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HONEY RESEARCH AND PROMOTION PROGRAM

GOVERNMENT

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HEARING

BEFORE THE

SUBCOMMITTEE ON RESEARCH AND EXTENSION

OF THE

COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

NINETIETH CONGRESS

SECOND SESSION

ON

H.R. 15936, H.R. 16455, H.R. 16617, and H.R. 16909

JUNE 18, 1968

Serial CCC

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HONEY RESEARCH AND PROMOTION PROGRAM

TUESDAY, JUNE 18, 1968

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON RESEARCH AND EXTENSION 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. Thomas G. Abernethy (chairman of the subcommittee) presiding.

Present: Representatives Abernethy, Vigorito, Mayne, Goodling, and Kleppe.

Also present: Martha Hannah, subcommittee clerk; Hyde H. Murray, assistant counsel; L. T. Easley, staff consultant; and Fowler West, assistant staff consultant.

Mr. ABERNETHY. This subcommittee is convened this morning for the purpose of taking testimony on several bills, the numbers of which the clerk will supply and insert in the record at this point.

(This hearing was held on the following bills: H.R. 15936, by Mr. Quie; H.R. 16455, by Mr. Teague of Texas; H.R. 16617, by Mr. Langen; and H.R. 16909, by Mr. Mathias of California. H.R. 15936 and H.R. 16617 are identical, and H.R. 16455 and H.R. 16909 are identical. The texts of these bills and the departmental reports thereon follow:)

[H.R. 15936, 90th Cong., second sess.]

A BILL To enable honey producers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for honey

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Honey Promotion and Research Act of 1968."

FINDINGS AND DECLARATION OF POLICY

SEC. 2. Honey is produced by many individual producers (beekeepers) in every State in the United States. In 1967, four million eight hundred and thirty-seven thousand colonies of bees kept in the United States were devoted to honey production. Approximately two hundred and forty-five million pounds of honey have been produced during the past five years with an estimated farm value to the honey producers of \$224,000,000.

Honey and honey products move, in a large part, in the channels of interstate commerce, and honey which does not move in such channels directly burdens or affects interstate commerce on honey and honey products. All honey marketed in the United States is in the current of interstate commerce or directly burdens, obstructs, or affects interstate commerce in honey and honey products.

The maintenance and expansion of existing honey markets and the development of new or improved markets are vital to the welfare of honey producers and those concerned with marketing, using, and processing honey as well as the general economic welfare of the Nation.

Therefore, it is the declared policy of the Congress and the purpose of this Act that it is essential in the public interest, through the exercise of the powers provided herein, to authorize the establishment of an orderly procedure for the

financing, through adequate assessments on honey marketed in the United States for commercial use, and the carrying out of an effective and continuous coordinated program of research and development or advertising and promotion designed to strengthen the competitive position of honey, to maintain and expand domestic markets for honey marketed in the United States.

AUTHORITY TO ISSUE AND ORDER

SEC. 3. To effectuate the declared policy of this Act, the Secretary of Agriculture (hereinafter referred to as the "Secretary") shall, subject to the provisions of this Act, issue and from time to time amend, an order applicable to persons engaged in the handling of honey (hereinafter referred to as "handlers") and shall have authority to issue orders authorizing the collection of assessments on honey handled under the provisions of the Act, and to authorize the use of such funds to provide for research, development, advertising, and promotion of honey or honey products in a manner prescribed in this Act and any order issued pursuant to it. Such order shall be applicable to honey handled in the forty-eight contiguous States of the United States.

NOTICE AND HEARING

SEC. 4. When sufficient evidence is demonstrated by honey producers, or whenever the Secretary has reason to believe that an order will tend to effectuate the declared policy of this Act, he shall give due notice and opportunity for a hearing upon a proposed order. Such hearing may be requested when accompanied by a proposal for an order and submitted by honey producers or by any other interested person or persons, including the Secretary.

FINDING AND ISSUANCE OF AN ORDER

SEC. 5. After notice and opportunity for hearings, the Secretary shall issue an order if he finds, and sets forth in such order, upon the evidence introduced at such hearings, that the issuance of an order and all the terms and conditions thereof will tend to effectuate the declared policy of the Act.

REGULATIONS

SEC. 6. The Secretary is authorized to make such regulations with the force and effect of law, as may be necessary to carry out the provisions of this Act and the powers vested in him by this Act.

REQUIRED TERMS

SEC. 7. An order issued pursuant to this Act shall contain the following terms and conditions:

(a) Providing for the establishment by the Secretary of a "National Honey Promotion Board" (hereinafter referred to as the "Board"), and for defining its powers and duties, which shall include the power—

- (1) to administer such order in accordance with its terms and provisions;
- (2) to make rules and regulations to effectuate the terms and provisions of such order, including the designation of the handler responsible for collecting the assessment;
- (3) to receive, investigate, and report to the Secretary complaints of violations of such order; and
- (4) to recommend to the Secretary amendments to such order.

(b) Providing authority for producers and handlers to nominate and to submit to the Secretary the names of eligible producers and handlers, from which the Secretary may appoint the Board to administer the provisions of the order as hereinafter set forth:

(1) The Board shall consist of eight members of whom five shall represent producers and three shall represent handlers. The producer representation shall be one each for each district in the marketing area. The handler representative shall be chosen at large from membership of the National Honey Packers and Dealers Association by such association. For each member there shall be an alternate member.

(2) The marketing area shall be divided into the following five districts, for the purpose of selecting representatives for the Board, with the size of each such district determined by total 1966 honey production of each State included in such district so as to reach an equitable proportionment:

District 1 shall include the States of California, Oregon, Washington, Idaho, Nevada, Utah, and Arizona.

District 2 shall include the States of Montana, Wyoming, Colorado, Nebraska, Iowa, Missouri, Kansas, and Oklahoma.

District 3 shall include the States of North Dakota, South Dakota, Minnesota, and Wisconsin.

District 4 shall include the States of Illinois, Indiana, Michigan, Ohio, Kentucky, West Virginia, Virginia, and all States to the north and to the east thereof.

District 5 shall include the States of Texas, New Mexico, Arkansas, Louisiana, Tennessee, Mississippi, Alabama, Georgia, North Carolina, South Carolina, and Florida.

(3) The term of office of Board members and their alternates shall be three years, except that initial members and their alternates shall serve for two years and three producer and two handler members and their alternates shall serve for three years.

(4) Producers may nominate their respective district representatives and their successors at district or national meetings or by mail vote. Handlers may nominate their representatives and their successors at national meetings or by mail vote. The Board shall hold and shall give reasonable publicity to nomination meetings. Only persons eligible to serve shall be eligible to vote. In the event a producer produces honey in more than one district, he may elect in which district he will vote. The person receiving the largest number of votes cast for a position shall be the nominee. All nominees, shall be certified by the Board to the Secretary at a date early enough to permit their selection prior to the beginning of the marketing year. The Secretary shall select the Board members and their alternates in the numbers and with the qualifications specified in this Act. In the event a nominee for any Board position is not certified pursuant to and within the time specified, the Secretary may select an eligible person to fill such position without regard to nomination.

(c) Providing that the Board members shall serve without pay, except for reasonable expenses incurred in performing their duties in administering the provisions of the order.

(d) Providing that the Board shall prepare and submit to the Secretary for his approval a budget, on a fiscal period basis, of its anticipated expenses and disbursements in the administration of the order, including probable costs of research, development, advertising, and promotion.

(e) Providing that the Board shall recommend to the Secretary and the Secretary shall fix the assessment rate required for such costs as may be incurred pursuant to subsection (d) of this section: *Provided*, That the assessment rate shall not exceed 15 cents per sixty-pound can of honey or the equivalent thereof handled; *And provided further*, That—

(1) funds collected by the Board shall be used for research, development, advertising, or promotion of honey or honey products and such other expenses for the administration, maintenance, and functioning of the Board as may be authorized by the Secretary;

(2) no advertising or sales promotion shall make any false or unwarranted claims on behalf of honey or its products or false or unwarranted statements with respect to the attributes or use of any competing products; and

(3) no funds collected by the Board shall in any manner be used for the purpose of influencing governmental policy or action.

(f) Providing that, notwithstanding any other provisions of the Act, any honey producer against whose honey any assessment is made and collected under authority of this Act and who is not in favor of supporting the promotion program, pursuant hereto, shall have the right to demand and to receive from the Board a refund of such assessment: *Provided*, That such demand shall be made by such producer as prescribed by the Board and approved by the Secretary, and upon proof satisfactory to the Board that such assessment, for which refund is sought, was deducted from settlement on his honey or otherwise paid by him.

(g) Providing that the Board shall, subject to the provisions of subsection (e) of this section, develop and submit to the Secretary for his approval any advertising or sales promotion or research and development plans or projects, and that any such plan or project must be approved by the Secretary before becoming effective.

(h) Providing the Board with authority to enter into contracts or agreements, with the approval of the Secretary, for the development and carrying out of

research and development projects or promotion and advertising activities and the payment of the cost thereof with funds collected pursuant to the Act: *Provided*, That such advertising activities and such promotion activities shall comply with the provisions of subsection (e) of this section.

(i) Providing that the Board shall maintain books and records and prepare and submit to the Secretary such reports from time to time as may be prescribed for appropriate accounting with respect to the receipt and disbursement of funds entrusted to it and cause a complete audit report to be submitted to the Secretary at the end of each fiscal period.

(j) Providing that the Board shall report to the Secretary unpaid assessments after diligent effort has been made by the Board to collect such assessments and the Secretary may maintain a suit for the collection of such assessments, pursuant to section 11 of this Act.

PERMISSIVE TERMS AND PROVISIONS

SEC. 8. An order issued pursuant to this Act may contain one or more of the following terms and conditions:

(a) Providing authority to exempt from the provisions of the order honey used for exporting and provide authority for the Board to require satisfactory safeguards against improper use of such exemption.

(b) Providing that producers in a State with an existing marketing order should pay into the national honey promotion and research program that part of the national assessment which is above their State assessment.

(c) Providing for authority to designate different handler payment and reporting schedules to recognize differences in marketing practices and procedures utilized in different production areas.

(d) Providing for the establishment, issuance, effectuation, and administration of appropriate plans or projects for the advertising and sales promotion of honey or its products and for the disbursement of necessary funds for such purposes: *Provided*, That any such plan or project shall be directed toward increasing the demand for honey or its products on a nationwide basis or in surplus producing areas of the marketing area but no reference to a private brand or trade name shall be made if the Secretary determines that such reference shall result in undue discrimination against the honey or honey products of other persons: *And provided further*, That such promotional activities shall comply with the provisions of section 7(e) of this Act.

(e) Providing for establishing and carrying on research and development projects and studies with respect to the production, processing, distribution, or utilization of honey or honey products may be encouraged, expanded, improved, or made more efficient, and for the disbursement of necessary funds for such purposes.

(f) Providing for authority to accumulate reserve funds from assessments collected pursuant to this Act, to permit an effective and continuous coordinated program of research and development or advertising and promotion in years when the production and assessment income may be reduced: *Provided*, That the total reserve fund does not exceed the amount budgeted for one year's operation.

(g) Providing for authority to use funds collected herein, with the approval of the Secretary, for the development and expansion of honey or honey product sales in foreign markets.

(h) Terms and conditions incidental to and not inconsistent with the terms and conditions specified in this Act and necessary to effectuate the other provisions of such order.

ASSESSMENTS

SEC. 9. (a) The first handler of honey shall be responsible under the provisions of this Act and any order issued pursuant to it, for the payment, to the Board, of any assessments levied thereon: *Provided*, That such handler may collect or deduct from the domestic producer, on whose honey such assessment is made, any such assessment required to be paid by said handler: *And, provided further*, That said handler shall maintain a separate record on each producer's honey so handled, and such records shall include all honey handled by him including those handled for producers and for himself, and shall include all honey handled which are included under the terms of an order as well as those which are exempt under such order.

(b) Handlers responsible for collection of assessments under (a) hereof shall maintain and make available for inspection by the Secretary such books and records as required by the order and file reports at the times, in the manner, and

having the content prescribed by the order, to the end that information and data shall be made available to the Board and to the Secretary which is appropriate or necessary to the effectuation, administration, or enforcement of the Act or of any order or regulation issued pursuant to this Act.

(c) All information obtained pursuant to (a) and (b) hereof shall be kept confidential by all officers and employees of the Department of Agriculture and of the Board, and only such information so furnished or acquired as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing brought at the discretion, or upon the request, of the Secretary of Agriculture, or to which he or any officer of the United States is a party, and involving the order with reference to which the information so to be disclosed was furnished or acquired. Nothing in this section shall be deemed to prohibit—

(1) the issuance of general statements based upon the reports of a number of handlers subject to any order, which statements do not identify the information furnished by any person, or

(2) the publication by direction of the Secretary, of the name of any person violating any order, together with a statement of the particular provisions of the order violated by such person.

Any such officer or employee violating the provisions of this subsection shall upon conviction be subject to a fine of not more than \$1,000 or imprisoned for not more than one year, or both, and shall be removed from office.

PETITION AND REVIEW

SEC. 10. (a) Any person subject to any order may file a written petition with the Secretary, stating that any such order or any provision of such order or any obligation imposed in connection therewith is not in accordance with law and praying for a modification thereof or to be exempted therefrom. He shall thereupon be given an opportunity for a hearing upon such petition, in accordance with regulations made by the Secretary. After such hearing, the Secretary shall make a ruling upon the prayer of such petition which shall be final, if in accordance with the law.

(b) The district courts of the United States in any district in which such person is an inhabitant, or has his principal place of business, are hereby vested with jurisdiction to review such ruling, provided a complaint for that purpose is filed within twenty days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the Secretary by delivering to him a copy of the complaint. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the Secretary with directions either—

(1) to make such ruling as the court shall determine to be in accordance with law, or

(2) to take such further proceedings as, in its opinion, the law requires.

The pendency of proceedings instituted pursuant to subsection (a) of this section shall not impede, hinder, or delay the United States or the Secretary from obtaining relief pursuant to section 11(a) of this Act.

ENFORCEMENT

SEC. 11. (a) The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating any order or regulation made or issued pursuant to this Act.

(b) Any handler who violates any provision of any order issued by the Secretary under this Act, or who fails or refuses to remit any assessment or fee duly required of him thereunder shall be subject to criminal prosecution and shall be liable to a penalty of not more than \$1,000 for each such offense which shall accrue to the United States and in addition shall be subject to civil suit brought by the United States to collect any unpaid assessments levied under this Act.

INVESTIGATION AND POWER TO SUBPENA

SEC. 12. The Secretary may make such investigations as he deems necessary for the effective carrying out of his responsibilities under this Act or to determine whether a handler or any other person has engaged or is about to engage in any acts or practices which constitute a violation of any provision of this Act, or of any order or rule or regulation issued under this Act. For the purpose of any such investigation, the Secretary is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the

inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpoena issued to, any person, including a handler, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Secretary, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found.

AMENDMENTS

SEC. 13. The provisions of this Act applicable to orders shall be applicable to amendments to orders.

REQUIREMENT OF REFERENDUM

SEC. 14. The Secretary shall conduct a referendum among producers who, during a representative period determined by the Secretary, have been engaged in the production of honey for the purpose of ascertaining whether this issuance of an order is approved or favored by producers. No order issued pursuant to this Act shall be effective unless the Secretary determines that the issuance of such order is approved or favored by not less than two-thirds of the producers voting in such referendum, or by the producers of not less than two-thirds of the honey produced during the representative period by producers voting in such referendum. The ballots and other information or reports which reveal or tend to reveal the vote of any producer or his production of honey shall be held strictly confidential and shall not be disclosed.

SUSPENSION AND TERMINATION

SEC. 15. (a) The Secretary shall, whenever he finds that an order or any provision thereof, obstructs or does not tend to effectuate the declared policy of the Act, terminate or suspend the operation of such order or such provision thereof.

(b) The Secretary may conduct a referendum at any time and shall hold a referendum on request of the Board or of 10 per centum or more of the honey producers to determine if honey producers favor the termination or suspension of the order, and he shall terminate or suspend such order at the end of the marketing year whenever he determines that such suspension or termination is favored by a majority of those voting in a referendum, and who produce more than 50 per centum of the volume of the honey produced by the honey producers voting in the referendum.

DEFINITIONS

SEC. 16. Definitions as used in this Act:

(a) "Secretary" means the Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has heretofore been delegated or to whom authority may hereafter be delegated, to act in his stead.

(b) "Person" means any individual, partnership, corporation, association, or any other entity.

(c) "Honey" means extracted honey, comb honey, section, chunk, or any combination thereof produced by honey producers in the forty-eight contiguous States of the United States.

(d) "Handler" means any person (except a common or contract carrier of honey owned by other persons) who handles honey.

(e) "Handle" means to transport or sell honey or otherwise place honey, domestic or imported in the current of commerce; except that the sale of unharvested honey and the transfer or delivery of honey from the location where it was produced to a temporary storage facility, extracting house, or processing plant shall not be considered handling.

(f) "Producer" means any person within the marketing area engaged in the production of honey or causing it to be produced and who sells such honey to a handler or delivers such honey to a cooperative marketing association in lots or containers in which total weight of the lot or container is sixty pounds or more.

(g) "Promotion" means any action taken by the Board, pursuant to this Act, to present a favorable image for honey or honey products to the public with the express intent of improving their competitive position and stimulating sales of honey or honey products and shall include, but not be limited to, paid advertising.

(h) "Marketing year" means the twelve months beginning April 1 and ending March 31, both dates inclusive.

(i) "Marketing area" means the forty-eight contiguous States of the United States.

(j) "National Honey Packers and Dealers Association" means: the national association consisting of honey packers, dealers, and so forth, which operates under such name.

(k) The definitions set forth in this section may be modified by the Secretary pursuant to section 17 of this Act.

MODIFICATION

SEC. 17. The definitions set forth in section 16 may be modified by the Secretary, upon the recommendation of the Board or other information, whenever he finds that such modification would tend to effectuate the objectives of this Act.

SEPARABILITY

SEC. 18. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and of the application of such provisions to other persons and circumstances shall not be affected thereby.

AUTHORIZATION

SEC. 19. There is hereby authorized to be appropriated out of any money in the Treasury of the United States, not otherwise appropriated, such funds as are necessary to carry out the provisions of this Act: *Provided*, That the funds so appropriated shall not be used for payment of the expenses or expenditures of the Board in administering any provisions of any order issued pursuant to the terms of this Act.

EFFECTIVE DATE

SEC. 20. This Act shall take effect upon enactment and may be cited as the Honey Promotion and Research Act of 1968.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 19, 1968.

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

DEAR MR. CHAIRMAN: This is in reply to your request of April 30, 1968, for a report on H.R. 15936. The purpose of this bill is to enable honey producers to finance a nationally coordinated promotion and research program to improve their competitive position and expand their markets for honey.

The Department recommends that this bill be passed with modifications.

The bill provides for authority to establish an "Order" to collect assessments on honey produced in the 48 contiguous States of the United States and on honey imported. Domestic honey producers who sell honey to a handler or deliver honey to a cooperative marketing association in lots or containers in which the total weight of the lot or container is less than 60 pounds, are exempt from assessments. The assessments may be used for promotion of honey and honey products, including paid advertising. In addition, assessments may be used for research and development projects. The costs incurred by the honey industry in administering the program would also be paid from assessments. Prior approval by the Secretary of Agriculture for all projects and expenditures is provided for as a safeguard against improper use of funds.

The bill provides for a maximum assessment rate of fifteen cents per 60 pound can or equivalent thereof. Handlers are responsible for payment of the assessments and they may deduct them from their settlement with the domestic producers. Domestic producers will be able to obtain a refund on the assessments paid for or by them, if they request it and comply with requirements. Handlers who import honey would be required to pay the assessment on such honey. The bill does not contain provisions for making refund of assessments on imported honey and Alaska, Hawaii and U.S. Territories are not included in the "Marketing Area" definition nor would their producers be deemed domestic producers. Provisions in the bill provide for hearings with respect to a proposed "Order" when requested by honey producers. A favorable referendum vote, by two-thirds of the honey producers voting in such referendum, or two-thirds of their production, is required to approve any "Order" issued pursuant to this bill.

If such an "Order" is favored by producers, a board will be selected by the Secretary of Agriculture from industry nominations of eligible producers and handlers. Such board will administer the "Order" under the supervision of the Secretary of Agriculture.

Provisions in this bill are similar to Public Law 89-502 (80 Stat. 279) enacted by the 89th Congress and cited as the "Cotton Research and Promotion Act". Promulgation and referendum proceedings for any "Order" issued pursuant to this bill are similar to Marketing Orders authorized by the Agricultural Marketing agreement Act of 1937, as amended. Administrative provisions are also similar to Marketing Orders. There are no provisions for quality control or compulsory inspection in this bill.

The honey producers have been confronted, in recent years, with a low per capita consumption and strong competition from other products marketed as prepared convenience foods. Some of these products have been developed as a result of extensive research and promotion and are now being promoted on a national basis. Honey producers have not been able to effectively promote on a national basis because production and marketing of honey is performed by many individual producers (beekeepers) in every State in the United States. It has been difficult for them to finance and carry out, on a voluntary basis, adequate research and promotion projects to maintain a competitive position in the markets.

A few honey producing states have State Marketing Orders to promote honey in their particular State. This bill would complement these existing programs with a nationally coordinated program. The objectives of such a program are to: maintain honey's competitive position in the markets; develop new uses and markets for honey; inform consumers about the merits of using more honey in their diets; and to increase consumption of honey to bring demand into a more favorable balance with supply. This bill will give honey producers authority to help themselves to achieve some or all of these objectives.

The Department recommends the following modifications of this bill: (1) In section 2, page 1, line 8, delete the following words "In 1967, four million eight hundred and thirty-seven" and insert in lieu thereof the following: "In 1966, four million seven hundred and seventy-two". Also, in section 2, page 1, line 10, delete the sentence which begins with the word "Approximately" and ends on page 2, line 3, and insert in lieu thereof the following sentence: "Approximately two hundred and forty-seven million pounds of honey were produced in the same year with an estimated farm value to the honey producers of \$43,012,000". These changes are recommended so as to better describe industry conditions in a more representative year since honey production fell below normal in 1967 due mostly to adverse weather in some production areas. Furthermore, the production figures in the sentence beginning on page 1, line 10 are for a single year but they are compared to a five year cumulative farm value of honey to producers.

(2) In section 3, page 3, line 16, and in section 16(i), page 19, line 24, delete the words "forty-eight contiguous" and insert the number "50" in lieu thereof.

As previously indicated, the bill purports to impose an assessment on imported honey, including honey "imported" from Hawaii or Alaska. This assessment on "imported" honey would be payable by the first handler in 48 contiguous States. Unlike honey produced in the 48 States, honey originating in the States of Hawaii or Alaska would not be eligible for producer refunds. To the extent that availability of refund to the producer of honey in the 48 contiguous States makes this program "voluntary" the assessments may be considered not a "tax". However, because producers in the States of Hawaii and Alaska would not be eligible for refund, any assessments charged on honey originating in these States may be the equivalent of a tax or impost imposed only against those States and in this respect the bill may violate Article I Section 8 of the Constitution which provides, in part, that "all duties, imposts, and excises shall be uniform throughout the United States." Also, Article I Section 9 prohibits any tax or duty on articles exported from any State. In view of this it would appear to be desirable to include all 50 States under an order and in the definition of marketing area so as to make producers in Hawaii and Alaska eligible for refund as well as producers located in any of the other States.

(3) In subsection 7(b), item 1, page 5, line 15, correct the last word to read "representation". In line 16, delete the word "membership" and insert in lieu thereof the word "nominees" and in line 17, delete the words "by such association" and insert in lieu thereof the following words "or other nominees". This change is recommended so that handler nominees for the Board will not be restricted solely to members of the National Honey Packers and Dealers Association as this does not include all handlers.

(4) In section 7(b), item 2, page 6, line 2, insert prior to the word "and" the following words: "Hawaii, Alaska". This change is recommended so as to include Hawaii and Alaska in one of the marketing area districts for purposes of representation on the Board. This change would also bring this subsection into conformity with the recommended change in section (3).

(5) In subsection 7(b), item (3), page 6, line 15, after the word "that" insert the word "for". In line 16, after the word "alternates" add a comma and the following words: "two producer and one handler members and their alternates,". This change is recommended to clarify the terms of office of the Board members. The words proposed to be added were in early drafts.

(6) In section 7(e)(3), page 8, line 15, add to the end of the sentence the following, "except as provided by subsection (a)(4) of this section." The addition of this language will eliminate potential inconsistency with the provision in subsection (a)(4) in which the Board has the express responsibility to recommend to the Secretary amendments to such order.

(7) In section 7(f), page 8, line 17, after the word "producer" insert the following words: "in the marketing area". This change is recommended so as to clearly point out that only those honey producers in the marketing area would be eligible to apply for refund of assessments.

(8) In section 7(f), page 8, line 22, immediately after the word "producer", insert the following, "within a time and in such a manner." This addition will assure proper authorization for the Board to prescribe the time period within which refund claims shall be filed.

(9) In section 8(b), page 10, lines 12 through 15, either delete the entire subsection or insert in lieu thereof the following: "(b) Providing that in a State with an existing marketing order with respect to honey, the objectives of which the Secretary determines are comparable to the national honey research and promotion program, the first handler shall be responsible for the payment to the Board of that part of the national assessment which is above the State assessment, if any, actually paid on such honey."

Unlike the recently enacted Cotton Research and Promotion Act and pending bills dealing with potato research and promotion this bill, in section 8(b), would provide that "producers in a State with an existing marketing order should pay into the national assessment which is above their State assessment". We question whether this provision is desirable, particularly as presently written. The imposition of a full federal assessment on some honey with a lesser federal assessment on other honey, depending on the State of production, may present problems of discriminatory imposition of charges. Also, as written, there is no assurance that the State assessment will in fact be collected even though imposed. There is also no assurance that the State program will be compatible with the federal one and in fact, as written, the provision does not even require that the State marketing order deal with research and promotion. Furthermore, the bill elsewhere imposes responsibility for payment of assessments on handlers—not producers—whereas this subsection seems to require payment of differences by producers contrary to the general framework of the bill.

(10) In section 8(e), page 11, line 11, delete the word "honey" and insert in lieu thereof the word "its". Also, on line 11, after the word "products" insert a comma and the following words: "to the end that the marketing and utilization of honey". This change is recommended to clarify the aim of the projects and studies that would be permitted pursuant to this paragraph. The words proposed to be added were in early drafts.

(11) In section 9(a), page 12, lines 13 and 14, change the word "those" to "honey", and the word "are" to "is". These changes are for purposes of clarification only.

(12) In section 12, page 15, line 21, insert "(a)" prior to the words "The Secretary" and add after this subsection a new subsection "(b)" as follows: "(b) No person shall be excused from attending and testifying or from producing books, papers, and documents before the Secretary, or in obedience to the subpoena of the Secretary, or in any cause or proceeding, criminal or otherwise, based upon, or growing out of any alleged violation of this Act, or of any order, or rule or regulation issued thereunder on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subject to any penalty or forfeiture for or on the account of any transactions, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that any individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying".

This change is recommended to provide a thorough means for seeking compliance with the program. This identical language was included in the version of this bill introduced in the House of Representatives on April 3, 1968 (H. R. 16455).

(13) In subsection 16(c), page 18, lines 23, 24, and 25, delete the words "produced by honey producers in the 48 contiguous States of the United States". This change is recommended so that the definition will not exclude imported honey as such honey is to be subject to assessments under the bill.

(14) In subsection 16(d), page 19, line 3 after the word "honey" change the period to a comma and add the following words: "either of his own production or that of another producer, of foreign production, in a manner specified in the order or in the rules and regulations issued thereunder". This change is recommended so as to include a person who packs his own honey production. The change would also provide authority to further define this term if such need results through the public hearings or by board determination after an "Order" has been issued.

(15) Subsection 16(e), page 19, lines 4 through 9, delete the entire subsection. This change is recommended since the definition as defined would cause assessments on honey handled by handlers to be at the outgoing level of a handler's operation whereas it should be on honey which a handler acquires as this is the weight at which the settlement with the producer will be made.

(16) In subsection 16(f), page 19, line 10, change the designation of this subsection from "(f)" to "(e)" and revise the entire definition to read as follows: "'Producer' means any person within the marketing area engaged in a proprietary capacity in the production of honey but shall exclude beekeeping hobbyists, those selling their entire production of honey at roadside stands and such other persons as may be excluded by the order or any rules and regulations issued thereunder". This change is recommended to provide a better expression of the present definition. The change will also give authority to further exclude some of the small honey producers through the "Order" if such a need is determined in the promulgation and operation of the "Order".

(17) In section 16, subsection (g), page 19, line 16, change the designation of this subsection from "(g)" to "(f)". This change is recommended as being necessary due to deletion of subsection 16(e). Likewise, subsection "(h)", page 19, line 22, should be changed to "(g)"; subsection "(i)", page 19, line 24, should be changed to "(h)"; subsection "(j)", page 20, line 1, should be changed to "(i)"; and subsection "(k)", page 20, line 4, should be changed to "(j)".

(18) In section 17, page 20, line 8 insert after the word "upon" the phrase "the basis of hearing evidence on the order.". This change is recommended to make it clear that any such modification of definition should be by way of order provisions based on the hearing record evidence.

We believe the enactment of this bill would result in a cost of \$67,000 to conduct promulgation proceedings, a referendum and related items to initiate an "Order". Additionally, the Department's annual cost for administration is estimated to be \$47,000. We recommend that the bill be amended to provide that the costs to the Department of Agriculture incurred in administering any program developed pursuant to this legislation shall be financed from funds appropriated pursuant to Section 32, Public Law 320, 74th Congress, as amended.

Time has not permitted the securing of the views of the Bureau of the Budget as to the relationship of this report from the standpoint of the Administration's program.

Sincerely yours,

ORVILLE L. FREEMAN.

[H. R. 16455, 90th Cong., second sess.]

A BILL To enable honey producers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for honey

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND DECLARATION OF POLICY

SECTION 1. Honey is produced by many individual producers (beekeepers) in every State in the United States. In 1967, 4,837,000 colonies of bees kept in the United States were devoted to honey production. Approximately two hundred and forty-five million pounds of honey have been produced annually during the past five years with an estimated farm value to the honey producers of \$224,000,000.

Honey and honey products move, in a large part, in the channels of interstate commerce, and honey which does not move in such channels directly burdens or affects interstate commerce in honey and honey products. All honey marketed in the United States is in the current of interstate commerce or directly burdens, obstructs, or affects in interstate commerce in honey and honey products.

The maintenance and expansion of existing honey markets and the development of new or improved markets are vital to the welfare of honey producers and those concerned with marketing, using, and processing honey as well as the general economic welfare of the Nation.

Therefore it is the declared policy of the Congress and the purpose of this Act that it is essential in the public interest, through the exercise of the powers provided herein, to authorize the establishment of an orderly procedure for the financing, through adequate assessments on honey marketed in the United States for commercial use, and the carrying out of an effective and continuous coordinated program of research and development or advertising and promotion designed to strengthen the competitive position of honey, to maintain and expand domestic markets for honey marketed in the United States.

AUTHORITY TO ISSUE AN ORDER

SEC. 2. To effectuate the declared policy of this Act, the Secretary shall, subject to the provisions of this Act, issue, and from time to time amend, an order applicable to persons engaged in the handling of honey, hereinafter referred to as handlers, and shall have authority to issue orders authorizing the collection of assessments on honey handled under the provisions of the Act, and to authorize the use of such funds to provide research, development, advertising, and promotion of honey or honey products in a manner prescribed by this Act and any order issued pursuant to it. Such order shall be applicable to honey handled in the forty-eight contiguous States of the United States.

NOTICE AND HEARING

SEC. 3. When sufficient evidence is demonstrated by honey producers, or whenever the Secretary has reason to believe that an order will tend to effectuate the declared policy of this Act, he shall give due notice and opportunity for a hearing upon a proposed order. Such hearing may be requested when accompanied by a proposal for an order and submitted by honey producers or by any other interested person or persons, including the Secretary.

FINDING AND ISSUANCE OF AN ORDER

SEC. 4. After notice and opportunity for hearings, the Secretary shall issue an order if he finds, and sets forth in such order, upon the evidence introduced at such hearings, that the issuance of an order and all the terms and conditions thereof will tend to effectuate the declared policy of the Act.

REGULATIONS

SEC. 5. The Secretary is authorized to make such regulations with the force and effect of law, as may be necessary to carry out the provisions of this Act and the powers vested in him by this Act.

REQUIRED TERMS

SEC. 6. An order issued pursuant to this Act shall contain the following terms and conditions:

(a) Providing for the establishment by the Secretary of a "National Honey Promotion Board," hereinafter called the Board, and for defining its powers and duties, which shall include the power—

(1) To administer such order in accordance with its terms and provisions;

(2) To make rules and regulations to effectuate the terms and provisions of such order including the designation of the handler responsible for collecting the assessment;

(3) To receive, investigate, and report to the Secretary complaints of violations of such order; and

(4) To recommend to the Secretary amendments to such order.

(b) Providing authority for producers and handlers to nominate and to submit to the Secretary the names of eligible producers and handlers, from which

the Secretary may appoint the Board to administer the provisions of the order as hereinafter set forth:

(1) The Board shall consist of eight members of whom five shall represent producers and three shall represent handlers. The producer representation shall be one each for each district in the marketing area. The handler representative shall be chosen at large from membership of National Honey Packers and Dealers Association by such association. For each member there shall be an alternate member.

(2) The marketing area shall be divided into the following five districts, for the purpose of selecting representatives for the Board, with size of each such district determined by total 1966 honey production of each State included in such district so as to reach an equitable proportionment:

District 1: Shall include the States of California, Oregon, Washington, Idaho, Nevada, Utah, and Arizona.

District 2: Shall include the States of Montana, Wyoming, Colorado, Nebraska, Iowa, Missouri, Kansas, and Oklahoma.

District 3: Shall include the States of North Dakota, South Dakota, Minnesota, and Wisconsin.

District 4: Shall include the States of Illinois, Indiana, Michigan, Ohio, Kentucky, West Virginia, Virginia, and all States to the north and to the east thereof.

District 5: Shall include the States of Texas, New Mexico, Arkansas, Louisiana, Tennessee, Mississippi, Alabama, Georgia, North Carolina, South Carolina, and Florida.

(3) The term of office of Board members and their alternates shall be three years, except that for initial members and their alternates, two producer and one handler members and their alternates shall serve for two years and three producer and two handler members and their alternates shall serve for three years.

(4) Producers may nominate their respective district representatives and their successors at district or national meetings or by mail vote. Handlers may nominate their representatives and their successors at national meetings or by mail vote. The Board shall hold and shall give reasonable publicity to nomination meetings. Only persons eligible to serve shall be eligible to vote. In the event a producer produces honey in more than one district, he may elect in which district he will vote. The person receiving the largest number of votes cast for a position shall be the nominee. All nominees shall be certified by the Board to the Secretary at a date early enough to permit their selection prior to beginning of the marketing year. The Secretary shall select the Board members and their alternates in the numbers and with the qualifications specified in this Act. In the event a nominee for any Board position is not certified pursuant to and within the time specified, the Secretary may select an eligible person to fill such position without regard to nomination.

(c) Providing that the Board members shall serve without pay, except for reasonable expenses incurred in performing their duties in administering the provisions of the order.

(d) Providing that the Board shall prepare and submit to the Secretary for his approval a budget, on a fiscal period basis, of its anticipated expenses and disbursements in the administration of the order, including probable costs of research, development, advertising, and promotion.

(e) Providing that the Board shall recommend to the Secretary and the Secretary shall fix the assessment rate required for such costs as may be incurred pursuant to subsection (d) of this section: *Provided*, That the assessment rate shall not exceed 15 cents per sixty-pound can of honey or equivalent thereof handled; and, *Provided further*, That—

(1) funds collected by the Board shall be used for research, development, advertising or promotion of honey or honey products and such other expenses for the administration, maintenance and functioning of the Board as may be authorized by the Secretary;

(2) no advertising or sales promotion program shall make any false or unwarranted claims in behalf of honey or its products or false or unwarranted statements with respect to the attributes or use of any competing products; and

(3) no funds collected by the Board shall in any manner be used for the purpose of influencing governmental policy or action.

(f) Providing that, notwithstanding any other provisions of the Act, any honey producer against whose honey any assessment is made and collected under

authority of this Act and who is not in favor of supporting the promotion program, pursuant hereto, shall have the right to demand and receive from the Board a refund of such assessment: *Provided*, That such demand shall be made by such producer as prescribed by the Board and approved by the Secretary, and upon proof satisfactory to the Board that such assessment, for which refund is sought, was deducted from settlement on his honey or otherwise paid by him.

(g) Providing that the Board shall, subject to the provisions of subsection (e) of this section, develop and submit to the Secretary for his approval any advertising or sales promotion or research and development plans or projects, and that any such plan or project must be approved by the Secretary before becoming effective.

(h) Providing the Board with authority to enter into contracts or agreements, with the approval of the Secretary, for the development and carrying out of research and development projects or promotion and advertising activities and the payment of the cost thereof with funds collected pursuant to the Act: *Provided*, That such advertising and promotion activities shall comply with the provision of subsection (e) of this section.

(i) Providing that the Board shall maintain books and records and prepare and submit to the Secretary such reports from time to time as may be prescribed for appropriate accounting with respect to the receipt and disbursement of funds entrusted to it and cause a complete audit report to be submitted to the Secretary at the end of each fiscal period.

(j) Providing that the Board shall report to the Secretary unpaid assessments after diligent effort has been made by the Board to collect such assessments and the Secretary may maintain a suit for the collection of such assessments, pursuant to section 10 of this Act.

PERMISSIVE TERMS AND PROVISIONS

Sec. 7. An order issued pursuant to this Act may contain one or more of the following terms and conditions:

(a) Providing authority to exempt from the provisions of the order honey used for exporting and provide authority for the Board to require satisfactory safeguards against improper use of such exemption.

(b) Providing that producers in a State with an existing marketing order should pay into the national honey promotion and research program that part of the national assessment which is above their State assessment.

(c) Providing for authority to designate different handler payment and reporting schedules to recognize differences in marketing practices and procedures utilized in different production areas.

(d) Providing for the establishment, issuance, effectuation, and administration of appropriate plans or projects for the advertising and sales promotion of honey or its products and for the disbursement of necessary funds for such purposes: *Provided*, That any such plan or project shall be directed toward increasing the demand for honey or its products on a nationwide basis or in surplus producing areas of the marketing area but no reference to a private brand or trade name shall be made if the Secretary determines that such reference will result in undue discrimination against the honey or honey products of other persons: *And provided further*, That such promotional activities shall comply with the provisions of section 6 (e) of this Act.

(e) Providing for establishing and carrying on research and development projects and studies with respect to the production, processing, distribution, or utilization of honey or its products, to the end that the marketing and utilization of honey may be encouraged, expanded, improved, or made more efficient, and for the disbursement of necessary funds for such purposes.

(f) Providing for authority to accumulate reserve funds from assessments collected pursuant to this Act, to permit an effective and continuous coordinated program of research and development or advertising and promotion in years when the production and assessment income may be reduced: *Provided*, That the total reserve fund does not exceed the amount budgeted for one year's operation.

(g) Providing for authority to use funds collected herein, with the approval of the Secretary, for the development and expansion of honey or honey product sales in foreign markets.

(h) Terms and conditions incidental to and not inconsistent with the terms and conditions specified in this Act and necessary to effectuate the other provisions of such order.

ASSESSMENTS

SEC. 8. (a) The first handler of honey shall be responsible under the provisions of this Act and any order issued pursuant to it, for the payment, to the Board, of any assessments levied thereon: *Provided*, That such handler may collect or deduct from the domestic producer, on whose honey such assessment is made, any such assessment required to be paid by said handler: *And, provided further*, That said handler shall maintain a separate record on each producer's honey so handled, and such records shall include all honey handled by him including those handled for producers and for himself, and shall include all honey handled which are included under the terms of an order as well as those which are exempt under such order.

(b) Handlers responsible for collection of assessments under (a) hereof shall maintain and make available for inspection by the Secretary such books and records as required by the order and file reports at the times, in the manner, and having the content prescribed by the order, to the end that information and data shall be made available to the Board and to the Secretary which is appropriate or necessary to the effectuation, administration, or enforcement of the Act or of any order or regulation issued pursuant to this Act.

(c) All information obtained pursuant to (a) and (b) hereof shall be kept confidential by all officers and employees of the Department of Agriculture and of the Board, and only such information so furnished or acquired as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing brought at the direction, or upon the request, of the Secretary of Agriculture, or to which he or any officer of the United States is a party, and involving the order with reference to which the information so to be disclosed was furnished or acquired. Nothing in this section shall be deemed to prohibit—

(1) the issuance of general statements based upon the reports of a number of handlers subject to any order, which statements do not identify the information furnished by any person, or

(2) the publication by direction of the Secretary, of the name of any person violating any order, together with a statement of the particular provisions of the order violated by such person.

Any such officer or employee violating the provisions of this subsection shall, upon conviction, be subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both, and shall be removed from office.

PETITION AND REVIEW

SEC. 9. (a) Any person subject to any order may file a written petition with the Secretary, stating that any such order or any provision of such order or any obligation imposed in connection therewith is not in accordance with law and praying for a modification thereof or to be exempted therefrom. He shall thereupon be given an opportunity for a hearing upon such petition, in accordance with regulations made by the Secretary. After such hearing, the Secretary shall make a ruling upon the prayer of such petition which shall be final, if in accordance with law.

(b) The district courts of the United States in any district in which such person is an inhabitant, or has his principal place of business, are hereby vested with jurisdiction to review such ruling: *Provided*, That a complaint for that purpose is filed within twenty days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the Secretary by delivering to him a copy of the complaint. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the Secretary with directions either—

(1) to make such ruling as the court shall determine to be in accordance with law, or

(2) to take such further proceedings as, in its opinion, the law requires.

The pendency of proceedings instituted pursuant to subsection (a) of this section shall not impede, hinder, or delay the United States or the Secretary from obtaining relief pursuant to section 10 (a) of this Act.

ENFORCEMENT

SEC. 10. (a) The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating any order or regulation made or issued pursuant to this Act.

(b) Any handler who violates any provision of any order issued by the Secretary under this Act, or who fails or refuses to remit any assessment or fee duly required of him thereunder shall be subject to criminal prosecution and shall be liable to a penalty of not more than \$1,000 for each such offense which shall accrue to the United States and in addition shall be subject to civil suit brought by the United States to collect any unpaid assessments levied under this Act.

INVESTIGATION AND POWER TO SUBPENA

SEC. 11. (a) The Secretary may make such investigations as he deems necessary for the effective carrying out of his responsibilities under this Act or to determine whether a handler or any other person has engaged or is about to engage in any acts or practices which constitute a violation of any provision of this Act, or of any order, or rule or regulation issued under this Act. For the purpose of any such investigation, the Secretary is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpoena issued to, any person, including a handler, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Secretary, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found.

(b) No person shall be excused from attending and testifying or from producing books, papers, and documents before the Secretary, or in obedience to the subpoena of the Secretary, or in any cause or proceeding, criminal or otherwise, based upon, or growing out of any alleged violation of this Act, or of any order, or rule or regulation issued thereunder on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on the account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that any individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

AMENDMENTS

SEC. 12. The provisions of this Act applicable to orders shall be applicable to amendments to orders.

REQUIREMENT OF REFERENDUM

SEC. 13. The Secretary shall conduct a referendum among producers who, during a representative period determined by the Secretary, have been engaged in the production of honey for the purpose of ascertaining whether this issuance of an order is approved or favored by producers. No order issued pursuant to this Act shall be effective unless the Secretary determines that the issuance of such order is approved or favored by not less than two-thirds of the producers voting in such referendum, or by the producers of not less than two-thirds of the honey produced during the representative period by producers voting in such referendum. The ballots and other information or reports which reveal or tend to reveal the vote of any producer or his production of honey shall be held strictly confidential and shall not be disclosed.

SUSPENSION OR TERMINATION

SEC. 14. (a) The Secretary shall, whenever he finds that an order or any provision thereof obstructs or does not tend to effectuate the declared policy of the Act, terminate or suspend the operation of such order or such provision thereof.

(b) The Secretary may conduct a referendum at any time and shall hold a referendum on request of the Board or of 10 per centum or more of the honey

producers to determine if honey producers favor the termination or suspension of the order, and he shall terminate or suspend such order at the end of the marketing year whenever he determines that such suspension or termination is favored by a majority of those voting in a referendum, and who produce more than 50 per centum of the volume of the honey produced by the honey producers voting in the referendum.

DEFINITIONS

SEC. 15. Definitions as used in this Act:

(a) "Secretary" means the Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has heretofore been delegated or to whom authority may hereafter be delegated, to act in his stead.

(b) "Person" means any individual, partnership, corporation, association, or any other entity.

(c) "Honey" means extracted honey, comb honey, section, cutcomb, chunk, or any combination thereof produced by honey producers in the forty-eight contiguous States of the United States.

(d) "Handler" means any person (except a common or contract carrier of honey owned by another person) who handles honey.

(e) "Handle" means to transport or sell honey or otherwise place honey, domestic or imported, in the current of commerce; except that the sale of unharvested honey and the transfer or delivery of honey from the location where it was produced to a temporary storage facility, extracting house, or processing plant shall not be considered handling.

(f) "Producer" means any person within the "marketing area" engaged in the production of honey or causing it to be produced and who sells such honey to a handler or delivers such honey to a cooperative marketing association in lots or containers in which total weight of the lot or container is sixty pounds or more.

(g) "Promotion" means any action taken by the Board, pursuant to this Act, to present a favorable image for honey or honey products to the public with the express intent of improving their competitive position and stimulating sales of honey or honey products and shall include, but not be limited to, paid advertising.

(h) "Marketing year" means the twelve months beginning April 1 and ending March 31, both dates inclusive.

(i) "Marketing area" means the forty-eight contiguous States of the United States.

(j) "National Honey Packers and Dealers Association" means the national association consisting of honey packers, dealers, and so forth, which operates under such name.

(k) The definitions set forth in this section may be modified by the Secretary pursuant to section 16 of this Act.

MODIFICATION

SEC. 16. The definitions set forth in section 15 may be modified by the Secretary, upon the recommendation of the Board or other information, whenever he finds that such modification would tend to effectuate the objectives of this Act.

SEPARABILITY

SEC. 17. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and of the application of such provisions to other persons and circumstances shall not be affected thereby.

AUTHORIZATION

SEC. 18. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such funds as are necessary to carry out the provisions of this Act: *Provided*, That the funds so appropriated shall not be used for payment of the expenses or expenditures of the Board in administering any provisions of any order issued pursuant to the terms of this Act.

EFFECTIVE DATE

SEC. 19. This Act shall take effect upon enactment and may be cited as the Honey Promotion and Research Act.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 19, 1968.

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

DEAR MR. CHAIRMAN: This is in reply to your request of April 27, 1968, for a report on H.R. 16455. The purpose of this bill is to enable honey producers to finance a nationally coordinated promotion and research program to improve their competitive position and expand their markets for honey.

The Department recommends that this bill be passed with modifications.

The bill provides for authority to establish an "Order" to collect assessments on honey produced in the 48 contiguous States of the United States and on honey imported. Domestic honey producers who sell honey to a handler or deliver honey to a cooperative marketing association in lots or containers in which the total weight of the lot or container is less than 60 pounds, are exempt from assessments. The assessments may be used for promotion of honey and honey products, including paid advertising. In addition, assessments may be used for research and development projects. The costs incurred by the honey industry in administering the program would also be paid from assessments. Prior approval by the Secretary of Agriculture for all projects and expenditures is provided for as a safeguard against improper use of funds.

The bill provides for a maximum assessment rate of fifteen cents per 60 pound can or equivalent thereof. Handlers are responsible for payment of the assessments and they may deduct them from their settlement with the domestic producers. Domestic producers will be able to obtain a refund on the assessments paid for or by them, if they request it and comply with requirements. Handlers who import honey would be required to pay the assessment on such honey. The bill does not contain provisions for making refund of assessments on imported honey and Alaska, Hawaii and U.S. Territories are not included in the "Marketing Area" definition nor would their producers be deemed domestic producers. Provisions in the bill provide for hearings with respect to a proposed "Order" when requested by honey producers. A favorable referendum vote, by two-thirds of the honey producers voting in such referendum, or two-thirds of their production, is required to approve any "Order" issued pursuant to this bill.

If such an "Order" is favored by producers, a board will be selected by the Secretary of Agriculture from industry nominations of eligible producers and handlers. Such board will administer the "Order" under the supervision of the Secretary of Agriculture.

Provisions in this bill are similar to Public Law 89-502 (80 Stat. 279) enacted by the 89th Congress and cited as the "Cotton Research and Promotion Act". Promulgation and referendum proceedings for any "Order" issued pursuant to this bill are similar to Marketing Orders authorized by the Agricultural Marketing Agreement Act of 1937, as amended. Administrative provisions are also similar to Marketing Orders. There are no provisions for quality control or compulsory inspection in this bill.

The honey producers have been confronted, in recent years, with a low per capita consumption and strong competition from other products marketed as prepared convenience foods. Some of these products have been developed as a result of extensive research and promotion and are now being promoted on a national basis. Honey producers have not been able to effectively promote on a national basis because production and marketing of honey is performed by many individual producers (beekeepers) in every State in the United States. It has been difficult for them to finance and carry out, on a voluntary basis, adequate research and promotion projects to maintain a competitive position in the markets.

A few honey producing states have State Marketing Orders to promote honey in their particular State. This bill would complement these existing programs with a nationally coordinated program. The objectives of such a program are to: maintain honey's competitive position in the markets; develop new uses and markets for honey; inform consumers about the merits of using more honey in their diets; and to increase consumption of honey to bring demand into a more favorable balance with supply. This bill will give honey producers authority to help themselves to achieve some or all of these objectives.

The Department recommends the following modifications of this bill:

(1) In section 1, page 1, line 6, delete the following: "In 1967, 4,837,000" and insert in lieu thereof the following: "In 1966, four million seven hundred and seventy-two thousand". Also, in section 1, page 1, line 7, delete the sentence which begins with the word "Approximately" and ends on page 2, line 2, and insert in lieu thereof the following sentence: "Approximately two hundred and forty-seven million pounds of honey were produced in the same year with an estimated farm value to the honey producers of \$43,012,000". These changes are recommended so as to better describe industry conditions in a more representative year since honey production fell below normal in 1967 due mostly to adverse weather in some production areas. Furthermore, the production figures in the sentence beginning on page 1, line 7, are for a single year but they are compared to a five year cumulative farm value of honey to producers.

(2) In section 2, page 3, line 3, after the word "Secretary" insert the following words: "of Agriculture (hereinafter referred to as the "Secretary")". This change is recommended so as to specifically designate which Department will be given authority to issue an order pursuant to the provisions of this act. The words proposed to be added were in early drafts.

(3) In section 2, page 3, line 12, and in section 15(i), page 20, line 3, delete the words "forty-eight contiguous" and insert the number "50" in lieu thereof.

As previously indicated, the bill purports to impose an assessment on imported honey, including honey "imported" from Hawaii or Alaska. This assessment on "imported" honey would be payable by the first handler in the 48 contiguous States. Unlike honey produced in the 48 States, honey originating in the States of Hawaii or Alaska would not be eligible for producer refunds. To the extent that availability of refund to the producer of honey in the 48 contiguous States makes this program "voluntary" the assessments may be considered not a "tax". However, because producers in the States of Hawaii and Alaska would not be eligible for refund, any assessments charged on honey originating in these States may be the equivalent of a tax or impost imposed only against those States and in this respect the bill may violate Article I Section 8 of the Constitution which provides, in part, that "all duties imposts, and excises shall be uniform throughout the United States". Also, Article I Section 9 prohibits any tax or duty on articles exported from any State. In view of this it would appear to be desirable to include all 50 States under an order and in the definition of marketing area so as to make producers in Hawaii and Alaska eligible for refund as well as producers located in any of the other States.

(4) In subsection 6(b), item 1, page 5, line 9, correct the last word to read "representation". In line 10, delete the word "membership" and insert in lieu thereof the word "nominees" and in line 11, delete the words "by such association" and insert in lieu thereof the following words: "or other nominees". This change is recommended so that handler nominees for the Board will not be restricted solely to members of the National Honey Packers and Dealers Association as this does not include all handlers.

(5) In section 6(b), item 2, page 5, line 19, insert prior to the word "and" the following words: "Hawaii, Alaska". This change is recommended so as to include Hawaii and Alaska in one of the marketing area districts for purposes of representation on the Board. This change would also bring this subsection into conformity with the recommended change in section (3).

(6) In section 6(e) (3), page 8, line 6, add to the end of the sentence the following, "except as provided by subsection (a) (4) of this section". The addition of this language will eliminate potential inconsistency with the provision in subsection (a) (4) in which the Board has the express responsibility to recommend to the Secretary amendments to such order.

(7) In section 6(f), page 8, line 8, after the word "producer" insert the words "in the marketing area". This change is recommended so as to clearly point out that only those honey producers in the marketing area would be eligible to apply for refund of assessments.

(8) In section 6(f), page 8, line 14, immediately after the word "producer", insert the following, "within a time and in such a manner". This addition will assure proper authorization for the Board to prescribe the time period within which refund claims shall be filed.

(9) In section 7(b), page 10, lines 1 through 4, either delete the entire subsection or insert in lieu thereof the following: "(b) Providing that in a State with an existing marketing order with respect to honey, the objectives of which the Secretary determines are comparable to the national honey research and promotion program, the first handler shall be responsible for payment to the Board of

that part of the national assessment which is above the State assessment, if any, actually paid on such honey."

Unlike the recently enacted Cotton Research and Promotion Act and pending bills dealing with potato research and promotion this bill, in Section 7(b), would provide that "producers in a State with an existing marketing order should pay into the national assessment which is above their State assessment". We question whether this provision is desirable, particularly as presently written. The imposition of a full Federal assessment on some honey with a lesser Federal assessment on other honey, depending on the State of production, may present problems of discriminatory imposition of charges. Also, as written, there is no assurance that the State assessment will in fact be collected even though imposed. There is also no assurance that the State program will be compatible with the Federal one and in fact, as written, the provision does not even require that the State marketing order deal with research and promotion. Furthermore, the bill elsewhere imposes responsibility for payment of assessments on handlers—on producers—whereas this subsection seems to require payment of differences by producers, contrary to the general framework of the bill.

(10) In section 8(a), page 12, lines 4 and 5, change the word "those" to "honey", and the word "are" to "is". These changes are for purposes of clarification only.

(11) In subsection 15(c), page 19, lines 1, 2 and 3, delete the words "produced by honey producers in the 48 contiguous States of the United States". This change is recommended so that the definition will not exclude imported honey as such honey is to be subject to assessments under the bill.

(12) In subsection 15(d), page 19, line 6, after the word "honey" change the period to a comma and add the following: "either of his own production or that of another producer, or of foreign production, in a manner specified in the order or in the rules and regulations issued thereunder". This change is recommended so as to include a person who packs his own honey production. The change would also provide authority to further define this term if such need results through the public hearings or by board determination after an "Order" has been issued.

(13) Subsection 15(e), page 19, lines 7 through 12, delete the entire subsection. This change is recommended since the definition as defined would cause assessments on honey handled by handlers to be at the outgoing level of a handler's operation whereas it should be on honey which a handler acquires as this is the weight at which the settlement with the producer will be made.

(14) In subsection 15(f), page 19, line 13, change the designation of this subsection from "(f)" to "(e)" and revise the entire definition to read as follows: "Producer means any person within the marketing area engaged in a proprietary capacity in the production of honey but shall exclude beekeeping hobbyists, those selling their entire production of honey at roadside stands and such other persons as may be excluded by the order of any rules and regulations issued thereunder." This change is recommended to provide a better expression of the present definition. The change will also give authority to further exclude some of the small honey producers through the "Order" if such a need is determined in the promulgation and operation of the "order".

(15) In section 15, subsection (g), page 19, line 19, change the designation of this subsection from "(g)", to "(f)". This change is recommended as being necessary due to deletion of subsection 15(e). Likewise, subsection "(h)", page 20, line 1, should be changed to "(g)"; subsection "(i)", page 20, line 3, should be changed to "(h)"; subsection "(j)", page 20, line 5, should be changed to "(i)"; and subsection "(k)", page 20, line 8, should be changed to "(j)".

(16) In section 16, page 20, line 13, insert after the word "upon" the phrase "The basis of hearing evidence on the order." This change is recommended to make it clear that any such modification of definition should be by way of order provisions based on the hearing record evidence.

We believe the enactment of the bill would result in a cost of \$67,000 to conduct promulgation proceedings, a referendum and related items to initiate an "Order". Additionally, the Department's annual cost for administration is estimated to be \$47,000. We recommend that the bill be amended to provide that the costs to the Department of Agriculture incurred in administering any program developed pursuant to this legislation shall be financed from funds appropriated pursuant to Section 32, Public Law 320, 74th Congress, as amended.

Time has not permitted the securing of the views of the Bureau of the Budget as to the relationship of this report from the standpoint of the Administration's program.

Sincerely yours,

ORVILLE L. FREEMAN.

Mr. ABERNETHY. We have with us Congressman Quie of Minnesota, author of one of the bills. Mr. Quie, we will be happy to hear from you at this time, sir.

STATEMENT OF HON. ALBERT H. QUIE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. QUIE. Thank you, Mr. Chairman. It is certainly a pleasure to be back with you again, Tom, to testify on the bill. I sat up there on that side for so many years that it has always seemed odd to me not to be able to be here and it fills me with nostalgia.

Mr. ABERNETHY. Well, the door is still open.

Mr. QUIE. OK. I appreciate that you would hold a hearing today on the honey promotion and research bill, mine numbered H.R. 15936. There are a number of witnesses from the honey industry who will be testifying on the legislation.

The proceedings provide really an open forum for all interested parties and spokesmen who represent all the segments of the honey industry and I believe this bill offers a very practical and realistic means of resolving some of the most serious problems confronting that industry. It is designed to enable our honey producers to finance a nationally coordinated research and promotion program to improve their competitive position, and to expand their potential markets for their commodity. This legislation enjoys a virtual unanimity of support among those who derive their livelihoods from participation in one or another phase of honey production.

The basic concept underlying this proposal is not a novel one. It has been tried and been proven both workable and successful for other agricultural products and commodities. And, in this regard, one might cite as a precedent for the legislation under consideration today, Public Law 89-502, the Cotton Research and Promotion Act, approved in July of 1966. The research and promotion program that became operative thanks to the enactment of this legislation, continues to enjoy a broad base of support and the enthusiastic endorsement of the Nation's cottongrowers. What is more, the approach adopted in H.R. 15936 parallels that of the various potato research and promotion bills which received the wholehearted approval of spokesmen for the potato industry during hearings held before the Research and Extension Subcommittee last April and now has been approved by the committee and I understand has been reported to the Rules Committee.

With reference to the Honey Promotion and Research Act, there are several major points which I believe merit special emphasis.

First, the current status of our domestic honey industry is, unfortunately, neither a healthy nor an enviable one. The future does not look promising. Those within the honey industry are fully aware of the problems at hand. In essence, they ask only that the Congress grant them legislative permission to undertake an industrywide, self-improvement program. The pressing and acute need for such constructive and forward-looking action can be documented. Last year's crop of some 245 million pounds was approximately 16 percent below the 1966 yield and well below those of previous years. In spite of greater efficiency in production, the income of the beekeeper continues to diminish annually by virtue of the fact that the annual per capita consumption of

honey has declined drastically—while the costs of production spiral upward. Other factors—including adverse weather conditions, disease, the problems of insect and pest control—factors over which the beekeeper has no control—have contributed to the serious decline of the domestic honey industry. If many more poor years lie ahead—years that will find fewer and fewer colonies of bees and further reductions in production coupled with ever-lower prices and no substantial increase in the per capita consumption of this product, it is indeed likely that we shall find more and more individuals who will have no alternative other than that of totally abandoning scientific beekeeping. In a word, many of our commercial beekeepers will be forced to seek other self-supporting pursuits within the farm economy. Should this come to pass, the adverse effects will be felt not only by the individual beekeeper and his partners in the honey industry, but also by many other segments of the total agricultural enterprise—for the pollination process is a vital one in the production of numerous crops.

Second, let me stress the self-help approach that is at the heart of this legislation . . . an approach that finds the honey industry attempting, through its own efforts and with finances to be derived from assessments on the honey marketed in the United States for commercial use, to improve its overall status and enhance the economic position of its members. The honey industry neither asks for nor expects a vast outlay of Federal funds or subsidies or supports to alleviate its present plight. Rather, it seeks congressional approval of enabling legislation that will allow the creation and implementation of a nationally coordinated research, development, promotion, and advertising as a mechanism to improve its ability to compete effectively within the Nation's marketplace and within the Nation's economy. The words "nationally coordinated" are important ones. I am pleased to say that the State of Minnesota has always ranked among the top honey-producing States. But honey is produced in each of the 50 States by a number of individual growers who now lack the capability to conduct, as an industry, any truly effective, collective activities in the areas of commodity research and promotion—activities that are necessary both for the improvement of their product and their position as an equal competitor within the domestic marketplace.

Participation in the proposed research and promotion program would be strictly voluntary in nature. Any honey producer who is assessed and from whom assessments are collected may, should he disapprove of the promotion programs conducted, have the right to demand and receive a refund of the moneys for which he was assessed.

Third, and finally, the findings of the pilot research that has been done thus far within the industry—research that has been severely restricted by the limited funds available—suggest that this commodity had a tremendous potential that is as yet largely untapped and undeveloped. For, we have not fully studied just how valuable its nutritive qualities may be, nor have we begun to really explore its therapeutic and medicinal values.

In closing, I would like to thank you, Mr. Chairman, and the members of this subcommittee for your invitation to participate in today's proceedings. I respectfully urge that this subcommittee give the Honey Promotion and Research Act of 1968 its early and favorable consideration.

Mr. ABERNETHY. Thank you very much, Mr. Quie. Are there questions from members of the panel?

Thank you, Mr. Quie.

I notice that Congressman Odin Langen has a statement. It will be included in the record at this point.

(Congressman Langen's statement follows:)

STATEMENT OF HON. ODIN LANGEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. Chairman, I am indeed grateful for the privilege of submitting testimony in behalf of H.R. 16617, my bill to enable honey producers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for honey. You are to be commended for scheduling this important hearing on my bill and similar bills, known collectively as the Honey Promotion and Research Act of 1968.

These bills reflect a most commendable desire by our honey producers to promote their own industry at their own expense. We in the Congress have a rare opportunity to pass enabling legislation that merely makes it possible for the honey industry to move ahead with its promotional plans at no expense to the Federal Government. It would be great if every so-called self-help bill before us asked so little of us.

The maintenance and expansion of existing honey markets and the development of new or improved markets are vital to the welfare of honey producers and those concerned with marketing, using, and processing honey.

Honey is produced by many individual producers, or beekeepers, in every State in the Union. In 1967, almost five million colonies of bees kept in the United States were devoted to honey production. Approximately 245 million pounds of honey have been produced during the past five years with an estimated farm value to the honey producers of \$224 million.

Our honey producers, wanting to maintain their markets and experience a desirable industry growth pattern, now wish to assess themselves in an orderly manner in order to raise the funds necessary to carry out promotion and research. They are not asking for a Federal program of assistance that would use up tax dollars. They are merely asking for the privilege of assessing themselves at a rate that would not exceed 15 cents per 60-pound can of honey. The funds collected would be used for research, development, advertising, and such other expenses as would be deemed necessary by the Secretary of Agriculture.

Under this bill, a National Honey Promotion Board would be established from nominations made by honey producers in five marketing districts across the country, as outlined in the bill. The Board would in turn submit a plan of promotion and assessment that would be considered by the Department. When and if such a plan went into effect, the first handler of the producer's honey would collect the assessment.

It should be pointed out that any producer, if he does not favor or support the promotion program, could demand and receive a refund of his assessment. Thus, any plan approved by the Secretary of Agriculture upon recommendation of the Board would be voluntary on the part of the producer. Further, this legislation provides that due notice and opportunity for a hearing will be provided whenever a plan has been agreed upon and reaches the Secretary in the form of an order.

The Secretary shall also conduct a referendum among producers who, during a representative period, have been engaged in the production of honey for the purpose of ascertaining whether the issuance of an order is approved or favored by producers. No order issued shall be effective unless it is favored by not less than two-thirds of the producers voting in the referendum, or by the producers of not less than two-thirds of the honey produced during the representative period. Further referendums could be ordered at any time on request of the Board, the Secretary, or ten per cent of the honey producers, to determine if an order should be terminated or suspended.

All that is really requested in this legislation is the authority to carry out a systematic national honey promotion and research program that will benefit an important segment of our agricultural economy. It has many safeguards for those who do not wish to participate and those who might like the program to change directions or be terminated once in practice. There are even provisions to insure

that none of the funds collected will be used for the purpose of influencing governmental policy or action.

The benefits derived from this bill would further extend to the entire Nation, Mr. Chairman, and it is respectfully requested that the Honey Promotion and Research Act of 1968 be approved.

Mr. ABERNETHY. If there are other members who have statements they will follow Mr. Langen's.

Mr. KLEPPE. Mr. Chairman, before Congressman Quie gets away—and I am sorry I am late—but, Al, could I ask you a question? Do you have any idea or any figures on the total honey market, total honey business of the United States at the wholesale level?

Mr. QUIE. Well, Tom, any information I have, I have secured from the men behind me and, therefore, I would just as soon you would ask them because you will get it right from the horse's mouth then—

Mr. KLEPPE. Fine.

Mr. QUIE. Rather than from me. And incidentally, Mr. Chairman, I have one constituent with me, Mr. Robert Banker, from Cannon Falls, who will testify; and you know we always have special interest in those who are constituents of ours and Mr. Banker has corresponded with me many times in the past and is very well involved in the honey industry and I am sure you will find him an excellent witness, as well as the men who come from other States.

Mr. ABERNETHY. Thank you.

Mr. MAYNE. Mr. Chairman, in order to clarify the record, I assume, Mr. Quie, when you say "the men behind me," you are referring to the men who are seated here in the hearing room behind you today.

Mr. QUIE. That is right. Off the record.

(Discussion off the record.)

Mr. ABERNETHY. Mr. Hedlund.

STATEMENT OF FLOYD HEDLUND, DIRECTOR, FRUIT AND VEGETABLE DIVISION, CONSUMER AND MARKETING SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. HEDLUND. Mr. Chairman, members of the committee, my name is Floyd F. Hedlund, Director, Fruit and Vegetable Division, Consumer and Marketing Service, U.S. Department of Agriculture.

H.R. 16455 is a bill—

Mr. ABERNETHY. Mr. Hedlund, may I interrupt to inquire, has the Department reported on this bill yet? Did you bring a report with you?

Mr. HEDLUND. The Department has prepared a report that I thought would be here this morning, Mr. Chairman. If it has not arrived, it will be here shortly.

Mr. ABERNETHY. That is all right. You may proceed.

Just a moment. When it does arrive, it will be included in the record following the listing of the bills on which this hearing is being conducted.

Mr. HEDLUND. H.R. 16455 is a bill to enable the honey industry to finance a nationally coordinated honey promotion and research program to improve their competitive position and to expand their markets for honey and honey products.

The Department recommends that H.R. 16455 be passed with some modifications.

The bill provides authority to establish an order to collect assessments on honey produced in the 48 contiguous States of the United States and on imported honey. The funds would be used to administer the order and to finance a program of promotion, advertising, research, and development of honey and honey products.

A public hearing would be required to consider an order. The Secretary of Agriculture could give notice and opportunity for hearings on a proposed order whenever he had reason to believe it would carry out the declared policy. Any proposed order must contain the following terms:

1. Provide for the establishment of a National Honey Promotion Board to be selected by the Secretary from nominations made by honey producers and handlers to administer the order. Members of the Board serve without compensation.

2. Provide for the Board to submit to the Secretary a proposed annual budget and to recommend a rate of assessment, which cannot exceed 15 cents per 60-pound can of honey or the equivalent thereof. The budget and the assessment rate are subject to the Secretary's approval. The assessments would be on both domestically produced honey and on imported honey. Domestic producers, not in sympathy with the order, could request and receive refunds on assessments paid.

3. Assessment funds could be used for administering the order and for the cost of promotion, advertising, research, and development of honey and honey products. No reference to a private brand or trade name could be used if the Secretary determines that such reference would result in undue discrimination against the honey or honey products of other persons.

The order could, in addition to the mandatory provisions, include certain permissive terms. These include authority to exempt from the provisions of the order honey which is exported; allow producers in States with an existing marketing order to pay only an assessment equal to the difference between their State assessment and that assessed under the order; the accumulation of reserve funds which shall not exceed the amount budgeted for 1 year's operation; the development and expansion of honey or honey product sales in foreign markets; and such incidental terms and conditions as are necessary to effectuate other provisions of the order.

It is our interpretation that it is the intent of this bill to cover all honey produced in the 48 contiguous States of the United States and honey imported, except that which is specifically exempted.

The first handler of honey would be responsible for paying the assessment.

Mr. ABERNETHY. Who is he?

Mr. HEDLUND. The handler is later defined and I will come to that very briefly.

Mr. ABERNETHY. All right.

Mr. HEDLUND. Such handler may collect the assessment from the producer or deduct the amount from the proceeds due the producer. Handlers are required to keep adequate books and records on transactions in honey. All such information is confidential and may be disclosed only in general statements which do not identify the information furnished by any person.

An order could not be made effective without the approval of producers voting in a referendum conducted by the Secretary. An order must be favored by at least two-thirds of the producers voting (by number of producers or volume of production) who, during a representative period determined by the Secretary, have been engaged in the production of honey. All ballots and other information relating thereto are confidential and may not be disclosed.

Any handler who willfully violates the order is subject to criminal prosecution and liable to a penalty of \$1,000 for each offense. Assessments not paid may be collected under a civil suit brought by the United States. The Secretary may make such investigations deemed necessary to determine whether a person is in violation.

Any person, subject to the order, may petition the Secretary, urging that the obligations imposed by the order are not in accordance with law and praying for exemption or modification. After an opportunity for hearing, the Secretary shall rule on the petition. Such ruling is subject to review by the U.S. district courts.

The order could be terminated or suspended by the Secretary if it does not effectuate the declared policy of the act. The Secretary would be required to terminate the order if a majority of the honey producers, who produce more than 50 percent of the volume of honey produced by honey producers voting in the referendum, favor such termination. The Secretary may conduct a referendum at any time and shall hold a referendum on request of the Board or on the request of 10 percent or more of the honey producers.

The value of honey production at the farm during the past decade has ranged from \$34 to \$48 million. The number of honey bee colonies during the same decade has shown a decline. In 1958, there were some 5.2 million colonies of honey bees but only 4.7 million in 1966. Yields per colony during the same decade varied from a low of 46.3 pounds per colony to 55 pounds per colony. Again, in the same decade, total production of honey ranged from 223 million pounds to 267 million pounds. The number of honey producers has declined but the size of individual commercially producing beekeeping operations has increased.

The per capita consumption of honey during the early 1940's was close to 2 pounds per person. In the early 1950's this consumption rate declined to a pound and a half per person. Ten years later, in the early 1960's the rate showed a further decline to 1.3 pounds and the preliminary figure for 1967 is 1.1 pounds per person, which indicates a rather steady decline in per capita consumption.

Honey supplies have frequently been burdensome. In an attempt to aid honey producers, the Department of Agriculture operated surplus removal programs in 1940, 1947, and 1948. Honey was placed under a mandatory price-support program beginning in 1950. The Commodity Credit Corporation, through 1966, has taken title to some 45.1 million pounds of honey under the price-support program since its inception. That portion of this amount considered to be table quality has been used in the school lunch program.

Honey producers have faced increased market competition in recent years from other convenience type foods. A number of such foods are promoted on a nationwide basis. The honey industry has been unable to keep pace with some of its competitors because of the widespread

nature of its producers. Honey production occurs in every State with the largest productions being in the widely separated States of California, Minnesota, Texas, and Florida. Without a means of funding the effort, this wide distribution has made it difficult to finance and carry out the promotion and research needed to maintain a competitive position in the markets.

The Department recommends the following modifications of the bill:

1. In subsection 6(b), item 1, page 5, line 9, correct the last word to read "representation."

Mr. ABERNETHY. Wait just a minute; where is that now? Page 5, line 9?

Mr. HEDLUND. Yes, sir.

Mr. ABERNETHY. Do what now? Read it again, please.

Mr. HEDLUND. Correct the last word to read "representation."

Mr. KLEPPE. Instead of "representative."

Mr. HEDLUND. Yes. In line 10, delete the word "membership" and insert in lieu thereof the word "nominees."

Mr. ABERNETHY. Go ahead.

Mr. HEDLUND. And in line 11, delete the words "by such association," and insert in lieu thereof the following words "or other nominees."

This change is recommended so that handler nominees for the Board will not be restricted solely to members of the National Honey Packers & Dealers Association, as this does not, or may not, include all handlers.

2. In section 2, page 3, line 12, and in subsection 15(i), page 20, line 3, delete the words "48 contiguous" and insert the number "50" in lieu thereof. This change is recommended since the bill purports to impose an assessment on imported honey, including honey produced in Hawaii and Alaska.

Mr. ABERNETHY. Section 2. You said page 3 and page what?

Mr. HEDLUND. Page 20, line 3.

Mr. ABERNETHY. You may proceed.

Mr. HEDLUND. This assessment on "imported" honey would be payable by the first handler in the 48 contiguous States. Unlike honey produced in the 48 States, honey produced in the States of Hawaii or Alaska would not be eligible for producer refunds. In order to treat everybody alike, we propose that the change be made, which would include all 50 States. In view of this, it would appear to be desirable to include all 50 States under an order and in the definition of "marketing area" so as to make producers in Hawaii and Alaska eligible for refund as well as producers located in any of the other States.

3. In section 7(b), page 10, lines 1 through 4, either delete the entire subsection or insert in lieu thereof the following:

(b) Providing that in a State with an existing marketing order with respect to honey, the objectives of which the Secretary determines are comparable to the national honey promotion and research program, the first handler shall be responsible for payment to the Board of that part of the national assessment which is above the State assessment, if any, actually paid on such honey.

Some honey-producing States have State marketing orders or commissions established to promote honey. Yet, unlike the recently enacted Cotton Research and Promotion Act and pending bill dealing with potato research and promotion, this bill, in section 7(b), would

provide that "producers in a State with an existing marketing order should pay into the national assessment that which is above their State assessment." We question whether this provision is desirable, particularly as presently written.

The imposition of a full Federal assessment on some honey with a lesser Federal assessment on other honey, depending on the State of production, may present problems of discriminatory imposition of charges. Also, there is no assurance that the State program will be compatible with a Federal order and, in fact, the provisions do not require that the State marketing order deal with research and promotion. Furthermore, the bill elsewhere imposes responsibility for payment of assessments on handlers—not producers—whereas this subsection seem to require payment of differences by producers, contrary to the general framework of the bill.

4. In subsection 15(d), page 19, line 6, after the word "honey" change the period to a comma and add the following: "either of his own production or that of another producer, or of foreign production, in a manner specified in the order or in the rules and regulations issued thereunder." This change in the definition of "handler" is recommended so as to include a person who packs his own honey production. The change would also provide authority to further define this term if such need results through the public hearing or by board determination after an order has been issued. Here, Mr. Chairman, I think the honey handler is meant to be the person who buys the honey from a producer who processes it, packs it, and enters it into the stream of commerce.

5. In subsection 15(e), page 19, lines 7 through 12, delete the entire subsection. This change is recommended since the definition of "handle" is difficult to delineate until after the public hearing has been held. Hence, we believe it can best be defined in the order on the basis of evidence presented at the public hearing.

6. In subsection 15(f), page 19, line 13, change the designation of this subsection from "(f)" to "(e)" and revise the entire definition to read as follows: "Proprietary means any person within the marketing area engaged in a proprietary capacity in the production of honey but may exclude beekeeping hobbyists who sell their entire production of honey at roadside stands and such other persons as may be excluded by the order or any rules and regulations issued thereunder." This change will authorize the exclusion of some of the small honey producers in the order if such a need is determined in its promulgation and operation. There are estimated to be some 197,000 honey producers in the United States. It is further estimated that a significant number of these producers have very small beekeeping operations. Most of their honey production does not enter into commercial channels of trade. It is sold largely at roadside stands, and to neighbors or friends. Thus, we think that such producers probably should be exempt from an order and assessments. It would be extremely difficult and costly to collect assessments from this type of operator. The remaining producers account for most of the honey which enters commercial channels of trade.

We are recommending several other minor modifications which are outlined in full in our report on the bill. These are mostly technical in nature and need not be repeated here.

We believe the enactment of the bill would result in a cost of \$67,000 to conduct promulgation proceedings, a referendum, and related items to initiate an order. Additionally, the Department's annual cost for administration is estimated to be \$47,000.

We recommend that the bill be amended to provide that any costs to the U.S. Department of Agriculture incurred in administering any program developed pursuant to this legislation shall be financed from funds appropriated pursuant to section 32 Public Law 320, 74th Congress, as amended.

Mr. ABERNETHY. Does that conclude your statement?

Mr. HEDLUND. That is my statement.

Mr. ABERNETHY. Your last recommendation is right interesting. That was not included in these other acts, was it?

Mr. HEDLUND. This was included in the Potato Act.

Mr. MURRAY. This was recommended by the Department to be included in the potato bill but the committee did not include it in the potato bill.

Mr. ABERNETHY. But you did make that recommendation?

Mr. HEDLUND. We made that recommendation, yes, sir.

Mr. ABERNETHY. Thank you very much, Mr. Hedlund.

Members of the committee, any questions?

Mr. Kleppe?

Mr. KLEPPE. Mr. Chairman—Mr. Hedlund, on this limitation of small beekeepers, you talk about 197,000 honey producers in the United States and that a significant number of those are small operators. And still, this change that you recommend changing section 15(f) on page 19, which talks about a 60-pound limitation is not included in any way, shape or form in your suggested change.

What limitation are you thinking about insofar as defining a small beekeeper from somebody that produces enough to enter into normal commerce?

Mr. HEDLUND. Well, Mr. Congressman, I do not know that I can answer your question satisfactorily. We think that roughly 85 percent of all the honey would be covered by the beekeepers that would not be exempt.

Mr. KLEPPE. How are we going to tell this, though?

Mr. HEDLUND. That is what I suggested to a member of the honey industry that he be prepared to answer. I think that you would have to identify it perhaps into the number of colonies of bees that he keeps or perhaps in terms of annual production. I believe that the exemption should apply to the number of colonies of bees that he keeps.

Mr. KLEPPE. I do not know and I do not have any preconceived thoughts on this. I am just believing that we have to have some way of determining who is going to be covered under this and who is not going to be.

Mr. HEDLUND. I agree with you, sir.

Mr. KLEPPE. And, you have given two answers now. One might be the number of colonies, the other one might be the total production.

Mr. HEDLUND. Yes, sir, and I think the number of colonies would be best because you may never know his annual production. Now, in the potato bill they exempted anyone who grew 5 acres or less.

Mr. KLEPPE. Yes. But, do you agree that we need some limitation?

Mr. HEDLUND. Absolutely.

Mr. KLEPPE. We need some definition so we know what is and is not covered.

Mr. HEDLUND. Yes, sir.

Mr. KLEPPE. Next question. You talk in here about—page 5 in your statement—honey was placed under a mandatory price-support program beginning in 1950.

One of the real objectives, as I see it, of this legislation is to allow producers of a product, in this case honey, to do something for themselves to sell more of their product to the consuming public and I like this idea. I think this is private enterprise at work and I like this.

My question is in regard to the Government's expense on the price-support program presently as compared to what it will be in connection with this bill if it is adopted. Or will there be no reduction in the price-support program? To me, this is one of the things that we have to sell to our colleagues in Congress and to the public generally. It puts an industry in the category of wanting to do something for themselves and to finance it and to take it out of the category of being more dependent upon a Government subsidy or price-support program.

Mr. HEDLUND. Well, sir, I agree with you that this is a program to allow the honey industry to do something on their own and to merchandise and sell more honey. Now, that does not mean that there would be any change in the price-support program. That is mandatory by Congress and that must be continued until Congress changes it.

Mr. KLEPPE. All right. Now, how much—

Mr. HEDLUND. I would hope that the net result is that the honey industry, through this measure, would sell more honey so that less honey would be turned over to the Commodity Credit Corporation under the price-support program.

Mr. KLEPPE. I understand this and you answered exactly as I thought you would and as I believe you should.

Now, my question is, what is the price-support program today costing the Federal Government, if anything?

Mr. HEDLUND. Well, since the inception of the price-support program, the Commodity Credit Corporation through 1966—we have not taken over the 1967 crop yet—through 1966 acquired 45 million pounds of honey.

Mr. KLEPPE. Yes. I know that. How much do we have on hand now?

Mr. HEDLUND. We have none on hand now. This honey is not stored. It is taken over and immediately processed and packaged and donated to the school lunch program.

Mr. KLEPPE. So, can you answer my question about what it is costing?

Mr. HEDLUND. Well, the cost—

Mr. KLEPPE. The cost to the Government.

Mr. HEDLUND. Generally speaking, the cost of taking this over has been roughly 20 cents a pound of honey. The cost of honey, cost of packaging, et cetera, has been roughly, I believe 20 cents. If you want this exact, I had better provide a statement for you. But, it has been roughly 20 cents a pound to take it over.

Mr. KLEPPE. And, can you make any estimate as to how many pounds the CCC may take over this year?

Mr. HEDLUND. Yes. We are preparing to take it over now and it looks like a maximum of 8 million pounds.

Mr. ABERNETHY. Would the gentleman yield?

Mr. KLEPPE. Yes.

Mr. ABERNETHY. That is what percentage of the production?

Mr. HEDLUND. Well, our production was 223 million pounds.

Mr. ABERNETHY. And you would take over only 8 million.

Mr. HEDLUND. Yes, and if we take over 8 million, that will be considerably larger than has been taken over in any recent year.

Mr. ABERNETHY. One other question. Is that regarded as a surplus or do you go in the market and purchase it for school lunch purposes?

Mr. HEDLUND. No, sir, Mr. Chairman. This is honey on which a producer has taken a loan and has not repaid the loan but has surrendered the honey to the Commodity Credit Corporation.

Mr. ABERNETHY. All right. Are you purchasing any for school lunch purposes?

Mr. HEDLUND. Well, actually, we are not purchasing anything besides this honey that is taken over.

Mr. ABERNETHY. I had reference to honey over and above this particular quantity that went through the Commodity Credit Corporation.

Mr. HEDLUND. No, sir. We have not purchased any honey directly since the price-support program started.

Mr. ABERNETHY. Thank you, Mr. Kleppe.

Mr. KLEPPE. Yes, sir. Mr. Chairman.

Based on the current figures that you have just given us, then, it looks like the Government, the CCC here, might pick up something like \$1,680,000 in costs on this program?

Mr. HEDLUND. Exactly; yes, sir.

Mr. KLEPPE. I think that is all my questions, Mr. Chairman.

Mr. ABERNETHY. Any further questions?

Mr. Goodling?

Mr. GOODLING. Mr. Chairman, I first of all want to say I appreciate the plight of the farmer. I happen to be one myself and I know we are in serious financial position and if you question that, I can show my farm income tax return that I made out recently. I am also concerned about snowballing departments in Government. We had cotton, we had potatoes, now we have honey. You can depend on it, we are going to have every commodity that is grown in the United States before this is over. How are we going to limit what we are supposed to do? This is not supposed to cost the Department anything but you know and I know it is going to cost the Department. We are going to increase the payroll, we are going to increase the number of employees in the Department of Agriculture.

Do you see a possibility that this is going to snowball, as I do?

Mr. HEDLUND. Well, I think, Mr. Congressman, you are correct, that there probably will be more interest in this sort of program if Congress authorizes them.

Mr. GOODLING. Is that good or bad?

Mr. HEDLUND. Well, I suppose it depends on your point of view. Frankly, I think that these kinds of programs have a lot of merit. I like to see operations where an industry is willing to do something for itself. There is a cost to the Government of getting these programs into effect and administering them although the industry itself pays

the assessment which covers the major portion of the total cost of the program.

Mr. GOODLING. I notice one statement that you made on this. "Assessment not paid may be collected under a civil suit brought by the United States." Is that in the potato and the cotton bills?

Mr. HEDLUND. It was in the potato bill, sir. I am not familiar with the cotton bill, but it was in the potato bill.

Mr. GOODLING. Would not the board of directors or whatever the governing board is called, have the authority to do that rather than the United States?

Mr. HEDLUND. Well, sir, under our present programs under the Agricultural Marketing Agreement Act, we have similar type of programs; the committees use every means at their command to collect the assessment. These committees are considered to be an arm of the Secretary of Agriculture and any litigation concerning collection of assessments or in enforcing the order is performed by the Department of Justice.

Mr. GOODLING. That is all, Mr. Chairman.

Mr. ABERNETHY. Thank you very much.

Thank you so much, Mr. Hedlund.

I would like to say now we have six witnesses on the agenda here. We have not more than an hour and 10 minutes before we would have to be departing for the convening of the House, and if each of you will bear that in mind so that all of you will have an opportunity to testify this morning, we would appreciate it. I am not going to limit any witness, but just remember as you come to the chair, there are others behind you, and if I read this agenda correctly, all of you are a long way from home and I am sure you want to get through here today.

Next in order is Mr. John Aldworth.

**STATEMENT OF JOHN ALDWORTH, EXECUTIVE SECRETARY,
HONEY INDUSTRY COUNCIL OF AMERICA, CHICAGO, ILL.**

Mr. ABERNETHY. You may proceed, Mr. Aldworth.

Mr. ALDWORTH. Mr. Chairman, members of the subcommittee, thank you for the opportunity to appear before you as a proponent of H.R. 15936 and 16455 and similar bills, the Honey Promotion and Research Act of 1968. As briefly as possible, I will attempt to relate the position of the various organizations within the honey industry on these legislative measures and give you some of the background material which has brought us to this position.

To begin with, Honey Industrial Council of America is just that; a council of leaders from every segment of beekeeping and the honey industry.

Mr. ABERNETHY. Mr. Aldworth, I think we ought to show here that you are the executive secretary, I believe, for this council?

Mr. ALDWORTH. That is correct.

Mr. ABERNETHY. All right. You may proceed.

Mr. ALDWORTH. The 19 members of Honey Industry Council represent honey producers, packers and dealers, beekeeping equipment manufacturers, and bee breeders. It should be noted our members come from all the major geographic areas of the country, from coast to

coast and border to border. The gentlemen, some of whom are in the room today, are elected by their peers to sit on the council and formulate policies which will ultimately benefit the entire industry. In recent years, the most difficult problem confronting us has been the steadily declining per capita consumption rate of honey in the United States. Stated simply, we Americans are individually consuming less than a pound and a quarter of honey per year and this figure is approximately half of the annual consumption rate of only 40 years ago.

This single fact is responsible for many other diverse problems which have had a deleterious effect on our industry such as continually depressed prices to producers, lack of funds to conduct meaningful research programs, a steady erosion in the numbers of commercial beekeepers, and the lack of young men entering into honey production. Some of these problems are common to many other agricultural commodities but because our industry is blessed with farsighted leadership, we have chosen the legislative path before you to assist us in solving our own problems. We are asking for enabling legislation so we can help ourselves.

Let me assure you that every national trade organization within our industry is solidly in favor of this measure as evidenced by their unanimous approval at our last industry convention in January 1968. Meeting separately, the American Beekeeping Association, and the National Honey Packers and Dealers Association all voted unanimously to petition Congress for enabling legislation. In fact, there was not one single dissenting voice heard from any of the organizations mentioned. This is not to say the plan will be entirely without opposition. In the rugged tradition of American farmers, there will no doubt be argument and some controversy, and we feel this is as it should be. Nevertheless, the broadest possible base of industry leadership has strongly urged Honey Industry Council to pursue the plan.

Our industry is slowly but surely on the road to extinction under present conditions. The American housewife pays almost exactly the same amount of money for a jar of honey her grandmother paid. The American beekeeper is producing almost exactly the same amount of honey as his grandfather did and yet in this two-generation period we have added almost 90 million people to the population of the United States. During this same period the cost of living and the cost of doing business has risen for beekeepers in exactly the same proportion as other members of our society. No doubt part of this decline in consumption can be attributed to the fact that honey has long been associated with a rural way of life, and as more and more of our population become urbanized, fewer and fewer young people are exposed to this wonderful natural food. And yet, it is more complex than that. A grocery product today competes with about 7,500 other items in the supermarket, all vying for housewife's attention through advertising, promotion, consumer education, and nutritional value. The products competitively arrayed against honey are indeed formidable when compared to our relatively small \$45 million-a-year crop. To mount an effective campaign would require a concerted effort of our entire industry and it has been forcibly demonstrated in recent years that this has not been possible on a voluntary basis.

To begin with, our numbers are so large and so widely scattered it is almost impossible to take an accurate census of beekeepers. It has been

estimated that somewhere between 250,000 and 400,000 people keep one or more colonies of bees. But it has been further estimated that fewer than 1,500 of these are classed as commercial beekeepers; that is, someone who earns at least half of his income from beekeeping. These men made a sincere and honest effort beginning in 1962, to raise sufficient funds to compete at the retail level effectively. The results were disappointing in the first year, smaller in each succeeding year, and insignificant during 1967, when less than \$32,000 was subscribed voluntarily. We feel we do need Government assistance in the form of permission to help ourselves. Please remember, however, this will not be a mandatory assessment in the sense that any producer who does not agree with the principles or programs can apply for a refund of his contribution.

Finally, I offer one fact which must be recognized as an important corollary to a large percentage of the American farm economy. That is the enormous value of the honeybee as a pollinator of more than 100 crops including citrus, apples, melons, many types of berries, cucumbers, and on and on. Educated estimates have placed the value of these crops at more than \$2 billion annually. Without scientifically planned and well-executed commercial pollination, many of these crops would either disappear from the store shelves or become so short in supply they could be luxury items. Commercial beekeeping and its counterpart, commercial pollination, must be encouraged and we feel the Honey Promotion and Research Act of 1968 would give us an effective tool to help in this encouragement.

Mr. ABERNETHY. Thank you, Mr. Aldworth.

I have in mind a point that is not exactly in keeping with this bill, but I had a communication the other day about the tremendous number of bees that are being destroyed through the use of pesticides, and so forth.

How much of a problem is that presenting?

Mr. ALDWORTH. Last year, Mr. Chairman, in certain isolated parts of the country, but largely in Arizona and southern California, it was estimated that as many as 40 percent of the colonies in some counties were destroyed under scientific pesticide programs. Nationally—because this is such a big honey-producing area and because there are so many commercial beekeepers in southern California—as many as 10 percent of the colonies may have been destroyed, 10 percent of the national number of colonies may have been destroyed. It is a real serious problem—

Mr. ABERNETHY. It is a real serious problem.

Mr. ALDWORTH (continuing). To answer your question.

Mr. ABERNETHY. When you take into consideration the absolute necessity of pollination of fruits and vegetables and other forms of plant life.

Mr. ALDWORTH. It cannot be overdramatically emphasized. Pollination is so important to our economy today.

Mr. ABERNETHY. Have any measures been taken to correct the situation?

Mr. ALDWORTH. Several extreme measures were taken at the height of the spray season last year and I think some of the commercial producers who are in the room today from the general Southwest area can probably tell you the facts better than I can, but the USDA had

given what they felt—not USDA, but the Government had given what they felt was sufficient warning in many areas that beekeepers should move their bees, but the insecticides used in many cases were so powerful that the spread was wider than the Government had anticipated and many colonies were lost.

Mr. ABERNETHY. I will not go further into it at this time because that would be a subject of another hearing.

Mr. GOODLING. Mr. Chairman, may I just make one simple comment on that?

Mr. ABERNETHY. Yes, sir.

Mr. GOODLING. When we discuss the use of insecticides, I like to add one word, the "proper" use of insecticides.

Mr. ABERNETHY. Yes.

Mr. GOODLING. We are going to use insecticides as long as we are here or we are not going to eat.

Mr. ABERNETHY. I agree with that.

Mr. GOODLING. I have had bees right next to my orchard, and I have handled bees practically all my life, and I do not recall that I ever killed a complete colony of bees.

Now, we lose bees but if we use our insecticides properly the loss is not serious. We are warned all the time about using it to protect the bees. I realize the importance of bees. They probably have a greater economic importance as pollinizers than as honey producers.

Mr. ALDWORTH. That is right, sir.

Mr. GOODLING. But we need both. We need the bees and we need the insecticides, so we have got to preach the proper use of insecticides and I do not think we are going to have any serious effect on our bee population.

Mr. ABERNETHY. Are there any questions?

Mr. KLEPPE. Mr. Chairman, I have to ask Mr. Aldworth a question. You heard my question to Mr. Hedlund?

Mr. ALDWORTH. Yes, sir.

Mr. KLEPPE. Now let me ask you, what do you think we should use as a limitation to determine what is and what is not a commercial honey producer from the standpoint of this bill?

Mr. ALDWORTH. Mr. Congressman, we in industry feel that the breaking point, let us say, would be at the handler level, would best be enforced at the handler level. In other words, a producer—honey would be assessed if it passes through the—into the channel of commerce through a handler or packer.

Mr. KLEPPE. Any individual producer, then, that markets his own product would not come under this bill as you have just indicated. Is that correct?

Mr. ALDWORTH. As I have just indicated, that would be right.

Mr. KLEPPE. And that is your recommendation?

Mr. ALDWORTH. It would have certain deficiencies. For example, there are very small producers who produce perhaps only two or three cans of honey, 60-pound cans of honey, in a season, and rather than dispose of them at their own table or with their friends or neighbors, they might take them in to a packer. So, this would certainly be a hobbyist who would fall into the commercial category as we are explaining it here.

Mr. KLEPPE. But, if he went through the handler, you say then he would come under this bill?

Mr. ALDWORTH. We think it would be the easiest way to enforce it; yes, sir. That puts the responsibility squarely in the hands of the packer or handler, as he is defined in this bill.

Mr. KLEPPE. You do not go for this 60-pound limitation that is presently written into the bill that we are hearing?

Mr. ALDWORTH. Well, I think if the 60-pound limitation would be enforced by the handler, then it would effectively take the very small producer out.

Mr. KLEPPE. I see.

Thank you, Mr. Chairman.

Mr. GOODLING. One short question, Mr. Chairman.

How would you assess comb honey?

Mr. ALDWORTH. I am going to have to leave that for the next witness, Mr. Congressman, who is a comb honey producer and I think he could answer that better.

Mr. GOODLING. There is a lot of comb honey produced, as you well know.

Mr. ALDWORTH. Yes, sir.

Mr. GOODLING. That is all.

Mr. ABERNETHY. Thank you very much, Mr. Aldworth.

Mr. Harvey F. York. You may proceed, sir.

**STATEMENT OF HARVEY F. YORK, JR., CHAIRMAN OF THE BOARD,
HONEY INDUSTRY COUNCIL OF AMERICA, JESUP, GA.**

Mr. YORK. Thank you, Mr. Chairman. I am Harvey York from Jesup, Ga., chairman of the Honey Industry Council, a member of the board of directors of American Beekeeping Federation, and I operate approximately 10,000 colonies of bees in the production of package bees and queens and honey. Honey production contributes approximately 25 to 40 percent of my income, depending upon seasonal conditions. Our business was started by my father in 1924. I do appreciate this opportunity to present a statement to you on behalf of House bill No. 15936.

One of my main interests in this bill is to enable me to secure a better price for the package bees and queens I sell to northern commercial honey producers. In my operation, which is now covered by the wage-hour law, we have seen our costs increase tremendously, particularly that of labor, over the past several years. We have not been able to offset the rise in our production cost by the increased price of package bees, because of the competition and low prevailing honey prices. Also, just in the last 60 days some of our hive parts that we purchase have increased from \$1.33 each to \$1.50. Another item, frames, has increased in price from \$107 per thousand to \$115 per thousand.

While our principal product is bees and queens, as late as 1955 we produced one half of our income from the sale of honey, packing three carloads of comb honey in glass. However, increased labor cost forced us out of this market; then we went into the export market with bulk honey. Competitive honeys from Argentina, Mexico, and China are now giving us difficulty in this market.

I realize that our Promotion and Research Act is not the answer to all the industry problems. But, in my opinion, it is a method to give us time to help ourselves without direct intervention or direct sub-

sidies from Government. I have been active in industry promotion since I was first placed on the board of the American Honey Institute in 1958. I have never known our fundraising drives to be successful. All of us are too scattered, we see each other infrequently, there is little personal contact, and consequently, we spend more time trying to raise funds than trying to work together to help solve our problems.

When this bill passes, I am hopeful that we can start some continuing research promotion that will tell us why mostly older people eat honey at present, a way that we can make honey easier to handle for the institutional type market. Perhaps we can find ways to separate the component sugars for a better gross price per pound. And, another item—beekeepers seldom feed honey to bees though it is one of the best foods for bees. The industry actually purchases some 10 to 15 million pounds of sugar for supplementary winter feed each year. I have purchased 40 tons to date this season. Research to give us an additive, or that would prevent intense robbing when honey is fed to bees, would open up a new commercial market for our offgrade honey.

One other point; one reason why I think this bill would be of benefit to us, is that back in the thirties, a marketing order was passed which included package bees. At that time, the package bee segment of our industry was in turmoil, price cutting was rampant, business ethics were nonexistent, and relationships between our northern customers and the package shippers were at a low ebb. The package shipper took advantage of the marketing order and, as a result, that help at a critical time was of tremendous value to all package, shippers. I think this bill will do the same; it will help bring a spirit of cooperation and orderliness to a weakened honey industry and give us a point that we can begin to solve our problems with a minimum of Government help.

Mr. ABERNETHY. Thank you very much, Mr. York.

Questions, gentlemen?

Mr. GOODLING. One question, Mr. York. You say you are covered by the wage-hour law?

Mr. YORK. That is right.

Mr. GOODLING. Are you not classified as a farmer?

Mr. YORK. This is right; but during our rush season we employ up to 23 people, and this brings us under—I think if you work as many as five people, this automatically puts you under the wage-hour.

Mr. GOODLING. That is all, Mr. Chairman.

Mr. ABERNETHY. Thank you, sir.

Mr. R. B. Willson.

STATEMENT OF R. B. WILLSON, DIRECTOR AND CHAIRMAN OF RESEARCH COMMITTEE, HONEY INDUSTRY COUNCIL OF AMERICA, PAST PRESIDENT, NATIONAL HONEY PACKERS & DEALERS ASSOCIATION, NEW YORK CITY

Mr. KLEPPE. The chairman knows more about the honey business than we do.

Mr. ABERNETHY. I have much of this industry in my district, especially this queen bee business. One fellow down there ships a lot of it and I like it, too.

Mr. WILLSON. Mr. Chairman, members of the committee, I am grateful for this opportunity to present a brief statement in favor of Representative Quie's bill, H.R. 15936, an enabling act for honey promotion and research.

Our problem is simple. The price at which the honey producer is obliged to sell on today's market is out of all proportion to the cost of everything else he has to buy. Our industry through its organized channels, believes it can correct this situation and restore a degree of prosperity to the American beekeeper through this Federal legislation. All other methods to raise adequate funds have failed.

I appear here as chairman of the Honey Industry Council's Committee on Research. For many years with little money at our disposal, we had research done for us at the Wisconsin Alumni Research Foundation with laboratory animals. They were studies to compare the nutritive values of various carbohydrates including honey. The results were all negative or nearly so.

Then, about 5 years ago, the Reader's Digest published an article stating honey was no more valuable in human nutrition than the sugar of the sugar bowl. We were indignant, of course, and demanded a retraction. Everyone knew honey was a superior sweet; but, when asked for proof, we were forced to admit we had none.

It was then that we, the honey industry, changed our thinking. Obviously, if we are to learn about honey in human nutrition, we must conduct research with human beings, and to be acceptable it must be on a clinical research basis.

After careful consideration and thorough investigation we went to the Burke Foundation in White Plains, N.Y., who agreed to do the work. The studies extended over a period of 3 years and the results were published in the March 1968 issue of the scientific journal called *Geriatrics*, reprints of which I have here.

It is a highly technical paper but the author, Dr. A. A. Albanese told us we might in layman's language, say the following:

(1) After the age of 40, in normal human beings there is an improvement in the utilization of honey over other carbohydrates tested—dextrose and sucrose—and the improvement in utilization increases with age.

(2) In convalescents tested—they were all stroke patients—honey showed a marked improvement in utilization regardless of age.

So, we learned something positive about honey and now have it published in a fine scientific journal. We learned that honey is an essentially beneficial food in the aging process and markedly beneficial in the process of convalescing.

We realize that this is merely a small opening in scientific research in the field of human nutrition. But, these results are positive and opens to our industry a vast field of further research that now needs to be done. We plan to go to several outstanding American universities that have medical colleges where clinical research can be carried out. Harvard University has already accepted a small grant from us and has encouraged us to think there is a good possibility that an important piece of work can be undertaken on our behalf at Cambridge.

This legislation we seek, to raise funds from within our own industry, will make such research possible. Our industry requests this legislation because we believe that, through it, within a few years, we can solve our acute marketing problem.

Respectfully submitted.

Mr. ABERNETHY. Thank you, sir.

Mr. Willson, can you or someone in the room tell us how much it is anticipated, this research program or check-off program, we will call it, would raise? Maybe someone has already said? I do not recall.

Mr. WILLSON. I have asked that same question of our leaders in the industry and I have been told, I believe, Jack, \$200,000?

Mr. ALDWORTH. Correct.

Mr. WILLSON. About \$200,000.

Mr. ABERNETHY. Questions, gentlemen?

Mr. Willson, we thank you very much, sir.

Mr. Harry Rodenberg.

May I go back to Mr. Willson just a minute or whoever would like to answer. What percentage of money is now being raised for research and promotion through your voluntary program or do you have a voluntary program?

Mr. WILLSON. About \$32,000 a year.

Mr. ABERNETHY. All right.

Mr. Rodenberg.

STATEMENT OF HARRY RODENBERG, DIRECTOR, HONEY INDUSTRY COUNCIL OF AMERICA; MEMBER, EXECUTIVE COMMITTEE, AMERICAN BEEKEEPING FEDERATION; VICE PRESIDENT, SIOUX HONEY ASSOCIATION, WOLF POINT, MONT.

Mr. RODENBERG. Mr. Chairman, members of the subcommittee, I wish to express my appreciation for the opportunity to present a statement in support of the Honey Promotion and Research Act of 1968.

I am a commercial honey producer from the State of Montana. I operate 2,500 colonies of bees for the production of honey and beeswax for my livelihood. I have served as president of the Montana State Beekeepers, a director of the American Beekeeping Federation and as a past members of the executive committee of the American Beekeeping Federation, and presently vice chairman of the Honey Industry Council of America.

At the present time, I am serving as vice president of the board of directors of the Sioux Honey Association, which is a honey packing and marketing cooperative comprising over 1,100 producing members, located in 33 States.

Our industry is undergoing an economic depression which will compare with that of the 1930's insofar as the honey producer is concerned. During the past few years, I have had an opportunity to visit with many honey producers in the Midwest, the Intermountain States, and the Far West. Without exception the story is the same. "We cannot stay in business if we do not receive more for our honey." Then they continue with the classic example of the 12-cent ceiling price of honey during World War II; and yet in many cases they are getting no more than that at the present time, and living with costs that have skyrocketed during the past 20 to 25 years.

It was distressing to me to note in the February 1968 issue of the American Bee Journal ads: "For sale" of far too many well-known beekeeping operations. I have been told that many of these units have

changed ownership at most any type of deal to get them off their hands. We lack younger people to carry on the beekeeping industry.

Honey consumption in the United States has not kept pace with our expanding population. Many young people in our urban areas are not even familiar with our product.

Over the long range, promotion and research appear to me to be the most logical answer to strengthen our industry. Success has not been forthcoming through voluntary methods of raising funds to promote or do research work on honey.

Sioux Honey Association members have been contributing toward promotion and advertising of their product through their marketing association. But truly, we are only scratching the surface. More segments of the industry must participate to make substantial gains.

Information concerning H.R. 15936 has been published in our trade journals and the Sioux Honey News, which is a quarterly publication of the Sioux Honey Association. To date, not one letter of opposition has been received from Sioux Honey members to H.R. 15936.

For the welfare of the beekeeping industry, and to insure adequate bee colonies for the vital role of pollination, I urge the committee to favorably consider the Honey Promotion and Research Act of 1968.

Mr. ABERNETHY. Thank you, Mr. Rodenberg.

What has brought about the decline in the consumption of this fine product?

Mr. RODENBERG. Well, I think it is a change in the living of the American people for one thing.

Mr. ABERNETHY. Is it the availability of more sweets?

Mr. RODENBERG. They are a competitive factor and we are living in an urban area whereas in times when more people lived on the farm, it was not unusual for farmers to have a few colonies of bees. They were familiar with the product. And that is no longer true.

Mr. ABERNETHY. All right.

Gentlemen, any questions?

Mr. KLEPPE. Mr. Chairman, it seems to me that you are on the right track, Mr. Rodenberg. You have got to find out something that you can sell positively to get more honey consumed. Maybe it is just the taste. Maybe it is just the flavor. Maybe it is some sex appeal that you have got to find, but this is not for us to decide here on the merits of this bill. I am just talking to you as a honey producer, that unless you can do something to motivate people to use more honey on some basis, whether it is taste, nutrition, or whatever it is, you are going to be a dead industry, there is no question about it. It is the same thing with any kind of a product. Competition is going to knock you right out because they are selling sex appeal or taste or something else, so I think you are on the right track.

Mr. ABERNETHY. Mr. Goodling?

Mr. GOODLING. No questions.

Mr. ABERNETHY. We thank you very much, sir.

Mr. Robert Banker, we are happy to have you here and appreciate to comment made of you by your Congressman, Mr. Quie.

I have a telegram I would like to read into the record which was directed to Mr. Poage, full committee chairman:

I understand Mr. Robert Banker of Cannon Falls, Minnesota is appearing before your Committee regarding the Honey Promotion and Research Act. He has the admiration and confidence of all of us fellow beekeepers as evidenced by his record of Association offices. And, I know this trip is being made by him at great personal sacrifice. Please allow the words of this quiet man to weigh heavily in your decisions.

Respectfully,

DONALD HULL,
Lewiston, Minn.

I would just say I am glad there are some quiet people coming into this town. We have some here now who are making an awful lot of racket around here and they are not so welcome. We warmly welcome you, sir, and you now have the opportunity to express yourself on this legislation.

STATEMENT OF ROBERT BANKER, DIRECTOR, HONEY INDUSTRY COUNCIL OF AMERICA; PAST PRESIDENT, AMERICAN BEEKEEPING FEDERATION, CANNON FALLS, MINN.

Mr. BANKER. Thank you, Mr. Chairman and gentlemen of the committee, for giving me the opportunity to present a few brief remarks in regard to this bill.

I am a commercial beekeeper, incidentally, in Mr. Quie's district, operating 2,400 colonies of bees. I am also a past president and secretary-treasurer of the American Beekeeping Federation, member of the board of directors of Honey Industry Council of America, and vice president of Apimondia, the international organization of the honey industry.

The honey industry in the United States has for a period of 10 or more years had a voluntary fundraising program to raise funds for honey promotion and research. The largest amount ever collected during this period was slightly over \$35,000 and ranging as low as \$18,000 annually. This must be considered only a small portion of the funds needed to carry on a national promotion program which would be of real benefit to the industry.

I, and I believe a majority of the commercial producers, have come to the long overdue conclusions that, first, we cannot stay in business much longer under the present very high and ever-increasing cost of production and rather stagnant comparatively low honey prices; second, the only way to change the present situation is through a greatly expanded honey promotion and research program; and third, the only way, it appears to us, we can get adequate funds is through legislation such as H.R. 15936, whereby each and every producer pays his fair share, with the included safeguards for return of funds collected to those who may be disenchanted with the program setup.

A similar program, and this is referring to the California marketing order, which is now in existence and has been in existence, I believe, for approximately 10 years or even a little longer, a similar program in the State of California alone has produced from \$40,000 to \$50,000 annually, more than the total from the rest of the Nation under a voluntary plan.

Resolutions favoring the enactment of legislation along the lines of H.R. 15936 have been unanimously adopted by the American Beekeeping Federation, which is the honey producers, national handlers, and

the Honey Industry Council of America, which, as Mr. Aldworth explains, is the overall national organization. Thus insuring that the majority of all organizations pertinent to the honey industry recognize the need for such legislation and the programs to be formulated for market improvement and research as a result of such legislation.

May I urgently request the passage of H.R. 15936 to enable our industry to set up a suitable program to help ourselves so we may continue to operate sufficient colonies of bees to perform the essential pollination necessary for the production of so many vital agricultural products.

H.R. 15936 will not solve all our many and varied problems, but it will certainly be a big help.

Mr. ABERNETHY. Thank you very much, Mr. Banker. Frankly, I would just like to say to you that I have had the privilege of serving here with another Congressman who represented your district, Mr. August Andresen. August was a very good friend of mine. He rendered great service in this committee and was indeed a credit to your great State.

Any questions, gentlemen?

Mr. GOODLING. Just for my own information, I have been to your State and as I recall, you have a rather short growing season. I was interested to know what your main honey-producing crops are.

Mr. BANKER. Well, over the State, our main honey-producing crops are clover and alfalfa. In our particular area, balsa wood, which is a tree, or linden, technically the name, is quite an important source of honey.

Mr. GOODLING. Did you say alfalfa?

Mr. BANKER. Yes.

Mr. GOODLING. In my country we do not consider alfalfa produces honey.

Mr. ABERNETHY. It does in Minnesota.

Mr. KLEPPE. It does out in that area.

Mr. BANKER. It does in our area when conditions are right and when the farmers leave it long enough so that there is some bloom there.

Mr. GOODLING. That is all.

Mr. ABERNETHY. Mr. Vigorito, do you have a question?

Mr. VIGORITO. I do not know how I am going to phrase this question, but you have at the end of your statement the phrase, "to perform the essential pollination necessary for the production of so many vital agricultural products."

Are there wild bees that are not in colonies?

Mr. BANKER. Yes. There are types of wild bees which are not propagated commercially, you might say, which do perform pollination. There are some wild bees such as alkali bees, which they are attempting to propagate for pollination purposes, but which have not been very successful and very, very expensive.

Most recently one of the more important developments is that they are developing a line or a strain of bees which is particularly adept at collecting pollen from alfalfa and it is thought that going further along this line, specific lines of bees can be developed which would be more adept at collecting pollen from other specific plants. In their work they have found that there is a terrific variation in the amount of—for instance, alfalfa pollen, that a specific colony of bees will

collect, and this variation ranges from a low of perhaps a quarter of a pound to as much as 4 pounds. I mean, there is a terrific variation in individual colonies and the amount of pollen they collect and this work they are presently doing is intended to develop and propagate a specific line which will be for the specific purpose of pollination of alfalfa.

Mr. VIGORITO. That is all, sir.

Mr. ABERNETHY. Thank you very much.

Mr. KLEPPE. Mr. Banker, how much does a good queen bee cost?

Mr. BANKER. \$2.

Mr. KLEPPE. Thank you.

Mr. ABERNETHY. That is a bargain.

Mr. KLEPPE. It sounds like it.

Mr. ABERNETHY. Mr. Roy Weaver.

STATEMENT OF ROY S. WEAVER, JR., DIRECTOR, HONEY INDUSTRY COUNCIL OF AMERICA; MEMBER, BEE BREEDERS ASSOCIATION; PAST PRESIDENT, AMERICAN BEEKEEPING FEDERATION, NAVASOTA, TEX.

Mr. WEAVER. Mr. Chairman, I do not have a prepared statement and off the record.

(Discussion off the record.)

Mr. WEAVER. I am certainly pleased to see you gentlemen have such a good knowledge of beekeeping.

Mr. ABERNETHY. I have got a lot of bees in my country.

Mr. WEAVER. Mr. P. A. Yelverton is a good friend of mine. I have great admiration for him.

Mr. ABERNETHY. Do you know Mr. Yelverton? He is my constituent.

Mr. WEAVER. I am very pleased to have this opportunity to talk in favor of the Honey Promotion and Research Act. I am Roy F. Weaver, Jr., from Navasota, Tex. I am director of the Honey Industry Council of America, a member of the Bee Breeders Association and member of the Honey Packers Association, and immediate past president of the American Beekeeping Federation.

In my business in partnership with my father and one brother, I operate approximately 5,000 colonies of bees in the vicinity of Navasota.

I think I can best sum up what the gentlemen here in the industry have been talking about by a personal comment.

My father is 75 years old. He has been in the bee business all of his life. My father is a born optimist. Everything is rosy to him.

Early this spring he told me, he said, "Son, for the first time in my life I am pessimistic about the future of beekeeping. I am worried about it."

Now, we believe that this Honey Promotion and Research Act will give us a base to help ourselves improve our industry so that we will no longer have to be pessimistic about the future.

That is all I want to say right now.

Mr. ABERNETHY. Well, thank you very much, Mr. Weaver. I think your statement, though brief, is right to the point. We are happy that you felt free to come this long way to testify before this committee. You are very welcome. We are glad to hear from you.

Mr. WEAVER. Thank you.

Mr. ABERNETHY. Just a minute. These gentlemen might want to question you. Do you care to ask the gentleman any questions?

Mr. GOODLING. I think I should have the privilege of shedding one tear for my own profession, which is fruit growing. Mr. York spoke of the increased cost of production and he cited the increased cost of frames and hive parts. I like to use one example in my own profession. All of you people know something about the 16-quart peach basket. I bought many thousands of them for \$30. Today they are \$200. So, I just wanted to get that plug in for the fruitgrowers.

Mr. KLEPPE. But you see, George, when that got tough you ran for Congress.

Mr. GOODLING. That is right. Maybe some of these boys may want to do the same.

Mr. WEAVER. Do not suggest I get out of the bee business. I thought about it. I want my son to get into it really.

Mr. ABERNETHY. Thank you, Mr. Weaver.

We have Congressman Mathias from California. I think he wishes to make a statement.

STATEMENT OF HON. ROBERT B. MATHIAS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. MATHIAS. I have submitted a statement on my bill, H.R. 16909, in support of the honey promotion and at this time, I would like to insert a small statement into the record in support of this program.

Mr. ABERNETHY. It will be included at this point. Thank you very much.

Mr. MATHIAS. Thank you, Mr. Chairman.

(Mr. Mathias' statement follows:)

STATEMENT OF HON. ROBERT B. MATHIAS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, it's an honor to appear before the Research and Extension Subcommittee this morning in support of H.R. 16909, the Honey Promotion Bill. This bill will enable honey producers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for honey.

There are presently about 3,000,000 acres in the United States devoted to crops that are dependent on insect pollination, and 63,000,000 acres devoted to crops benefited by insect pollination. In 1966, the farm value of these two groups of crops totaled \$5 billion.

But today there are fewer than 5,000,000 colonies of bees in the United States, and the number of colonies has been decreasing steadily over the last 20 years at a rate of about 1% a year. Although many crops require two or more colonies of bees per acre, less than a million are currently rented to growers for pollination purposes. About 20 times this many colonies could be employed right now for pollination service to agriculture.

During the past twenty years the price of honey, the beekeeper's primary source of income, has remained unchanged while his operating costs have greatly increased. Income for pollination service has increased but still amounts to less than one fifth of his gross income. During the same period operating expenses have doubled.

The Honey Promotion Bill will help beekeepers compete more effectively with the producers of other sweeteners. A nationally coordinated program of research and promotion for honey and honey products will be financed by a voluntary assessment not to exceed 15 cents per sixty pound can of honey. Any producer who does not wish to participate in the program may request and receive a refund of his assessment.

This is a program to let the honey producers help themselves out of a difficult market situation. It will only go into effect after it has been approved by two thirds of the producers voting in a referendum to be conducted by the Secretary of Agriculture.

For the sake of the honey producers across America, I urge this Subcommittee to give this legislation its early approval.

Mr. KLEPPE. Mr. Chairman, may I ask you a question? Do you know if any—

Mr. ABERNETHY. I reserve the right to sit silent, though.

Mr. KLEPPE. Do you know if anybody is here or asked to testify that are in opposition to this bill?

Mr. ABERNETHY. You anticipated me. Is there anyone in the room who wishes to express themselves on this bill that has not had—has not been in the witness chair?

To answer your question, Mr. Kleppe, I do not know of anyone who has expressed opposition, here to express opposition.

I do have before me, which I will include in the record at this point, a resolution from the Oklahoma Beekeepers Association, which was adopted on June 8, wherein the association stated: "We defer action on the Honey Promotion and Research Act until the import problem is solved."

This is signed by Mr. Hugh Price, president, Oklahoma Beekeepers Association, and by Miss Glenda Gibson, secretary-treasurer of the association. The resolution was submitted to the committee by Congressman Tom Steed. It will be included in the record at this point.

(The resolution referred to follows:)

THE OKLAHOMA BEEKEEPERS ASSOCIATION MINUTES

Before adjournment, President Price called for a short business session to discuss the "Honey Promotion and Research Act". He spoke briefly for the act and asked for comment.

Most of the discussion pointed up the need to resolve the import problem first. None seemed to like the idea of promoting foreign honey. Glenn Gibson, Secretary of the American Beekeeping Federation answered several questions about the Act.

Novak Bullard of Durant moved and D. F. Cooley of Oklahoma City seconded: "that we defer action on the 'Honey Promotion and Research Act' until the import problem is solved."

Carried unanimously.

GLEND A GIBSON,

Secretary-Treasurer, Oklahoma Beekeepers Association.

HUGH PRICE,

President, Oklahoma Beekeepers Association.

Mr. ABERNETHY. Also, I would like to include in the record quite a number of letters and telegrams which I have received, all of which, incidentally, are in support of the legislation.

(The letters and telegrams referred to follow:)

THE HOFMANN APIARIES,
Janesville, Minn., June 14, 1968.

HON. TOM ABERNETHY,
*Research and Extension Subcommittee Room, Longworth House Office Building,
Washington, D.C.*

DEAR MR. ABERNETHY: We have just received word from Congressman Albert H. Quire, that hearings on H.R. 15936, The Honey Promotion and Research Act, and all companion measures, is scheduled to begin on Monday, June 18th.

We will not be able to appear at these hearings, but we want to be placed on record as being very much in favor of this proposal.

We favor it for several reasons. The most important regards the price of honey which bears the burden of financial support for the beekeeping industry, but

which is about the same now as it was twenty years ago. Needless to say, this has placed beekeepers in a very serious cost-price squeeze. Their position is such that even old established firms such as ours wonder how much longer we can continue to operate.

In its present state the industry is not attracting younger people, and retiring beekeepers are not being replaced. Loss of beekeepers means loss of bees, and subsequent loss of pollination. And the pollination service of honeybees is valued by the U.S.D.A. as at least twenty times the value of all the honey produced. Our agricultural economy cannot afford any further reduction in bee numbers.

We feel that only by a strong research and promotion program can honey ever be elevated to a near position of parity in the market. Funds for such a program would have to come from the industry itself, and the provisions of The Honey Promotion and Research Act could—and we feel would—supply the means. We, therefore, urge that your Committee recommend passage of H.R. 15936. Thank you.

Very truly yours,

THE HOFMANN APIARIES.
CHAS. S. HOFMANN.

MINNESOTA BEEKEEPERS' ASSOCIATION, INC.,
June 13, 1968.

HON. TOM ABERNETHY,
Chairman, Research and Extension Subcommittee, House Committee on Agriculture, Longworth House Office Building, Washington, D.C.

DEAR SIR: I have been advised that you have scheduled hearings for The Honey Promotion and Research Act, H.R. 15926 for this June 18th.

At our National Beekeepers' Convention held at Niagara Falls, New York, last January 22-26th, the concensus was overwhelmingly in favor of such legislation.

The Bee and Honey Industry is in great need of promotion, both as to the merits of honey as a food and as to the bees as an overall important pollinator to agriculture and to horticulture.

Today, by telephone, I contacted each of the Officers of the Minnesota Beekeepers' Association, as listed below, and they were 100% in favor of the Bill and hoped for its passage.

Mr. Ernest Nornes, Vice President, Hendricks, Minn.

Mr. George Eiden, Secretary, Holdingford, Minn.

Mr. Clare Watson, Treasurer, 2147 Rice St., St. Paul, Minn.

Mr. Harold Goltz, Director, Ada, Minn.

Mr. Charles Hofmann, Director, Janesville, Minn.

Mr. Warren Braaten, Director, Glenwood, Minn.

Mr. F. Quintin Bunch, Editor, Welch, Minn.

I am submitting our position and support for the Bill HR 15936 for your records at the hearings.

Yours very truly,

RAY KLEIN,
President, Minnesota Beekeepers' Association.

HUMBOLDT, IOWA,
June 17, 1968.

THOMAS ABERNETHY,
*House of Representatives,
Washington, D.C.:*

Understand you are having a hearing on honey promotion bill tomorrow, Tuesday, June 18. Would appreciate your favorable consideration. The honey industry is greatly in need of legislation.

HENRY W. HANSON,
Dakota City, Iowa.

ALEXANDRIA, MINN.,
June 17, 1968.

HON. TOM ABERNETHY,
*Research and Extension Subcommittee,
Room 1302, Longworth Office Building, Washington, D.C.:*

Regarding H.R. 15936 honey promotion and research and related bills act of 1968. I strongly favor this legislation without this chance for self-improvement

the honey industry cannot make sensible progress if we are willing to help ourselves. Government should agree to it.

GLEN MCCOY,

Chairman, Minnesota Honeywell Market Improvement Committee.

SUNDBERG APIARIES,
Fergus Falls, Minn., June 14, 1968.

HON. TOM ABERNETHY,
*Research and Extension Subcommittee,
1302 Longworth House Office Building,
Washington, D.C.*

DEAR SIR: I am writing to urge your support of the Honey Promotion and Research Act of 1968 H.R. 15936.

This was approved unanimously at the Annual Meeting of the American Beekeeping Federation last January at Niagara Falls, N.Y., and the Honey Industry Council who represent all segments of the honey industry were charged with the responsibility of securing it.

It has been estimated that bees are 20 times more valuable to agriculture in the pollination they perform than in the value of the honey and wax they produce but if we can not produce honey and wax at a profit it is difficult to continue keeping bees.

Production costs have been rising ever year but the price of honey has not. We believe this legislation will enable the honey producers to secure funds for research and promotion. This will make it possible for us to receive a more satisfactory price for our product at no cost to the government.

Sincerely,

WALTER SUNDBERG,
*Minnesota Director and Membership Chairman of
American Beekeeping Federation.*

Mr. ABERNETHY. I would like to ask one question of the witnesses in the room. You gentlemen heard the testimony of Mr. Hedlund, and the recommendations of the Department regarding certain amendments. Do you interpose any objection to the proposed amendments?

All right, I assume there are no objections.

I would also like to say that, if there are statements submitted subsequent to this hearing, they will be included in the record. I think Farm Bureau has requested the privilege of submitting a statement and possibly there are other farm organizations who wish to submit statements, also Members of the House.

(The following letters were subsequently submitted to the subcommittee:)

MINNESOTA BEEKEEPERS ASSOCIATION, INC.,
Holdingford, Minn., June 14, 1968.

HON. TOM ABERNETHY,
*Research and Extension Subcommittee,
Longworth House Office Building, Washington, D.C.*

DEAR SIR: I would like to go on record as favoring the Honey Promotion and Research Act of 1968—H.R. 15936.

Ten years ago I earned my living as a carpenter and I still work as a carpenter for a few months during the winter. During this time carpenters wages have gone up 50% and Honey prices have remained nearly stationary.

If the trend in wages compared to the price of honey is allowed to continue for long the beekeeping industry will have much difficulty to survive in this country and because bees benefit other segments of agriculture this should not be allowed to happen.

Yours truly,

GEORGE EIDEN,
Secretary.

MAITLAND, FLA.

Hon. THOMAS ABERNETHY,
House Office Building,
Washington, D.C.:

We as bee keepers of the United States need your favorable action of honey promotion bill please.

ARTHUR J. BRADY,
Director of American Beekeepers Federation.

SIoux CITY, IOWA, June 17, 1968.

Hon. THOMAS G. ABERNETHY,
House Office Building,
Washington, D.C.:

Urge your favorable consideration of Honey Promotion and Research Act at hearing tomorrow. Honey industry has imperative need for self-help program of this type.

EDWARD G. BROWN,
President.

ROBERT J. STEELE,
Executive Vice President, Sioux Honey Association.

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., June 20, 1968.

Hon. THOMAS G. ABERNETHY,
Chairman, Research and Extension Subcommittee, House Committee on Agriculture, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN ABERNETHY: The American Farm Bureau Federation, which represents farmers from every part of the country and producers of every kind of agricultural commodity, would like to express our views with respect to H.R. 16455, the Honey Promotion and Research Act.

The policy resolutions that guide Farm Bureau during the year are developed through a program featuring individual member participation and including study, discussion, and development of policy recommendations at local, county, state, and national meetings.

Farm Bureau has a long record of experience in the promotion of agricultural commodities. At our most recent annual meeting, in December, 1967, the official voting delegates of the member State Farm Bureaus adopted the following resolution on this subject:

"It is important that farmers promote the increased sale and consumption of farm products without duplication of effort. We support—and will continue to seek improvement of—sound, well coordinated promotion programs, including those on an industry-wide basis having adequate producer representation.

"We oppose any and all check-off programs for the promotion of agricultural commodities when the power of the federal government is used to collect funds or when the federal government administers, or has veto powers over, the program.

"Programs for the promotion of agricultural commodities which involve the check-off of funds from agricultural producers should meet the following criteria:

"(1) The program must be initiated and developed only by the producers of the commodity involved.

"(2) Funds collected must be used only for research, education, and promotion and not for legislative or political activities.

"(3) Each producer shall have the right to refuse to pay at the first point of collection.

"(4) The program must be approved or amended by two-thirds or more of the eligible producers voting in a referendum, and these must represent two-thirds or more of the production of the commodity involved.

"(5) Continuation of the program after each three-year period shall require approval by two-thirds or more of the eligible producers voting in a referendum, and these must represent two-thirds or more of the production of the commodity involved.

"(6) Funds collected should be administered by a producer board elected by the producers of the affected commodity.

"(7) Handlers may be included on the administrative governing board when it is mutually agreed that they should be included.

"(8) Provision should be made for an annual certified audit. This will provide producers and the general public with an adequate accounting of expenditures.

"Producers should recognize that funds 'checked off' for promotion programs are deductions from their incomes. Therefore, they should periodically review these programs to determine their effectiveness. Participating producers and their organizations should be encouraged to seek an evaluation of these programs and to recommend improvements."

This policy statement makes it clear that the Farm Bureau supports programs for the promotion of agricultural commodities. However, H.R. 16455 is contrary to this statement of policy because it provides for the use of the power of the federal government to collect honey promotion funds, and provides that the federal government shall administer and have veto power over the program.

Our only experience to date with a nationwide check-off program for any agricultural commodity that involves the use of the power of the federal government to collect funds, administer the program, or have veto power over it, has been with the Cotton Research and Promotion Act of 1966. Experience under this Act makes it clear that the federal government becomes deeply involved in the administration of promotion programs whenever federal power is used to collect the funds for them.

The Farm Bureau realizes the importance of farmers promoting the increased sale and consumption of their farm products. We support a promotion, research, and market development program for honey that does not involve the federal government. We do not believe that a federal-government-controlled promotion activity is in the best long-term interest of honey producers. Therefore, we urge that H.R. 16455 not be enacted into law.

We would appreciate this letter being made a part of the hearing record.

Sincerely,

JOHN C. LYNN,
Legislative Director.

THE AMERICAN BEEKEEPING FEDERATION, INC.,
Phoenix, Ariz., July 1, 1968.

Congressman TOM G. ABERNETHY,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ABERNETHY: Due to the fact that insufficient address was supplied in my telegram to you dated June 25, I have just received your letter dated June 26 in today's mail. As you urge me to reply immediately this letter will be mailed today.

We certainly appreciate the interest you are displaying in behalf of the American honey producers. I shall attempt quite briefly to enumerate part of the reasons I sent the above mentioned telegram.

While in Washington D.C. on beekeeping business during the winter of 1959, I discussed with several people in the Department of Agriculture the possibility of using the provisions of the Agricultural Marketing Act of 1937 to promote honey. They checked the bill and found that the products of honeybees were excluded from the provisions of the act. It was therefore decided to request Congress to amend the Agricultural Marketing Act of 1937 to remove honey as one of the excepted commodities. Attached is a copy of S. 1989 and a letter from Senator Carl Hayden to me relative to the matter.

It soon became obvious that what some of us considered was good for the honey producers, was not so considered by a majority of them. At the various state beekeepers meetings during the late summer, fall and winter there was a great deal of discussion on the subject. Then at the Annual Convention of the American Beekeeping Federation in Phoenix, Arizona in January 1960 the honey producers expressed their overwhelming opinion that they desired no change in the Agricultural Marketing Act of 1937.

I thought the subject was closed. However, shortly after the Phoenix Convention, I was asked to again request Senator Hayden to introduce the same bill and request my representatives to do the same. I refused on the grounds that after proper consideration by the honey producers, they did not desire such an effort on their behalf. In the ensuing years there has been a continual controversy among the honey producers relative to this matter.

I have known the beekeepers who appeared before your committee for many years. I can vouch for their integrity and their devotion to their points of view.

I am sure they have the highest motivation in their efforts to obtain the passage of H.R. 16455. I am sure that they are honestly and sincerely concerned about the plight of the American honey producer and that they believe this legislation is good for the honey producer. Regarding Mr. Aldworth, I understand he is a Chicago advertising agency executive.

There is no doubt but that the plight of the American honey producer is indeed a serious one. This is evident from the number of beekeepers attempting to sell their colonies of bees and others who are simply quitting the business. There has been a continual decline in the number of bee colonies in the United States and in the amount of honey produced in this country. All this at a time when S. E. McGregor, Chief, Agriculture Research Branch, U.S.D.A., states that there needs to be a twenty-fold increase in the number of bee colonies in this country in order to adequately pollinate the more than fifty crops which require or benefit from bee pollination—crops which contribute so much to our high standard of living.

Foreign honey is being imported into the United States in an increasing flood (almost duty free, 1¢ per pound) at prices exceedingly disruptive to the domestic honey market.

Then, last year alone, according to estimates by Mr. S. E. McGregor, there were more than 500,000 colonies of bees killed in the United States from the use of insecticides registered and recommended by the U.S.D.A., with the consequent loss to the honey producers of in excess of \$5,000,000. Indeed the plight of those of us who are honey producers is a most serious one.

Honey producers who have communicated with me relative to H.R. 16455 have, without exception, been against passage of the present bill. My request to defer action on the bill was so that the honey producers would have an opportunity at their state beekeepers association meetings during the late summer, fall and winter to discuss and debate freely among themselves this matter which has been controversial for so many years and then to conclude on their own whether they desired passage of H.R. 16455.

Sincerely,

CLARENCE L. BENSON,
*Chairman, American Beekeeping Federation,
Washington Legislative Committee.*

Mr. ABERNETHY. Unless there is something further, we will stand adjourned.

Thank you very much, all of you, for your appearance. I might say the committee will reconvene at another date for the purpose of considering this measure in executive session.

We stand adjourned.

(Whereupon, at 11 :30 a.m., the hearing was adjourned.)





