other words those producers who have made other farming arrangements, at considerable expense to them, would not look with favor upon the legislation in view of the date of its consideration and enactment.

Whenever we undertake to solve the problem of one citizen by special legislation—which we understand is the principal objective of H.J. Res. 263—it involves discriminatory action against many others who have observed the rules and regulations of the farm programs over the years, and undermines the concept of fair and equitable treatment that we continually seek to adhere to in all of our farm commodity programs and operations.

Enclosed is a copy of our report on H.J. Res. 305 (89th Congress), and the Department's statement of March 7, 1967 on H.J. Res. 263. The Department's statement before the Subcommittee on Oilseeds and Rice of March 7, 1965, is contained in the Committee records. The hearing was not printed.

Sincerely yours,

JOHN A. SCHNITTKER,
Under Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 20, 1965.

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

DEAR MR. CHAIRMAN: This responds to your request of April 8, 1965, for a report on H.J. Res. 305 "Relating to the establishment of 1965 farm rice acreage allotments for certain producers and farms."

This resolution would enable persons who acquired land suitable for the production of rice prior to 1955, but did not produce rice on such land in any of the years 1950 through 1954, (the base period provided by law for establishing rice allotments), due to being in the military service during such period, to obtain a producer rice allotment allocated to the farm, or farm rice acreage allotment, of sufficient size to constitute an economic rice operation. The allotment acreage required for this purpose would be allocated from the national reserve for 1965. Further, any producer or any farm to which the resolution would apply, and to which a new producer or new farm allotment has been apportioned since 1954, would receive an allotment increase of sufficient size as to provide an allotment which would constitute an economic rice operation for the producer on the farm.

The resolution, in effect, would set up a form of preference in the establishment of rice acreage allotments to those persons in the military service during the period 1950 through 1954 (the base period used in establishing allotments for 1955), if such persons had acquired land suitable for the production of rice prior to 1955, and if they intended to produce rice during this period of years but were prevented because of military service. We are in complete agreement that veterans of the Armed Forces serving during the Korean period, and in other emergency periods as well, are entitled to, and should, receive appropriate consideration as to rights and benefits commensurate with their service. Many

broad statutes have been enacted, and administrative regulations placed in effect, aimed at these objectives.

However, H. J. Res. 305 would disadvantage established growers of rice because their acreage allotments would be reduced to the extent that a portion of the allotment is withheld for issuance to veterans. Established rice producers—those who have traditionally grown this crop—would not favor such a departure from well established procedure heretofore followed.

Enactment of legislation for rice of the kind contemplated by the resolution could lead to requests for similar treatment in respect to other allotment and marketing quota crops. All such programs thus might be open to revision of this kind.

Further, enactment of this legislation could lead to request for comparable treatment for Armed Forces veterans serving during emergency periods other than the Korean period. No such legislation was enacted on behalf of veterans of World War II. Even today some members of our Armed Forces are serving in various parts of the world under conditions somewhat akin to those existing during the Korean Emergency.

Eligibility for an allotment under the resolution would depend, in part, on a person's *intended* actions during a period of from 10 to 15 years ago. We are a decade removed from the last year of the base period provided by law for establishing rice allotments. During the interim most persons engaged in agriculture as a livelihood have developed their farming operations in the context of legislation which has been in effect. In other words those producers who have made other farming arrangements, at considerable expense to them, would not look with favor upon the legislation in view of the date of its consideration and enactment.

Administration of the legislation would raise a number of problems such as, for example, the determination of a person's intended actions more than a decade ago. This was a time during which there were relatively large numbers of persons serving in the Armed Forces; while we have no basis for an estimate at this time, it is likely that a number of these owned or acquired land during this emergency period. Some of these people may, of course, be eligible for a rice allotment under the provisions of this resolution; in this situation it would be necessary to make a decision as to their intentions, based upon such information as could be ascertained. Other complexities would arise in determining the size of allotment which constitutes an economic rice operation, taking account of factors such as the total acreage of cropland and sizes of rice allotments of other producers. Based upon data for 1963, the U.S. average rice allotment was about 125 acres. The average for the State of Arkansas was about 87 acres; however 47 percent of the rice allotments in this State were under 51 acres. It seems apparent that many of these allotment holders—who have obtained allotments based upon history in the manner now provided by law—would not view their allotment as constituting "an economic rice operation," the standard provided by H.J. Res. 305.

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,
Secretary.

STATEMENT OF WILLIAM O. SHOFNER, DEPUTY DIRECTOR, POLICY AND PROGRAM
APPRAISAL DIVISION, ASCS, U.S. DEPARTMENT OF AGRICULTURE

H.J. Res. 263 "Relating to the establishment of 1967 farm rice acreage allotments for certain producers and farms" would enable persons who acquired land suitable for the production of rice prior to 1955, but did not produce rice on such land in any of the years 1950 through 1954 (the base period provided by law for establishing rice allotments), due to being in the military service during such period, to obtain a producer rice allotment allocated to the farm, or farm rice acreage allotment, of sufficient size to constitute an economic rice operation. The allotment acreage required for this purpose would be allocated from the national reserve for 1967. Further, any producer or any farm to which the resolution would apply, and to which a new producer or new farm allotment has been apportioned since 1954, would receive an allotment increase of sufficient size as to provide an allotment which would constitute an economic rice operation for the producer on the farm.

In effect, the resolution would constitute a kind of preferential treatment in the establishment of rice acreage allotments, favoring those persons in the military service during the period 1950 through 1954 (the base period used in establishing allotments for 1955), if such persons had acquired land suitable for the production of rice prior to 1955, and if they intended to produce rice during this period of years but were prevented because of military service. We are in complete agreement that veterans of the Armed Forces serving not only during the Korean period but in other emergency periods as well, are entitled to, and should, receive appropriate consideration as to rights and benefits commensurate with their service. Many broad statutes have been enacted, and administrative regulations placed in effect, aimed at these objectives.

But H.J. Res. 263 would disadvantage established growers of rice to the extent their acreage allotments would be smaller because a portion of the allotment is withheld for issuance to veterans. Established rice producers—those who have traditionally grown this crop—would not favor such a departure from established procedure followed in the past.

Enactment of legislation for rice of the kind contemplated by the resolution could lead to requests for similar treatment in respect to other allotment, base acreage, or marketing quota crops. All such programs thus might be open to revision of this kind.

Enactment of this legislation could lead to requests for comparable treatment for Armed Forces veterans serving during emergency periods other than the Korean period. No such legislation was enacted on behalf of veterans of World War II. At this very time members of our Armed Forces are serving in various parts of the world under conditions largely comparable to those existing during the years of the Korean Emergency.

Eligibility for an allotment under the resolution would depend, in part, on a person's intended actions during a period of from 12 to 17 years ago. We are more than a decade removed from the last year of the base period provided by law for establishing rice allotments. During the interim most persons engaged in agriculture as a livelihood have developed their farming operations in the context of legislation which has been in effect in these years. In other words those producers who have made other farming arrangements, at considerable expense to them, would not look with favor upon the legislation in view of the date of its consideration and enactment.

Administration of the legislation would raise a number of problems such as, for example, the determination of a person's intended actions well over a decade ago. This was a time during which there were relatively large numbers of persons serving in the Armed Forces; while we have no precise basis for an estimate, it is possible that a number of these owned or acquired land during this emergency period. Some of these people may, of course, be eligible for a rice allotment under the provisions of this resolution; in this situation it would be necessary to make a decision as to their intentions, based upon such information as could be ascertained. Other complexities would arise in determining the size of allotment which constitutes an economic rice operation, taking account of factors such as the total acreage of cropland and sizes of rice allotments of other producers.

MR. O'NEAL. The first witness scheduled to be heard this morning is Mr. J. Alton Satterfield, Deputy Director of the Grain Policy Staff, ASCS, U.S. Department of Agriculture.

MR. SATTERFIELD. Mr. Shofner, also from the Department, is here. He has been designated to present the Department's position on this resolution; so, if you do not mind, I would prefer to have Mr. Shofner proceed me.

MR. O'NEAL. I will change the order then and call Mr. Shofner in accordance with your suggestion. Mr. Shofner is Deputy Director of the Policy and Program Appraisal Division of the ASCS, U.S. Department of Agriculture.

Will you come forward and present your statement?

STATEMENT OF WILLIAM O. SHOFNER, DEPUTY DIRECTOR, POLICY
AND PROGRAM APPRAISAL DIVISION, ASCS, ACCOMPANIED BY
EDWIN F. ROLLINGS, FARMER PROGRAM DIVISION, ASCS, U.S.
DEPARTMENT OF AGRICULTURE

Mr. SHOFNER. This is a brief prepared statement which represents the Department's views on House Joint Resolution 263. This is a measure identical to a measure introduced in each of the two previous Congresses. The statement that I am about to present is largely the position of the Department in a report on a similar measure made in the last Congress. When we understood you wanted someone to testify on this matter, the Department undertook to get clearance on its position and it has gotten the approval of the Bureau of the Budget on this particular statement. Although the Department has not been asked to report on this particular bill, this does reflect the Department's views.

Mr. O'NEAL. Will you please proceed?

Mr. SHOFNER. H.J. Res. 263, "Relating to the establishment of 1967 farm rice acreage allotments for certain producers and farms" would enable persons who acquired land suitable for production of rice prior to 1955, but did not produce rice on such land in any of the years 1950 through 1954 (the base period provided by law for establishing rice allotments) due to being in the military service during such period, to obtain a producer rice allotment allocated to the farm, or farm rice acreage allotment, of sufficient size to constitute an economic rice operation. The allotment acreage required for this purpose would be allocated from the national reserve for 1967. Further, any producer or any farm to which the resolution would apply, and to which a new producer or new farm allotment has been apportioned since 1954, would receive an allotment increase of sufficient size as to provide an allotment which would constitute an economic rice operation for the producer on the farm.

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Mr. O'NEAL. Thank you, Mr. Shofner.

The Chair will recognize the author of the resolution, Mr. Gathings.

Mr. GATHINGS. Since Mr. Shofner is on the stand, Mr. Chairman, I would like to ask him a few questions.

Mr. O'NEAL. Please proceed.

Mr. GATHINGS. Would you explain to the subcommittee the present rice laws that are on the statute books applicable to the rice program today?

Mr. SHOFNER. In effect, we have a program involving a rice acreage allotment having a minimum of about 1.6 million acres. The allotment for 1967 is slightly over 2 million acres.

Mr. GATHINGS. Will you state to the subcommittee how that came about, by what steps that came up to that figure?

Mr. SHOFNER. The allotment for 1967 is identical with the allotment for 1966 as to size; that is, the acreage. It was originally set at 1.8 million acres and was just recently increased 10 percent to fractionally over 2 million acres.

Under legislation now in effect and, I believe, under provisions of the Agricultural Act of 1965, when the allotment is reduced below 1.8 million acres, even though the statutory minimum is 1.6 million acres, producers would be offered a diversion program, involving payments

for making the reduction below 1.8 million acres. The program has been in effect since the allotment and quota program for rice has been in effect, since, I believe, 1955—all of the years since the period of years covered by this resolution.

Mr. GATHINGS. The 1949 act is the basic rice program or legislation?

Mr. SHOFNER. This is the basic legislation, but it has been amended several times since then; but the program runs back to 1949 and the period, of course, covered by this resolution relates to acreages of producers during the 1950 through 1954 period. These were the base period years which were used in establishing allotments.

There are other parts of the legislation which, in effect, require that when allotment increases are made nationally, pro rata increases are credited to each State on the basis of the pattern which prevailed, I believe, in 1956. So, increases in the allotment, you see, which have come about since 1956, have been made on a pro rata basis to the States and to the counties.

Mr. GATHINGS. And the 1949 act permits the Secretary of Agriculture to meet the needs by increasing the allotment above that figure?

Mr. SHOFNER. This is true, yes, sir.

Mr. GATHINGS. That is the original base?

Mr. SHOFNER. Yes, sir.

Mr. GATHINGS. You have referred to 1951, 1952, 1953, and 1954 as the base years?

Mr. SHOFNER. Yes, sir; 5 years, 1950 through 1954.

Mr. GATHINGS. Those 4 years were wide-open years, were they not, Mr. Shofner?

Mr. SHOFNER. What do you mean "they were wide-open years"?

Mr. GATHINGS. Where a ricegrower could plant all of the rice that he wanted to plant, in those years. Could he not, Mr. Shofner?

Is this correct?

Mr. ROLLINS. Except for the year 1950—the year 1950.

Mr. GATHINGS. That was the year that the program went into effect. In those 4 years they were wide-open years?

Mr. ROLLINS. That is true.

Mr. SHOFNER. This is Mr. Rollins who is accompanying me, Mr. Gathings.

Mr. GATHINGS. That was during the Korean conflict, was it not?

Mr. SHOFNER. Yes, sir.

Mr. GATHINGS. There was a need for food like there is today, and we need an awful lot of grain to meet the needs of the people as a result of the population explosion throughout the world.

Let me ask you this question: What is the proportion between rice grown in the United States as compared to all rice production over the world?

Mr. SHOFNER. It is relatively small, Mr. Gathings.

Mr. GATHINGS. Mr. Rollins, do you know?

Mr. ROLLINS. I am not sure what it is.

Mr. GATHINGS. Approximately?

Mr. ROLLINS. It is practically nil. I do not have the figures. I do not believe I have that information at the moment.

Mr. SHOFNER. It is relatively small.

Mr. SATTERFIELD. I do not have it either.

Mr. SHOFNER. It is quite small; it is very small. I do not have the figures with me.

Mr. GATHINGS. Now, then, there were an awful lot of areas that were not growing rice, in the 4 years when the controls came into effect; is that not true?

Mr. SHOFNER. Yes, sir.

Mr. GATHINGS. And, again, in 1951, 1952, 1953, and 1954, in those 4 years, these new areas commenced growing rice, because they wanted to grow rice and rice was needed badly for the war demands?

Mr. SHOFNER. Additional rice was produced during this period of time. I think that the areas that were producing rice were really the same areas, but there was an expansion in the areas, yes, sir. Rice has, for many years, been produced in the same traditional areas countrywide.

Mr. GATHINGS. That is true. In my district, in one county in particular, it had not grown a stalk of rice until the controls were thrown off, during the Korean conflict, in 1951 or 1952, 1953, and 1954.

Mr. SHOFNER. Yes, sir.

Mr. GATHINGS. How were these new areas given their allotment in 1955? As the result of what?

Mr. SHOFNER. The acreage that was planted during the base years was used as an average with adjustments for the determination of rice allotments initially, so that farmers who did produce rice during this base period were eligible for an allotment.

Mr. GATHINGS. So that these new areas did come into the program that had not produced rice before?

Mr. SHOFNER. They came in to the extent that they had production during this base period.

Mr. GATHINGS. During the base period?

Mr. SHOFNER. Yes.

Mr. GATHINGS. That is right.

Mr. O'NEAL. Without regard to what they had been doing prior to that period?

Mr. SHOFNER. This is true, because the base years were 1950-54, a 5-year period.

Mr. GATHINGS. What was the first year that we got that 10 percent increase that you mentioned—the first 10 percent over the base national allotment of one million six?

Mr. SHOFNER. I believe it was 1962, but I am not really certain, but this about the area.

Mr. GATHINGS. And the Secretary determined that we needed more grain, that we needed more rice, and increased the acreage allotment?

Mr. SHOFNER. This is right.

Mr. GATHINGS. By 10 percent?

Mr. SHOFNER. Yes.

Mr. GATHINGS. Now, he found that we needed additional rice in 1966?

Mr. SHOFNER. This is true.

Mr. GATHINGS. People had urged him; that is, the people in California and in Arkansas and in Louisiana and also in Mississippi, the principal rice-growing areas, all had an increase, and the Secretary did provide that, which made it go up a little more than 2 million acres across the belt?

Mr. SHOFNER. Yes, this was done in 1966, yes, sir.

Mr. GATHINGS. Now, what is the amount of the national reserve?

This legislation would fix the acreage at a figure equal to that of an economic unit acreage to come out of the national reserve. What is the national reserve acreage now?

Mr. SHOFNER. It is a little less than 700 acres. It is about 672 acres, both for 1966 and 1967.

Mr. GATHINGS. How much of that 672 acres were used in 1966?

Mr. SHOFNER. Actually, very little.

Mr. GATHINGS. Very little?

Mr. SHOFNER. I do not have the figures on that. I am not sure but very little was used.

Mr. GATHINGS. Very little was used?

Mr. SHOFNER. Yes, sir.

Mr. GATHINGS. As a matter of fact, this legislation, if it were approved and the bill were passed and enacted into law, would not have an adverse effect on any grower who now grows rice, would it?

Mr. SHOFNER. I do not really know—If one could assume that the total acreage acquired—

Mr. GATHINGS. How much was used in 1965 of the 672 acres national reserve? We did have about that acreage in the reserve in 1965?

Mr. SHOFNER. Pretty close to that.

Mr. GATHINGS. Did we not have that amount in 1964?

Mr. SHOFNER. My point is that we have a reserve; that is, we had a reserve in 1966 of 672 acres. This acreage was available for certain corrections and appeals, and things of that kind. And if we had had this legislation, the acreage could have been used to cover cases of this kind.

My point is that I do not know how many cases would be covered by this legislation. There may or may not have been enough to cover the cases which could arise as a result of this legislation; you see? We do not have the figures.

Mr. GATHINGS. How many veterans have you known to come to your Department urging that this legislation be approved and that they be given the privilege of using some of that acreage?

Mr. SHOFNER. I do not know that we have heard from any veterans with regard to this specific legislation. We do get occasional letters from veterans.

Mr. GATHINGS. Mr. Mills introduced a bill 2 years ago, did he not?

Mr. SHOFNER. Yes, sir; it had been introduced in 1963.

Mr. GATHINGS. You mentioned there have been some years which have elapsed and that it is a difficult proposition after 10 years to evaluate. And that can be understood.

Mr. SHOFNER. Yes.

Mr. GATHINGS. And as to the people who would avail themselves of this legislation which is general in scope, those who have acquired land during these base years, that during the time that they were in service, for the production of rice—as a matter of fact, there is only one man who fits this category, is that not about right?

Mr. SHOFNER. I do not know. I understood that there was a man involved in this who would benefit by an allotment if this were enacted. I do not know whether or not this is the only man. When one writes

general criteria it is likely that other people will be dredged up, and that some could qualify.

Admittedly, this is not likely to be large, however; but there may be others. When we have general standards to apply, there certainly could be several cases. How many, overall, there may be, though it may be very few, we really do not know. I would believe that they would be relatively small in number, yes.

Mr. HANSEN. If you will yield?

Mr. GATHINGS. Yes.

Mr. HANSEN. I would like to ask this question:

You say that you do not know what you are getting into.

Would you rather that this language be narrowed with regard to one individual?

Mr. SHOFNER. I do not believe that we could support it on this basis.

Mr. HANSEN. Can you support it on the existing basis?

Mr. SHOFNER. I do not believe so. No, the Department—

Mr. HANSEN. That is the question.

Mr. SHOFNER. If it were enacted and made applicable to one person, then we would know precisely that this one person was being given relief under the measure and that this is all it applied to.

When the language is more general, there could be a few more other cases, although admittedly they are not likely to be very many. We do not know. Actually, our grounds for our position on the bill are broader than this in the context that we have a number of commodity programs, undoubtedly to which legislation of this kind which applies to rice, could apply—and a situation which has existed in connection with the Korean emergency—the probability that similar situations were being experienced by other producers in other wars for other crops; it is on these grounds that the Department feels this is not desirable legislation.

Mr. HANSEN. Either in this general form or in specific form; is that correct?

Mr. SHOFNER. This is right, yes.

Mr. HANSEN. Which would you rather support, if you had a choice?

Mr. SHOFNER. We do not have a position on a choice, one or the other. We just do not favor this general approach.

Mr. O'NEAL. I would like to ask a question at this point.

Let us see how broad or how narrow it is.

If I understand the bill, the person who would desire to come under this bill must show a number of things. He must show that he had land suitable for growing rice during this period of 4 years. That is one thing.

Mr. SHOFNER. Yes, sir.

Mr. O'NEAL. He would further have to show that he was in the armed services abroad and was unable to establish a history during that period?

Do you agree with that?

Mr. SHOFNER. Well, he would have had to be prevented from growing rice, because of service in the Armed Forces.

Mr. O'NEAL. That is another way of saying what I was trying to say.

Mr. SHOFNER. I agree with you, yes, sir.

Mr. O'NEAL. Then he would further have to show that it was his intention to grow rice during this period but that he was prevented from doing so because of military service?

Mr. SHOFNER. Being in military service, yes, sir.

Mr. O'NEAL. I am thinking about other crops at this point. Is there not something else that he would have to show under this particular bill? Would he not have to show that he had constructed the necessary water system from wells and the like to produce the rice? Would he not have to show under this bill that he did those things, too?

Mr. SHOFNER. I do not know whether he would have to show that as having been done at that time or not. The bill's language says that you should take into consideration other factors. And one of these is the source and availability of water. Whether or not this means that the water had to be there at that time, and available, or whether it is just there now, I do not know.

Mr. O'NEAL. You are concerned that there might be other people who could show their intentions during this 4-year period—during the Korean conflict; that is your real concern is it not?

Mr. SHOFNER. Our real concern is that this legislation, applying to a particular commodity, to one or a few individuals, may lay the groundwork for legislation of similar nature affecting other emergencies and other crops.

Mr. O'NEAL. Should this bill become law and if this individual were to receive a rice allotment, who would decide the number of acres that he would get?

Mr. SHOFNER. Well, the issuance of an allotment would be handled, as other allotments are. His history records would be brought together. They would be screened through the county ASCS committee.

Mr. O'NEAL. I do not mean that. Would it be decided in Washington or the State of Arkansas, for example?

Mr. SHOFNER. Well, it would be decided on the basis of the recommendations by the county committee that reports to the State ASCS.

Mr. O'NEAL. And the county committee would recommend it to the State committee who would either approve or disapprove, and the final decision would be made here in Washington?

Mr. SHOFNER. This is correct. Our concern is in checking to see that the total allotment in the county or the State are within the approved total, but this is, essentially, correct, sir.

Mr. O'NEAL. That is, the way that I described it?

Mr. SHOFNER. Yes, sir.

Mr. O'NEAL. Are there any further questions by members of the subcommittee?

Mr. GATHINGS. Yes, Mr. Chairman. It so states on page 2, and I quote: " * * * a rice acreage allotment of sufficient size to constitute an economic rice operation for the producer."

What would be an economic operation for a producer in a situation in which the present support level on rice is 65 percent of parity, whereas the 1949 act provided that it should be 65 to 90 percent of parity support for rice, and it has been lowered down to where it is, to 65 percent? That is not very high.

Mr. SHOFNER. I believe it is about that.

Mr. GATHINGS. What would you say would be an economic unit?

Mr. SHOFNER. I am not sure that I can answer as to an economic unit, which would be based upon many things, certain criteria, certain factors that are set forth in the bill. I think that it would depend on whether or not the producer had alternative income from farming, whether rice was the sole crop that he was producing. It would depend upon the amount of land that he had and his ability to produce rice.

Mr. GATHINGS. If he had to buy a combine, and if he had to dig a well, and to put in irrigation ditches, to grow that rice. He may need a combine which would be paid for over a period of years. What size would you say would warrant an "economic" operation?

Mr. SHOFNER. I am afraid that I could not answer that question, Mr. Gathings, because I think if we were doing this under the legislation, we would need to take account of where he was situated, and the size of allotments in the area where he lived.

It would be inappropriate, I think; certainly, it would be bad judgment to establish an allotment of a much larger size than the average in the community where this man lived. I think we run into difficulties there on just what an economic unit might be.

Mr. GATHINGS. It is quite different from tobacco, for example.

Mr. SHOFNER. Oh, yes, it is.

Mr. GATHINGS. Let me go off the record.

Mr. O'NEAL. Yes. Off the record.

(Discussion off the record.)

Mr. O'NEAL. On the record.

Mr. GATHINGS. It takes quite a lot of hand labor when you deal with tobacco; when you deal with crops that require all mechanization, why, of course, you can handle a lot more acres, like in wheat.

What would be the ordinary size of a wheat operation?

We have the chairman of the Subcommittee on Wheat and Livestock present with us. What would you say it would be?

Mr. PURCELL. We do not have any ordinary sized operations down in my State.

In the Midwest, in Ohio, and Indiana and Illinois, they have 15-acre wheat allotments. In other areas, you have 50 to 100 acres, and in the Far West and the Midwest, they have a lot of acres.

Mr. HANSEN. There are both general irrigation and dry farming.

Mr. PURCELL. I would not be sure what the allotments are in all areas.

We have many large-sized units, whether irrigated or not. All of these factors enter into the growing of wheat, which I would assume would make it very much different.

Mr. GATHINGS. Now, Mr. Shofner, you mentioned in your statement that there were regulations and laws on the statute books having to do with rice, did you not?

Mr. SHOFNER. Yes, sir.

Mr. GATHINGS. I note that there are some that apply to the Civil Service Commission and the Post Office Department. Everytime a list comes out from the Civil Service Commission it states on there whether or not the applicant is a five-point veteran or whether or not he is a 10-point veteran.

They have various designations in that fashion.

In any event, you cannot pass over the name of a veteran on an eligible roster and recommend a nonveteran whose name appears on the roster at a lower place than that of the veteran and name the nonveteran in a situation of that kind; that is, when a veteran happens to be on the top of the list or at a place higher than the nonveteran on the list. This Congress has recognized that situation in offering employment to these people. I know that it is true in the Post Office Department. I do not know about other departments. It may apply in other departments just as well. I know that they are chosen in that way in the Post Office Department. The Congress recognized that and there was a reason to do so.

I was not in World War II; I was not in World War I. I was entirely too young to enter the service in World War I but there were three stars hanging in our parlor window in World War I.

Those veterans in World War II, when they came home, were entitled to this veteran's preference.

We are asking here that this man who will testify here today be given the same privilege to make a living in growing rice where he acquired this land from his savings while he was in the service. So, the principle is the same. This is not new ground at all that the Congress is asked to traverse. It is as simple as that. It was good law when it was passed. It is still on the statute books.

You are not going to deny a fraction of an acre to any rice grower if this man is accorded an economic unit, if this bill is passed, since we do have more than 600 acres in the national reserve at this time; is that not right?

Mr. SHOFNER. We do have more than 600 acres in the national reserve.

As I say, if this were the only case to be covered by this legislation it is clear that an allotment within this could be established for him and it would not affect other allotment holders that year, because the reserve is there—yes, but there would be a question in future years as to how this allotment would be handled. Suppose the year comes along when the national reserve is established at the level of 600 or 700 acres and is needed for the purpose for which it was established, and one of these allotment holders has to be taken care of, in addition, it could very well impinge upon old allotment holders and the size of their allotments, because a larger reserve would be necessary.

Mr. GATHINGS. You do not have the figures as to just what the drain has been upon that national survey.

Mr. SHOFNER. I do not have the specific figures, although it has been very small, yes, sir.

Mr. O'NEAL. Mr. Rollins.

Mr. ROLLINS. I would like to revert back, if I may, to Congressman Gathings' earlier question along this line.

I do not believe it was clearly answered.

As I understand the wording and the language of this particular resolution, any allotment that might be granted under this, be it one or more for the 1967 program year, would be derived from the acreage reserve—that is, the national reserve—would come from the national reserve this year. Once that allotment is established from the national reserve, then in subsequent years that allotment would be used in the same manner as all other allotments already established

and would share in the allotments available to the States after the reserves have already been set aside.

So, what I am driving at is that while it comes out of the national reserve history, the next year it is set up alongside all the others and it receives its allotment from the regular allotments rather than the reserve allotment.

Mr. O'NEAL. Which is to be determined?

Mr. ROLLINS. Yes, but it would not come from the national reserve each year thereafter.

Mr. SHOFNER. It would draw from the national reserve only the first year. After that, you see it must be taken care of within the total of all old allotment holders.

Mr. GATHINGS. And it would be one additional rice grower.

Mr. ROLLINS. That is correct.

Mr. SHOFNER. Yes.

Mr. O'NEAL. You mean that the other rice growers would have to be reduced to compensate for this?

Mr. ROLLINS. Yes.

Mr. SHOFNER. Under this, after the initial year, this is true.

Mr. HANSEN. Will you yield?

Mr. GATHINGS. I yield, gladly.

Mr. HANSEN. Would this be possible: to have the national reserve reduced this amount permanently so that you do not have this squeeze? As I understand it, this rather small, and with some 2 million acres in the program, it seems that you would only have a relatively small effect by this.

Mr. SATTERFIELD. I anticipated that this question would come up, and have prepared a draft amendment to the bill that would protect other producers in the State or county from being adversely affected in subsequent years by allotments established under sections 1 and 2 of the bill. Since any person receiving an allotment under this bill would become eligible the following year to share in the State or county allotment along with all other producers, there needs to be incorporated into the bill authority permitting in subsequent years the transfer to the State or county allotment from the national reserve sufficient acreage to offset the allotments initially established under the bill.

Mr. HANSEN. This would meet the same objections that you raised?

Mr. SHOFNER. Well, this is not an objection on our part; it was just a statement of fact as to the way that the bill would apply.

I take it that what Mr. Satterfield has said is that he has language, the result of which would be to reduce the national reserve in future years by an amount which would represent the allotment size established the initial year under this bill.

Mr. O'NEAL. It is always coming out of the reserve then?

Mr. SHOFNER. In effect, it would have that effect, yes, sir. The national reserve can be up to 1 percent of the total allotment. It is not set at this high a figure. It is just a fraction of 1 percent. So, it could vary. And on the basis of administrative discretion, the reserve could vary from year to year, but we do say that if it would happen that a number of veterans would qualify under this, and the allotment set for the initial year, for example, consisted of hundreds of acres, that it would raise a problem in future years. And we be-

lieve inevitably over time it would work against the established old allotment holders.

Mr. HANSEN. I have one further question.

If the language were adopted to take this permanently out of the national reserve, and the only place that you had to work again was the national reserve, for any so-called future claims that might arise, then you would restrict this area to an area where the man could not get it out of the national reserve. In a sense, you have restricted this to a point where this will affect the people in production, if you do it this way. What would you say in this regard?

Mr. SHOFNER. I do not believe that we would favor the legislation even on this basis, simply because of the several reasons I made in the statement. It tends to set a precedent which we do not believe is a good one.

Mr. O'NEAL. Do you agree that it would keep it from getting out of hand?

Mr. SHOFNER. I think it would keep it from getting out of hand. It would clearly limit it, yes, sir.

Mr. O'NEAL. That is right.

Mr. SHOFNER. I will agree to this, yes, sir.

Mr. O'NEAL. It could never give you the fear that you presently have.

Mr. SHOFNER. It would always keep it within predetermined limits.

Mr. O'NEAL. In other words, what you are afraid of is that anytime some person who has been in the armed services might come and say, "I intended to grow some crop during this particular period," that is it might get out of hand. Is that what you are really worried about?

Mr. SHOFNER. We are also afraid that the producers of other crops having problems in other crops might look at this and extend this kind of legislation to their crop areas, and to some other emergency, and that the more bits and pieces of this kind we have make it such that we just consider this to be undesirable.

Mr. O'NEAL. This would keep it from getting out of hand?

Mr. SHOFNER. It would be limited under the terms that the gentleman suggested.

Mr. O'NEAL. I am familiar, of course, with some of the tobacco problems and those in peanuts, but here we are talking about rice, about which I do not know too much. Is it not true, in a particular locality, all of the land is not suitable for growing rice?

Mr. SHOFNER. This is true.

Mr. O'NEAL. In addition to this, is it not necessary that considerable expense go into the preparation of the land, such as the availability of water?

Mr. SHOFNER. Yes, this is true.

Mr. O'NEAL. I notice that on page 2 of the bill, and I will enumerate these things here, that the first thing that the man would have to show is that it would be due to his military service.

Mr. SHOFNER. Yes, sir.

Mr. O'NEAL. Then, if you drop down to line 7, then you take into consideration other factors: No. 1 is the total acreage that was acquired. And, 3, the suitability of the cropland for the production of alternative crops; and, 4, the sources of availability of irrigation water; and, 5, the producer farmer's background, and, 6, the extent of ownership in

other lands or interest in other lands devoted to the production of agricultural commodities.

It would occur to me that you would nail it down a little bit better if you had another in there that referred to the suitability of the land for the particular crop, such as rice, which would help to restrict it; would it not?

Mr. SHOFNER. Yes, sir, I think that is true.

Mr. O'NEAL. Your position is that you do not think that it can be restricted enough to keep you from having the worry that you have about anybody claiming that they intended to grow rice?

Mr. SHOFNER. Yes, sir; we have reservations about the number of people who might qualify under this. We have reservations about the principle involved in this approach, in the belief that there are advantages extended to veterans in other areas, and more appropriate areas, than agricultural acreage allotments; and, secondly, or thirdly, that this may be extended to other crops and other emergencies, and, fourth, it would be difficult to administer for a number of reasons that we have gone into in determining what an economic size unit was, and fitting him in with his neighborhood.

The impact upon the allotments in future years.

All of these are reservations we have about the measure, Mr. Chairman.

Mr. O'NEAL. Do you have any questions, Mr. Purcell?

Mr. PURCELL. I have no questions.

Mr. O'NEAL. Mr. Wampler?

Mr. WAMPLER. No questions.

Mr. O'NEAL. Mr. Mayne?

Mr. MAYNE. No questions.

Mr. RARICK. I want to make an observation, Mr. Chairman. I came in late, and I apologize for that. We have a young man returning from combat and investing his money in land. We all know that there is a limited number of farmers on the land and soon there will not be many more wanting to farm. It is difficult to get people to stay on the land. He comes to Congress and has to get a bill to beg for a license to grow rice on his own property. We are told that we have a national reserve.

May I ask who sets the national reserve?

Mr. SHOFNER. The national reserve is set by the Secretary in line with the provisions of the legislation which limit it to 1 percent of the allotments.

Mr. RARICK. Congress can enlarge the reserve and do what they want with it?

Mr. SHOFNER. Yes, sir.

Mr. RARICK. I notice that one comment in your statement is to the effect that other programs might be open to something of this kind, and that this is the main reason for opposing it?

Mr. SHOFNER. This is one of the reasons for opposing it.

Mr. RARICK. Do you see anything wrong in opening up the program?

Mr. SHOFNER. Yes, sir. We do not believe that this is the right approach. We do not believe that farm programs should be encumbered, if you want to use this word—

Mr. RARICK. How is that, again?

Mr. SHOFNER. By legislation which applies to specific groups to the detriment of established allotment holders and producers of these crops. We have to recognize that if we are operating marketing allotment programs, programs which are aimed at restricting or controlling the production, then some control——

Mr. RARICK. Do you know of economic programs which are called "poverty programs?"

Mr. SHOFNER. Yes, sir.

Mr. RARICK. Would you not say that they were devised and designed to promote certain groups?

Mr. SHOFNER. Yes.

Mr. RARICK. Then, why do you discriminate against the returned veteran in favor of these poverty programs?

Mr. SHOFNER. I would not say that the Department's programs are operating to discriminate against the veterans in favor of the poverty man.

Mr. RARICK. You would admit that you are discriminating?

Mr. SHOFNER. I would say that I am not; I would say that they are, perhaps. I admit that we are operating some programs running along poverty lines, yes sir; we have several of those.

Mr. RARICK. You have set up credit agencies, from which they can borrow money, and you encourage those in the low-income groups, so-called, to obtain loans to get into agriculture.

Mr. SHOFNER. We are doing a lot of things for the low-income people. I am not a specialist in this area, and I would not want to get involved in a lengthy discussion of exactly just what the Department is doing in the poverty area. I would simply say that we are doing a lot of things for them.

Mr. RARICK. And you are against one who has and for the one who has not?

Mr. SHOFNER. I would not say that.

Mr. RARICK. Thank you.

That is all, Mr. Chairman.

Mr. O'NEAL. Mr. Hansen.

Mr. HANSEN. Mr. Chairman, I think that the Department's representative has taken the position that they feel is the safest in this situation.

Mr. O'NEAL. Mr. Mathias, any questions?

Mr. MATHIAS. No questions.

Mr. O'NEAL. Mr. Gathings?

Mr. GATHINGS. I would like to ask permission to put some figures into the record which will be most enlightening, it seems to me, in this type of legislation when we consider it. I have some tables that were furnished to me by Mr. Satterfield, the gentleman who is here from the Department, dated February 2, 1966, and among these tables there are two or three items that I would like to read into the record.

It has been testified to here that the first year that the program on rice went into effect was 1950. Then the Korean war came along in 1951; there was no program, and there was no program in 1952, 1953, and 1954, and then the program began in 1955.

Mr. SHOFNER. Yes, sir.

Mr. GATHINGS. This table reflects the amount of allotments in the State of Arkansas in 1950, showing that my county of Crittenden had

570 acres, and that is all—570 acres of rice in 1950. And my county of Crittenden, according to these tables in 1955, after they had had 4 wide-open years had an allotment of 6,900 acres in 1955.

I want to call your attention, Mr. Chairman, to another county in Arkansas: Mississippi, which, according to the tables here, did not have an acre or any allotment in 1959—not one acre. In 1955, after the 4 years of open years, Mississippi County turns up with an allotment of 1,608 acres.

Those folks are my friends. They had an opportunity to grow rice like everybody else who was home and was not tied down in the military service. They had 1,608 acres. They had none whatever back there in 1950.

I think that we should permit a veteran to acquire land during the time while he was in service and saving his money, putting it into farmland, that we should give him the same privilege, the same opportunity that these farms in my home county of Crittenden have enjoyed and enjoy today—and those in the county of Mississippi. That is the situation in other counties in my State.

Mr. O'NEAL. Thank you, Mr. Shofner and Mr. Rollins.

We will now call on Mr. Satterfield.

I understand that you are deputy director of the grain policy staff of the ASCS of the Department of Agriculture.

Mr. SATTERFIELD. That is correct.

Mr. O'NEAL. Do you have a prepared statement?

Mr. SATTERFIELD. No, I do not, since Mr. Shofner testified on the bill 2 years ago which was similar to this one, we asked him to appear as the spokesman for the Department on the bill.

Mr. O'NEAL. Would you proceed with any statement that you care to make?

STATEMENT OF J. ALTON SATTERFIELD, DEPUTY DIRECTOR, GRAIN POLICY STAFF, ASCS, U.S. DEPARTMENT OF AGRICULTURE

Mr. SATTERFIELD. Mr. Chairman and members of the subcommittee, there has been considerable discussion on the point of determining the intention of a person acquiring land back during the base period years which were used in establishing rice allotments at the beginning of the current series of allotment years. Speaking as an individual, it is my feeling after having worked with the rice industry for 30-some-odd years and having had a part in each rice program that has been in effect since 1935, I do not believe that county committees would have any difficulty in determining what would constitute an economic rice operation for a particular farm. It would depend upon the locality in which the farm was located; whether it had well or canal irrigation—if it had well irrigation, how much water the well would supply, and, also, what rice-producing equipment the operator had to operate it with. I do not believe there would be any problem whatever in determining what would constitute an economic rice operation in a particular area.

Mr. O'NEAL. If a man has land suitable for growing rice, what does he have to do in the way of making water available?

Mr. SATTERFIELD. There is considerable expense.

It depends, again, on the locality. In the Grand Prairie area of Arkansas, for instance, where the water table has been falling each year, today they have a water lift something like 125 feet, and that is quite expensive, to lift water that distance would necessitate a little larger unit than it would in the area north of there in what we think of as the Post Oak Flat area of the White River Delta, where the water table is much closer to the surface, you probably would not have to lift the water more than 50 feet. Consequently, a producer could get by with a smaller operation than one could in the Grand Prairie area.

Mr. O'NEAL. Are there any questions of Mr. Satterfield?

Mr. WAMPLER. I would like to ask this question, not being too familiar with rice production.

How many ricegrowers in recent years have abandoned their allotments or have switched to different types of agricultural production?

Mr. SATTERFIELD. That is a little difficult to say. There have been some, of course. But these operations have either been combined with those of another producer or they have been taken over by a son or a close relative of the original operator.

Mr. WAMPLER. There has been no appreciable change in the overall picture?

Mr. SATTERFIELD. That is correct. The number of producers has declined where the original operation has been consolidated with that of others.

Mr. O'NEAL. Are these rights to allotments transferable by either lease or sale to another person or another farm?

Mr. SATTERFIELD. Not in the area where allotments are determined or established on a farm basis.

In the producer area, such as Texas or California, there is a provision for transferring the allotment in certain instances such as in the case where a producer lies or where a producer voluntarily withdraws from production and desires to pass it on to a son or close relative. These are the only provisions for transferring rice allotments.

Mr. O'NEAL. In Arkansas it stays with the land?

Mr. SATTERFIELD. It stays with the land, you cannot transfer it.

Mr. GATHINGS. Will you yield there?

Mr. O'NEAL. Yes.

Mr. GATHINGS. The 1965 Farm Act, as you will recall, had within it the provision that ricegrowers can swap with a cottongrower, and vice versa?

Mr. SATTERFIELD. Yes, sir.

Mr. GATHINGS. One man has the equipment to grow rice and the other man has the equipment to grow cotton, and both have cotton allotments and both have rice allotments. They can get together on an arrangement of swapping. They can go to the county committee and say "Now, we want to trade 10 acres here of rice for 10 acres of cotton," and the like.

Is much of that being done?

Mr. SATTERFIELD. There probably is not very much. I just do not know the full extent of it, but, as you will recall, Mr. Gathings, the basis for this legislation was to provide those producers who got into the rice game during the 1950-54 base period with short histories an opportunity to adjust their operations where they could have either

an economic cotton operation or an economic rice operation, or both, in case they wanted to continue the production of both.

Mr. GATHINGS. What is an economic rice operation in this area of Arkansas?

Mr. SATTERFIELD. I would say somewhere between 50 and 100 acres.

Mr. GATHINGS. Fifty—and what?

Mr. SATTERFIELD. Fifty to one hundred acres, depending upon the acreage necessary to support one irrigation well.

Mr. GATHINGS. One further question: You say that this legislation would not affect the existing rights of growers?

Mr. SATTERFIELD. It would, as it stands now. I have drafted an amendment which if made a part of the resolution would protect other producers in subsequent years.

Mr. GATHINGS. Will you furnish that for the record?

Mr. SATTERFIELD. Yes, sir.

Mr. GATHINGS. That is, the amendment that you have.

What would be the effect of it?

Mr. SATTERFIELD. It would mean that each year you would automatically reduce the size of the national reserve sufficiently to absorb this acreage that was allocated to the particular farms.

Mr. GATHINGS. Then, there would be sufficient acreage in the national reserve for that?

Mr. SATTERFIELD. I have talked to responsible administration personnel in each of our major rice-producing States and none of them seemed to think that there would be any other case except possibly one in southeast Arkansas—they are not sure; but say there is a possibility of one case there that might qualify. None of the other States feel that they have anyone who could qualify under the language of this resolution.

Mr. O'NEAL. Mr. Hansen.

Mr. HANSEN. You then feel that all of the evidence that is available indicates that the application is very narrow as to what this bill would do, so far as the number of people it would take care of—only one or possibly two?

Mr. SATTERFIELD. That is right.

Mr. HANSEN. Do you feel that if this legislation is passed that it would be improved with the language that you are talking about where this claim would come out of the national acreage reserve, or do you feel that the production probably would grow up through the years and that it would be just as well to let it come out of the regular allotments, since it is such a small amount?

Mr. SATTERFIELD. It actually boils down to this, Mr. Hansen, that if you do not have it coming out of the national reserve each year, it would in subsequent years have to come out of the county allotment in a farm State or the State allotment in the case of a producer State. It would depend on the size of the county or State allotment as to what effect it might have on the other producers, but to take it out of the national reserve each year, even if you had to increase the national reserve substantially over the 672 acres that we are now talking about, it could only affect farms having allotments of 500 acres or more, and these could be affected only by a fraction of an acre. They would have to have an allotment in excess of 500 acres to be adversely affected. I do not think that anyone could be hurt by the enactment of this resolution if amended as I suggested earlier.

Mr. HANSEN. You mentioned it as coming out of the national acreage reserve. What would happen if you would have an influx of claims of the same nature, and they exceeded the amount of the national reserve acreage; what would be your situation then?

Mr. SATTERFIELD. I think that we would have to either deny him an allotment or reduce it sufficiently to come within the available reserve.

Mr. HANSEN. In other words, the national reserve would be the limit so far as any precedent created?

Mr. SATTERFIELD. That is correct.

Mr. O'NEAL. Do you have this suggested language written out here?

Mr. SATTERFIELD. Yes, sir.

Mr. O'NEAL. That you can leave with us?

Mr. SATTERFIELD. Yes.

Mr. O'NEAL. Do you have more than one copy of it?

Mr. SATTERFIELD. I have only one copy.

Mr. O'NEAL. Could we have you read that into the record so that we might follow it and study it?

Mr. SATTERFIELD. This would be section 4.

Mr. O'NEAL. A new section?

Mr. SATTERFIELD. A new section.

Pardon—it is to be section 3.

SEC. 3. For each crop year subsequent to 1967, the State acreage allotments which would otherwise be determined for States in which rice allotments are determined on the basis of past production of rice and past coverage allotments of producers on the farm, and the county acreage allotments which would otherwise be determined in States in which farm rice acreage allotments are determined on the basis of the past production of rice and past acreage allotments on the farm shall be increased from national acreage reserve in an amount necessary to provide fair and reasonable allotments for the producers and farms for which new producer and new farm allotments and increases in old producer and old farm allotments were approved under sections 1 and 2 of this Act without decreasing the allotments for all other producers in the State or for all other farms in the county, as the case may be.

Mr. O'NEAL. That is a little difficult for me to follow.

The first question I have is why would it not be section 3 instead of section 4? I do not see but two sections to this resolution.

Mr. SATTERFIELD. It is to be section 3.

Mr. O'NEAL. You said section 4.

Mr. SATTERFIELD. I may have said section 4, but I intended to say section 3.

Mr. O'NEAL. Mr. Hansen.

Mr. HANSEN. Is this much elaboration necessary?

Mr. SATTERFIELD. Yes, it is; for this reason: Our legislation on rice is really divided into two parts: (1) with respect to the establishment of allotments on a producer basis and (2) on the farm basis. That is why they have to have all of the windowdressing in the language.

Mr. HANSEN. To tie it in as section 3, as you proposed; it would be necessary in section 1, line 7, to say "acreage reserve for 1967 and thereafter," and would you not have to modify 1967 throughout the resolution?

Mr. SATTERFIELD. I am not prepared to answer that. I am not an attorney; consequently, I would not be able to answer that.

Mr. HANSEN. It would appear that if you take it out of the national reserve it would have to be indicated as such.

Mr. SATTERFIELD. That is correct.

Mr. HANSEN. That is all. Thank you.

Mr. O'NEAL. Mr. Wampler.

Mr. WAMPLER. Just one question. If I understood the situation correctly and we adopt the language of your proposed amendment, what it means then is that those who qualify under the provisions of the resolution would, I assume, be treated on a first-come, first-served basis?

Mr. SATTERFIELD. Yes.

Mr. WAMPLER. And then it would be prorated for the others; is that correct?

Mr. SATTERFIELD. Either that or to deny those that came in late.

Mr. WAMPLER. This would be administrative discretion?

Mr. SATTERFIELD. Yes.

Mr. WAMPLER. It would be an administrative determination as to those who qualify for the acreage?

Mr. SATTERFIELD. Yes.

Mr. O'NEAL. Mr. Rarick.

Mr. RARICK. I was wondering who you propose to do the determination—who would make the determination?

Mr. SATTERFIELD. It would be based on the recommendations of the county and State committees as to what acreage they consider would constitute an economic operation for the farm. The final determination would rest with Washington.

Mr. RARICK. Thank you. That is all.

Mr. O'NEAL. Thank you.

Mr. SATTERFIELD. You cannot give the State committee blanket authority to draw on the national reserve. If you did, it would not last very long.

Mr. O'NEAL. Mr. Gathings.

Mr. GATHINGS. If this national reserve could come up to 1 percent, it could not exceed 1 percent—

Mr. SATTERFIELD. That is correct.

Mr. GATHINGS. It could not exceed that?

Mr. SATTERFIELD. Correct.

Mr. O'NEAL. Mr. Purcell.

Mr. PURCELL. You do not manufacture acres spread—the bigger the acreage allotments would be the bigger the national reserve would be?

Mr. SATTERFIELD. It would be if you went to the flat 1 percent. The existing law provides that the reserve is not to exceed 1 percent.

Mr. PURCELL. The national acreage allotment would reflect what the national reserve would be; the more acreage the more reserve.

Mr. SATTERFIELD. Not necessarily.

Mr. PURCELL. Not necessarily, but the Secretary of Agriculture could do that.

Mr. SATTERFIELD. Yes.

Mr. PURCELL. Now, just one more question. Do you know any part of the rice industry that does not like this program?

Mr. SATTERFIELD. Do you mean this resolution?

Mr. PURCELL. No; the rice program.

Mr. SATTERFIELD. No; I do not.

Mr. PURCELL. There are about \$11,000, Government dollars, that go to each farm?

Mr. SATTERFIELD. There are no doubt, a few producers who are dissatisfied with the rice program. I have heard a few complain about not having a sufficient rice allotment to earn a decent livelihood.

Mr. PURCELL. We are dishing out about \$11,000 for every farmer growing rice; are we not?

Mr. SATTERFIELD. We have been; yes.

Mr. PURCELL. So they do not object too much to this.

Mr. SATTERFIELD. No.

Mr. PURCELL. Thank you. That is all.

Mr. O'NEAL. Mr. Rarick.

Mr. RARICK. May I ask this question?

You have been around quite a while. Has the price of farm labor gone up in accordance with the labor and management and industry that makes \$4 to \$5 an hour for overtime?

Mr. SATTERFIELD. No.

Mr. RARICK. Has the price of food gone up proportionately?

Mr. SATTERFIELD. No.

Mr. RARICK. That is all. Thank you.

Mr. O'NEAL. Thank you, Mr. Satterfield.

The Chair will now call on Mr. C. E. Greene, Route 2, Brinkley, Ark.

Do you have a prepared statement?

Mr. GREENE. I do not.

Mr. O'NEAL. Would you proceed, then, to give us something of a history of your connection with any land in Arkansas that might be suitable for growing rice and your experience in the armed services?

STATEMENT OF C. E. GREENE, ROUTE 2, BRINKLEY, ARK.

Mr. GREENE. Mr. Chairman and members of the subcommittee, at the time that I entered the armed services I owned 120 acres of land.

During the period of time that I was in the armed services, prior to 1956, I increased that to 500 acres. I have the deeds here to substantiate my statement on the acquirement of this land.

Mr. O'NEAL. May I ask at this point: When did you enter the armed services?

Mr. GREENE. 1939.

Mr. O'NEAL. 1939?

Mr. GREENE. Yes, sir.

Mr. O'NEAL. And you continued in the armed services until when?

Mr. GREENE. 1959.

Mr. O'NEAL. May I ask where you were in 1950?

Mr. GREENE. In Guam.

Mr. O'NEAL. Will you tell us where you were during the next 4 years, 1951, 1952, 1953, and 1954?

Mr. GREENE. In 1953 I was transferred from Guam to Kingsville, Tex. I was in Texas at the Naval Auxiliary Air Station until 1955.

Mr. O'NEAL. All right, sir. Now, how many different times did you acquire lands?

Mr. GREENE. While I was in Guam, I acquired 200 acres.

Mr. O'NEAL. You said you started off with 120 acres, did you not?

Mr. GREENE. Yes, sir.

Mr. O'NEAL. When did you get that?

Mr. GREENE. I obtained that in 1938.

Mr. O'NEAL. 1938?

Mr. GREENE. Yes, sir.

Mr. O'NEAL. All right. The next acquisition?

Mr. GREENE. That was in 1944.

Mr. O'NEAL. How much was that?

Mr. GREENE. 260 acres.

Mr. O'NEAL. When did you acquire that?

Mr. GREENE. In 1951 or 1952, 200 acres.

Mr. O'NEAL. That was the next, the 200 acres?

Mr. GREENE. Yes, sir.

Mr. O'NEAL. Is that all now or do you have some more?

Mr. GREENE. I would like to keep from misleading you. I sold the 120 acres, because it did not connect with the larger group of the 460 acres. I did acquire 40 acres prior to 1955—40 acres which was acquired from the State of Arkansas.

Mr. O'NEAL. In 1955?

Mr. GREENE. 1954, I believe it was.

Mr. O'NEAL. That was 40 acres?

Mr. GREENE. Yes, sir.

Mr. O'NEAL. On which of these tracts is it that you would like to grow rice?

Mr. GREENE. On all of this land, which is in one block, except for 80 acres that I presently own. It is a 520-acre block.

Mr. O'NEAL. That would be the 260 and the 240?

Mr. GREENE. Yes.

Mr. O'NEAL. You sold the 120. You have other land that is not concerned here?

Mr. GREENE. I have other land that has been acquired since the year 1955. I did not mention that, because it would not be applicable under this program.

Mr. O'NEAL. Have you prepared this land, or any of it, with the hope that you could grow rice? That is, I do not know whether you have dug wells or put in irrigation systems or ditches, or what.

Mr. GREENE. I have three wells, each producing over 1,800 gallons of water per minute.

Mr. O'NEAL. When were these wells dug?

Mr. GREENE. The first one was established in 1964.

Mr. O'NEAL. 1964?

Mr. GREENE. 1964; yes, sir.

Mr. O'NEAL. And back in 1951, 1952, 1953, and 1954, you had no wells?

Mr. GREENE. I did not, sir. I was in the service of my country. I did not put the wells in, did not prepare them at that time; I could not.

Mr. O'NEAL. The first well that you acquired was in 1964?

Mr. GREENE. Yes, sir.

Mr. O'NEAL. Was there much expense involved in what you did there?

Mr. GREENE. There was.

Mr. O'NEAL. Will you tell us something about that?

Mr. GREENE. Approximately \$5,000 per well, the size of wells that I have.

Mr. O'NEAL. But you did know that you had no rice allotment?

Mr. GREENE. I did.

Mr. O'NEAL. And you had no wells during the period 1950 to 1955?

Mr. GREENE. No, sir.

Mr. O'NEAL. Mr. Gathings.

Mr. GATHINGS. Would you give us a summary, in chronological order, of just what you have been doing in trying to grow rice in your county in Arkansas?

Mr. GREENE. Upon release from the service in 1959; that is, September 1959, shortly thereafter I applied for permission to grow rice, in 1960. There was a recommendation at that time for 10 acres. And when it got to the State level, there was one technicality that threw it out.

The question was asked, I think in the phraseology of the administrative regulation which said that the land must be ready for the seed, and in the questioning—I am telling you the truth—I told them that it was not ready for the seed. There was minor preparation to be made at that time.

Well, therefore, I received seven-tenths of 1 acre on which I could grow rice. This is not an economic operation by any means. In fact, many times that would not be an economic operation.

I have been farming 520 acres for the last few years, this block of land, in soybeans. This is not primarily soybean land; it is rice land.

Since 1960, I have been trying, mostly at the local level, and they told me that the arrangements are made, that they could not give me an economic operation through the present law. They said that it would have to come from the national level. I started writing to my Representatives here in 1961. Congressman Mills introduced a bill in 1963, very similar to this one, on my behalf. It was brought out that, probably—the news media did carry this at that time. I do have the clipping here announcing that some veterans would fall within this qualification and would have an opportunity to be heard stating that.

I have gone, if I may say so, to a great deal of effort, but no effort is too great if I can obtain permission to make my own living in this manner.

When I was in service and did my bit, I built up a very good record. I am privileged to wear 13 medals and ribbons.

Mr. GATHINGS. I have in my hand, Mr. Greene, a sheet of paper from the U.S. *Dyson*, Shipyard Branch, Charleston, S.C., dated August 7, 1946, Subject: Operation and Engagement Stars, State of. Do you have the original of this?

Mr. GREENE. I believe so, sir.

Mr. GATHINGS. What, in essence, does it say?

Mr. GREENE. "In accordance with reference (a) examination of your records has been made and it is found that you are entitled to wear the following operation and engagement stars:

"Asiatic-Pacific Area Service Ribbon.

"American Area Service Ribbon.

"Phillippine Defense Ribbon," which is authorized "A1Nav 64-45.

"Navy Good Conduct Ribbon.

"American Defense Ribbon.

"European Area Service Ribbon.

"Commendation Ribbon.

"Presidential Unit Citation.

"Victory Ribbon."

"Purple Heart."

Upon returning from the service, I felt somewhat in this manner, that one arm of the Government has said, "Son, you did a good job, and we are going to commend you for it," but when I come back to private life, I find another arm of the Government, the Agriculture Department, saying, "Well, you are limited," and as it turns out, very limited. I am not given equal privilege, even with those who maneuvered their way around their responsibility to their country.

And this is what I seek at this time, to have some equal rights with those who are growing rice, and were, in those years when I was serving my country.

Mr. GATHINGS. What was your rank when you came out of the service in 1959?

Mr. GREENE. Lieutenant (senior grade) in the Navy.

Mr. O'NEAL. Mr. Hansen.

Mr. HANSEN. You worked up through the ranks to that rank?

Mr. GREENE. I went in at \$21 a month; went every step of the pay grade up to what I came out with.

Mr. O'NEAL. I believe you were in the Phillipines when the Japanese bombed Pearl Harbor?

Mr. GREENE. That is correct. I was on the destroyer *The Whipple*, DD217.

Mr. GATHINGS. What is the size of your family at this time?

Mr. GREENE. I have a wife and two children.

Mr. GATHINGS. What are the ages of your children?

Mr. GREENE. Sixteen and eighteen.

Mr. O'NEAL. I just want to get one thing straight in my mind. I do not know whether you missed it or not. Did you put in the wells before or after you got the seven-tenths of an acre rice allotment?

Mr. GREENE. After, but I did not farm the seven-tenths of an acre. In 1963, the seven-tenths was planted, but this bill came up, and I did not harvest those seven-tenths of an acre, because I thought it would affect the resolution at the time.

Mr. O'NEAL. If I understand you now, you spent about \$15,000 on wells?

Mr. GREENE. Yes, sir.

Mr. O'NEAL. After you had gotten only seven-tenths of an acre rice allotment?

Mr. GREENE. Yes.

Mr. O'NEAL. Why did you do that?

Mr. GREENE. Because, as insurance there, in growing the soybeans, in dry periods, we can use this water to irrigate the soybeans.

Mr. O'NEAL. You had a use for it?

Mr. GREENE. Yes, sir.

Mr. O'NEAL. Thank you.

Mr. GATHINGS. Was that expense put over a number of years, the \$15,000 for the wells?

Mr. GREENE. The \$15,000 was really not all of the expenditure in preparing this land for the production of crops, but I borrowed some money for putting in these wells, because it was an improvement to the land—it was necessary in having the land available for the correct production of either rice or soybeans, really.

Mr. GATHINGS. Did you take some of the money out of your salary while you were in the service to do this?

Mr. GREENE. The money that went to purchase the land was all from my salary while I was in the service.

Mr. GATHINGS. What I am getting at is this: Mrs. Greene did not buy any of the land; you bought it yourself?

Mr. GREENE. That is right. I did not inherit any of this land from my family, nor anyone else; nor did anyone else buy it for me.

Mr. O'NEAL. Are there any further questions from the members?

Mr. Wampler?

Mr. WAMPLER. Regardless of the outcome of the resolution, I want to commend this gentleman for an outstanding record of service to his country and showing that he is a good citizen and assuming responsibility on his own.

Mr. GREENE. Thank you.

Mr. O'NEAL. I am sure that we all join in that.

Mr. MATHIAS. During 1950 through 1955, when you had this land and knew that rice was on allotment, did you lease any land so as to acquire an allotment?

Mr. GREENE. No, sir, I did not. There were times that I was not in the vicinity of the United States and I thought that it would be best if I should wait until I come back out of the service and prepared this land myself or saw that it was done.

Mr. HANSEN. Was this land used at all while you were in the service?

Mr. GREENE. No, sir.

Mr. HANSEN. For any productive purpose?

Mr. GREENE. No.

Mr. O'NEAL. I do not know whether you can answer this question or not. Maybe some of the other gentlemen in the room can answer it.

In the years 1951, 1952, and 1953, nobody could foresee the return of allotments; is that true?

Mr. GREENE. Well, I would say that is true, yes, sir.

Mr. O'NEAL. Then after the decision was made to go back to allotments, how long did it take for the allotments to come in—to go back to that system?

Mr. GREENE. I believe that the allotments came back in, were put into effect, in 1956.

Mr. GATHINGS. It was in 1955.

Mr. GREENE. All right.

Mr. O'NEAL. Would you like to answer that question I put?

Mr. ROLLINS. I might say, Mr. Chairman, that, as I recall, during the period 1951, 1952, 1953, and 1954, prior to reverting to allotments with the 1955 crops, there was some anticipation in some parts of the country, at least, that allotments would come back within the near future. Just how soon, I suppose no one could answer that.

Mr. O'NEAL. A man who was in the service would not be as aware of this as somebody who was at home.

Mr. ROLLINS. That is correct, if he was not in the rice-producing area during that period of time.

Mr. O'NEAL. Thank you.

We will make this service-record letter dated August 7, 1946, a part of the record at this point.

(The document referred to follows:)

U.S.S. "DYSON" (DD572),
SHIPYARD BRANCH,
Charleston, S.C., August 7, 1946.

From : Commanding Officer.

To : Lt (jg) Camden E. Greene, USN.

Subject : Operation and Engagement Stars, Statement of.

Reference : (a) NavPers 15632.

1. In accordance with reference (a) examination of your records has been made and it is found that you are entitled to wear the following operation and engagement stars.

Asiatic-Pacific Area Service Ribbon, one star, P3.

American Area Service Ribbon.

Philippine Defense Ribbon A1Nav 64-45.

Navy Good Conduct Ribbon.

American Defense Ribbon, one star.

European Area Service Ribbon, one star, E217.

Commendation Ribbon.

Presidential Unit Citation, U.S.S. *Hadley* (DD774).

Victory Ribbon.

Purple Heart.

R. C. SMART.

Mr. O'NEAL. Are there any other witnesses to be heard by the subcommittee?

If not, the subcommittee will now go into executive session.

(Whereupon, at 11:50 a.m., the subcommittee retired into executive session.)



