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HONEY RESEARCH AND PROMOTION PROGRAM

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HEARINGS
BEFORE THE
SUBCOMMITTEE ON DOMESTIC MARKETING
AND CONSUMER RELATIONS
OF THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES
NINETY-FIRST CONGRESS
FIRST SESSION
ON
H.R. 9655, H.R. 9948, H.R. 11049, and H.R. 11790

JUNE 10 and 11, 1969

Serial K

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HONEY RESEARCH AND PROMOTION PROGRAM

TUESDAY, JUNE 10, 1969

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

The subcommittee met, pursuant to notice at 10:05 a.m. in room 1301, Longworth House Office Building, the Honorable Thomas S. Foley (chairman of the subcommittee) presiding.

Present: Representatives Foley, Vigorito, Sisk, Mrs. May, Goodling, and Myers.

Also present: Representative Mathias.

William C. Black, general counsel; Hyde H. Murray, associate counsel; John A. Knebel, assistant counsel; and Christine S. Gallagher, clerk.

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

The subcommittee meets this morning for the consideration of H.R. 9655 by Messrs. Quie, Aspinall, de la Garza, Hansen of Idaho, Kleppe, Nelsen, Sisk, Stuckey, Teague of Texas, and Zwach, H.R. 9948 by Mr. Mathias, H.R. 11049, is similar bill but not identical bill, by Mr. Teague of California and H.R. 11790 by Mr. Langen. The purpose of these bills is to enable honey producers to finance a nationally coordinated research and promotion program to improve their competitive position and expand the markets for honey.

(A copy of H.R. 9655 follows:)

[H.R. 9655, 91st Cong., first 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,

SHORT TITLE

SECTION 1. This Act may be cited as the "Honey Promotion and Research Act of 1969".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. Honey is produced by many individual producers (beekeepers) in every State in the United States. In 1966 four million seven hundred and seventy-two thousand colonies of bees kept in the United States were devoted to honey production. 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.

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, along with those engaged in general agriculture requiring bees for pollinating purposes.

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 marketing research, development, 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. 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 fifty 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. The 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 the order, upon the evidence introduced at the hearings, that the issuance of the 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 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. (a) An order issued pursuant to this Act shall provide for the establishment by the Secretary of a National Honey Promotion and Research Board (hereinafter referred to as the "Board"), and for defining its powers and duties, which shall include the power—

- (1) to administer the order in accordance with its terms and provisions;
- (2) to make rules and regulations to effectuate the terms and provisions of the 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 the order; and
- (4) to recommend to the Secretary amendments to the order.

The provisions of the remaining subsections of this section apply with respect to any Board established under this Act.

(b) Producers and handlers may nominate and 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.

(c) The Secretary shall divide the marketing area into six districts, for the purpose of selecting producer representatives for the Board, each of which shall consist of one or more entire States. Handler representatives shall be chosen at large. The initial determination of districts shall be on the basis of 1966 honey production, and the Secretary may from time to time revise the composition of the districts on the basis of honey production in the most recent year for which honey production figures are available.

(d) The Board shall consist of nine members appointed by the Secretary. Producers in each of the six districts shall nominate one or more persons for membership on the Board. The Secretary shall appoint six members of the Board from persons who are producers, and three members from persons who are handlers. For each member the Secretary shall appoint an alternate.

(e) The term of office for Board members and alternates shall be three years, except as otherwise provided in this subsection. Of the persons initially appointed, two producer members and one handler member and their alternates shall serve for one year, and two producer members and one handler member and their alternates shall serve for two years, as designated by the Secretary at the time of appointment. A person appointed to fill a vacancy occurring prior to the expiration of a term shall serve under that appointment only until the expiration of the term. Any person may continue to serve until his successor has been appointed.

(f) 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. The vote of a producer may be cast only by a proprietor, partner, or corporate officer of the producer. 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.

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

(h) 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 marketing research, development, advertising, and promotion.

(i) 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 (h) of this section. The assessment rate may not exceed 15 cents per sixty-pound can of honey or the equivalent thereof handled.

(j) (1) Funds collected by the Board shall be used for marketing 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 may 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 product.

(3) No funds collected by the Board may in any manner be used for the purpose of influencing governmental policy or action, except as provided by subsection (a) (4) of this section.

(k) 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 research and promotion program for which the assessment is or is to be used may obtain from the Board a refund of that assessment if he makes demand therefor within the time and in the manner prescribed by the Board and approved by the Secretary, upon proof satisfactory to the Board that

the assessment, for which refund is sought, was deducted from settlement on his honey or otherwise paid by him.

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

(m) Subject to the provisions of subsection (j) of this section, the Board may enter into contracts or agreements, with the approval of the Secretary, for the development and carrying out of market research and development projects or promotion or advertising activities and the payment of the cost thereof with funds collected pursuant to the Act.

(n) 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.

(o) The Board shall report to the Secretary unpaid assessments after diligent effort has been made by the Board to collect such assessments. 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 provisions:

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

(2) 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.

(3) Providing for authority to designate different handler payment and reporting schedules to recognize differences in marketing practices and procedures utilized in different producing States.

(4) 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, but only if the plan or project is directed toward increasing the demand for honey or its products on a nationwide basis or in surplus producing areas of the marketing area, and no reference to private brand or trade name is made, and only if the promotional activities comply with the provisions of section 7(j) of this Act.

(5) Providing for establishing and carrying on marketing research and development projects and studies with respect to the marketing, 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 providing for the disbursement of necessary funds for such purposes.

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

(7) 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.

(8) 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. The first handler may collect or deduct from the producer, on whose honey such assessment is made, any such assessment required to be paid by the handler. The collecting handler shall maintain a separate record on each producer's honey so handled, and such records shall include all honey handled by him including honey handled for producers and for himself, and shall include all honey handled which is 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 prohibits—

(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 officer or employee violating the provisions of this subsection shall be fined 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 the law, it shall remand such proceedings to the Secretary with directions either—

(1) to make such ruling as the court determines 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 upon conviction shall be fined not less than \$100 or not more than \$1,000 for each such violation.

INVESTIGATION AND POWER TO SUBPENA

SEC. 12. (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 subject 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. 13. The provisions of this Act applicable to orders are applicable to amendments to orders.

REQUIREMENT OF REFERENDUM

SEC. 14. The Secretary shall conduct a referendum among those producers who, during a representative period determined by the Secretary, have been engaged in the production of honey for the purpose of ascertaining whether 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 and such producers were not less than a majority of the producers voting in such referendum. The vote of a producer may be cast only by a proprietor, partner, or corporate officer of the producer. 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 this Act, terminate or suspend the operation of such order on 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 that the producers comprising this majority produce more than 50 per centum of the volume of the honey produced by the honey producers voting in the referendum.

DELEGATION

SEC. 16. The Secretary may delegate the performance of any function conferred on him under this Act to any officer or employee of the Department of Agriculture, with or without authority for redelegation.

DEFINITIONS

SEC. 17. Definition as used in this Act:

- (a) "Secretary" means the Secretary of Agriculture.
- (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.
- (d) "Handler" means any person (except a common or contract carrier of honey owned by other persons) who handles honey, either of his own production or that of another producer or of foreign production, in a manner specified in the order or in rules and regulations issued thereunder.
- (e) "Producer" means any person within the marketing area engaged in a proprietary capacity in the production of honey for delivery to a handler or for sale by that person as a handler but excludes beekeeping hobbyists, persons who make only occasional deliveries to handlers, and such other persons as may be excluded by the order or any rules and regulations issued thereunder.
- (f) "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.
- (g) "Marketing year" means the twelve months beginning April 1 and ending March 31, both dates inclusive.
- (h) "Marketing area" is synonymous with production area and means the fifty States of the United States.
- (i) The definitions set forth in this section may be modified by the Secretary pursuant to section 18 of this Act.

MODIFICATION

SEC. 18. The definitions set forth in section 17 may be modified by the Secretary, upon the basis of hearing evidence on the order, 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. 19. 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. 20. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, but no such funds may be used for the payment of any expenses or expenditures of the Board in administering any provision of any order issued under this Act.

Mr. FOLEY. The first witness was scheduled to be the Honorable John Zwach, a member of this committee—Agriculture Committee. Mr. Zwach has been detained in the Committee on Post Office and

Civil Service. We will proceed to hear Mr. Zwach's testimony when he arrives.

First, the record will receive the statement of Mr. de la Garza, a member of the Committee on Agriculture and a sponsor of this bill. (Mr. de la Garza's statement follows:)

STATEMENT OF HON. ELIGIO DE LA GARZA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. Chairman, Members of the Subcommittee, as one of the co-sponsors of H.R. 9655 to enable honey producers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for honey, and as representative of the 15th Texas District, the problems besetting the beekeeping industry are of vital interest to me—as is a solution to these problems, a solution which I hope may be effected through passage of H.R. 9655. The beekeeping industry is a small one in terms of dollar production of honey and beeswax but through its pollination service rendered to other agricultural products it is absolutely essential to agriculture and hence to the economy and welfare of my district and of the nation. Most fruits and vegetables would be available only in minute quantities if there were no honeybees to pollinate them and the production of most legume seeds would also appreciably decrease, if not halt, without the pollination service of the honey bee. In most instances, due to long-standing practices, inadequate pollination research and the inability and impracticability of building fences high enough to confine bees to a specific field or area, the pollination fees received do not adequately compensate the beekeeper for the services performed. The Department of Agriculture has placed a value in excess of one billion dollars on those crops dependent on honey bee pollination with an additional four to five billion dollars worth of crop benefitted by that same honey bee pollination, yet producers must rely largely on the sale of honey for their income.

Pesticides are another problem—causing either complete loss of many colonies or reduced production of those which survive.

Beekeeping is a very exacting and technical business, requiring a large amount of expensive hand labor in the manipulation of colonies, and an intensive and very long training period required for efficient operation of a honey production or pollination business.

The beekeepers of the 15th District tell me prices received for honey currently are in many instances lower than 20 years ago and the industry is faced with declining per capita consumption, an average one per cent annual decline in the number of colonies, the inability to attract new and young people to the industry. Between the increasing costs of production and the increased imports produced at much lower cost, the honey industry finds itself in need of some form of corrective action to relieve the condition if it is to survive.

A voluntary system of collection of funds for honey promotion and limited research has been in effect within the industry for more than ten years, but this has proved insufficient to provide even minimum funds for promotion and research in the fields of marketing, nutrition, utilization or the development of new products. The Agriculture Research Service of the Department is not currently involved in these fields of research except on a very small scale although basic production research is nearly sufficient to meet industry needs except in the area of pollination where representatives of the bee industry in my district advise me further extensive and expanded research is also urgently needed.

Hearings before the Research and Extension Subcommittee of the House Agriculture Committee were held, but legislation in the form considered by that subcommittee was not reported. It is hoped that H.R. 9655 will eliminate those portions of the original bill which proved controversial. As previously, the major thrust is a self-help approach whereby the producers would be assessed $\frac{1}{4}$ ¢ per pound of honey produced to be used in market research and promotion. The bill does not cover hobbyists and small producers. It also permits any producer who does not wish to participate to obtain a refund of his assessment.

Mr. Chairman, I urge your favorable consideration of this legislation and I appreciate having the opportunity to present this statement to you and to the members of the subcommittee. Thank you.

Mr. FOLEY. Now, we will be very happy to hear the testimony of Mr. Paul Nicholson, Deputy Director of the Consumer Marketing Service of the U.S. Department of Agriculture. A pleasure to see you.

STATEMENT OF PAUL A. NICHOLSON, DEPUTY DIRECTOR, CONSUMER AND MARKETING SERVICE, U.S. DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY J. CHARLES KRAUSE, DIRECTOR, MARKETING DIVISION, OFFICE OF GENERAL COUNSEL, DEPARTMENT OF AGRICULTURE

Mr. NICHOLSON. Thank you.

Mr. Chairman and members of the committee, I am Paul A. Nicholson, Deputy Director, Fruit and Vegetable Division, Consumer Marketing Services, USDA. With me is J. Charles Krause, Director, Marketing Division, Office of General Counsel of USDA.

I have a statement on H.R. 9655.

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

The Department has no objection to H.R. 9655, but does suggest some modifications in it.

The bill provides authority to establish an "order" to collect assessments on honey produced in 50 States of the United States. The funds would be used to administer the order and to finance a program of promotion, advertising, marketing research and development of honey and honey products.

A public hearing would be required to consider an order under the bill. The Secretary of Agriculture could give notice and opportunity for hearing 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 to administer the order. The Board members would 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 approval by the Secretary. The assessments would be on both domestically produced honey and on imported honey as the bill is written. Domestic producers not in sympathy with the order could apply for and receive a refund of assessments paid.

3. Assessment moneys could be used by the Board for administering the order and for the cost of promotion, advertising, marketing research, and development of honey and honey products. No reference to a private brand or trade name could be used nor could any false or unwarranted statements be made in behalf of honey or competing products. Prior approval by the Secretary is required for all projects.

In addition to the mandatory provisions, an order may 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, but not to exceed

the amount budgeted for 1 year's operations; the development and expansion of honey and honey product sales in foreign markets; and such incidental terms and conditions as are necessary to effectuate other provisions of an order.

The bill would cover all honey produced in the 50 States of the United States and imported honey except that which is specifically exempted.

The first handler of honey would be responsible for paying the assessment. 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 involving transactions on honey subject to assessment. All such information is confidential and may be disclosed only in general statements which do not identify the information furnished by any person.

Honey produced by beekeeping hobbyists would be exempt from assessment. It is estimated that there are about 197,000 honey producers in the United States. A large number of these producers have very small beekeeping operations.

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 in the referendum, or by two-thirds of their production and a majority of those voting 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 violates the order is subject to criminal prosecution and liable to a penalty of not more than \$1,000 for each offense. Unpaid assessments may be collected under a civil suit brought by the United States. The Secretary may make such investigation as he deems 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 would be terminated or suspended by the Secretary if it does not effectuate the declared policy of the act or 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 \$33 million to \$48 million. The number of honey bee colonies during the same decade has shown a decline. In 1959 there were some 5.1 million colonies of bees but only 4.7 million in 1968. Yields per colony during the same decade varied from a low of 41.9 pounds per colony to 55 pounds per colony. In the past decade, total production of honey ranged from 200 million pounds to 266 million pounds on an annual basis.

The number of honey producers has declined but size of individual commercially producing beekeeping operations has increased.

The per capita use 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; 10 years later, in the early 1960's, the rate showed a further decline to 1.3 pounds. In 1967, the rate of consumption dropped to 1.1 pounds per person which indicates a rather steady decline 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 1967, has taken title to some 49.9 million pounds of honey under the price support program since its inception.

I might add here there have also been some supplies acquired this year in the neighborhood of 5 million pounds.

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 marketing research needed to maintain a competitive position in the markets.

The Department recommends several modifications of this bill. These modifications are outlined in full in our report on the bill. This report was just signed just a few minutes ago and it will be here later today and will be included, I am sure, in your record.

Now, most of these modifications involve minor changes, some to correct typographical errors. That will be in the report.

The report will point out, however, that the enactment of the proposed legislation in its present form would place the United States in violation of article III of GATT by according imported honey less favorable treatment than domestically produced honey. This is because there is provision for refunding, under certain circumstances, the assessment levied on domestically produced honey, but there is no such provision for imported honey. The violation of GATT could be eliminated by eliminating the assessment on imported honey.

We believe 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 by assessments collected from handlers which handlers may deduct in settlement with domestic producers.

In view of the time situation we have not obtained Bureau of the Budget advice regarding the relationship of this proposed legislation to the President's program.

Thank you.

Mr. FOLEY. Thank you, Mr. Nicholson. My memory may be faulty but I do not recall that the Department recommended the recovery of costs in the recent report on the Potato Research and Promotion Act. Do you recall?

Mr. NICHOLSON. Yes, I recall it, and I believe we did not. This was, I do not believe, mentioned in the testimony or the report. I think the bill itself provided that the funds should be obtained from section 32 funds and I think we left it that way.

Mr. FOLEY. Could you enlighten us as to why the Department has taken the position of recovering the funds from assessments on this legislation?

Mr. NICHOLSON. Only to the extent that this is the policy on this bill. That was my instruction, to so proceed.

Mr. FOLEY. I see.

Mrs. May?

Mrs. MAY. I would like to follow up Mr. Foley's question, Mr. Nicholson, because I think the question will be brought to us. I think we might appreciate if you would get a reading from the Department on why their policy on this is one way and they did not recommend it on the potato bill. If that would be possible in a letter from you representing them or someone down there at that level, because I am sure Mr. Foley and I and others on the committee will be asked this question.

Mr. NICHOLSON. Yes.

Mrs. MAY. I would like to know their rationale.

Mr. Nicholson, now, as I understand, this legislation has been written to exclude lobbyists; is that not correct?

Mr. NICHOLSON. That is correct.

Mrs. MAY. A question has been brought up that on page 20 of the bill, I think it is, page 20 of the bill, section 18, that that wording, since it gives the Secretary authority by definition to change definitions, it might mean that he could rank lobbyists, under the act, should it pass at some further date. Actually, that should be in the form of a question. Could it mean—

Mr. NICHOLSON. I do not so interpret that to go that far. I think this is more in the category of minor modifications, and I do not think we could change what Congress has written in the act.

Mrs. MAY. If you spelled it out. You might give that some study. The question has been raised and we would like to be able to—

Mr. NICHOLSON. Yes. My answer is, I do not think we could do that, Mrs. May.

Mrs. MAY. You would not administer it in this way, in other words.

Mr. NICHOLSON. That is correct.

Mrs. MAY. Just for my general information, and I did not see it in your testimony, where is most of the honey production of this Nation? I mean, is it—roughly—you do not have to do it State by State for us, but—

Mr. NICHOLSON. Well, it is produced in 48—actually, I think we have 49 States that we have statistics on, and there is some production in each of these 49 States. We do not have any statistics on Alaska, but I imagine there is some up there, too. States like California, Florida, Idaho, Minnesota, Wisconsin, Washington, and several others are rather large in honey production.

Mrs. MAY. Could we have those statistics supplied for the record, Mr. Nicholson, of production by State?

Mr. NICHOLSON. Yes. I would be glad to supply them for the record. I will furnish those.

(The statistics referred to follow :)

HONEY BEES—NUMBER OF COLONIES AND PRODUCTION OF HONEY, 1967 AND 1968

State	Colonies of bees			Yield per colony ⁷		Honey production		
	1967 (thousand colonies)	1968 (thousand colonies)	1968 as percent of 1967	1967 (pounds)	1968 (pounds)	1967 (thousand pounds)	1968 (thousand pounds)	1968 as percent of 1967
Maine.....	5	5	100	23.0	16	115	80	70
New Hampshire.....	5	5	100	24.0	15	120	75	62
Vermont.....	8	8	100	35.0	16	280	128	41
Massachusetts.....	10	10	100	24.0	22	240	220	96
Rhode Island.....	2	2	100	22.0	20	44	40	92
Connecticut.....	10	10	100	28.0	21	280	210	75
New York.....	164	157	96	40.0	42	6,560	6,594	101
New Jersey.....	37	35	95	40.0	35	1,480	1,225	83
Pennsylvania.....	113	110	97	29.0	28	3,277	3,080	94
Ohio.....	149	146	98	11.0	31	1,639	4,526	276
Indiana.....	102	95	93	13.0	32	1,326	3,040	229
Illinois.....	91	88	97	39.0	42	3,549	3,696	104
Michigan.....	121	120	99	50.0	75	6,050	9,000	149
Wisconsin.....	142	139	98	78.0	55	11,076	7,645	69
Minnesota.....	189	183	97	108.0	57	20,412	10,431	51
Iowa.....	141	142	101	90.0	70	12,690	9,940	78
Missouri.....	101	99	98	55.0	40	5,555	3,960	71
North Dakota.....	52	55	106	102.0	90	5,304	4,950	93
South Dakota.....	101	103	103	100.0	107	10,100	11,128	110
Nebraska.....	103	103	100	55.0	70	5,665	7,210	127
Kansas.....	49	49	100	50.0	45	2,450	2,205	90
Delaware.....	4	4	100	43.0	40	172	160	93
Maryland.....	31	29	94	46.0	46	1,426	1,334	94
Virginia.....	103	101	98	22.0	19	2,266	1,919	85
West Virginia.....	92	91	99	24.0	17	2,208	1,547	70
North Carolina.....	226	219	97	15.0	19	3,390	4,161	123
South Carolina.....	63	64	102	12.0	13	756	832	110
Georgia.....	175	180	103	25.0	29	4,375	5,220	119
Florida.....	309	321	104	58.0	65	17,922	20,865	116
Kentucky.....	87	83	95	22.0	18	1,914	1,494	78
Tennessee.....	146	139	95	16.0	17	2,336	2,363	101
Alabama.....	96	91	95	23.0	23	2,208	2,093	95
Mississippi.....	65	52	80	32.0	24	2,080	1,248	60
Arkansas.....	92	90	98	28.0	25	2,576	2,250	87
Louisiana.....	86	83	97	40.0	38	3,440	3,154	92
Oklahoma.....	50	55	110	46.0	36	2,300	1,980	86
Texas.....	229	227	99	40.0	42	9,160	9,534	104
Montana.....	80	80	100	98.0	85	7,840	6,800	87
Idaho.....	214	220	103	48.0	46	10,272	10,120	99
Wyoming.....	30	32	107	53.0	51	1,590	1,632	103
Colorado.....	51	46	90	42.0	41	2,142	1,886	88
New Mexico.....	15	15	100	54.0	61	810	915	113
Arizona.....	88	83	94	41.0	57	3,608	4,731	131
Utah.....	51	50	98	44.0	21	2,244	1,050	47
Nevada.....	9	8	89	80.0	65	720	520	72
Washington.....	97	97	100	43.0	39	4,171	3,783	91
Oregon.....	70	74	106	39.0	32	2,730	2,368	87
California.....	559	565	101	54.0	29	30,186	16,385	54
Total, 48 States.....	4,813	4,764	99	46.3	41.9	223,054	199,727	90
Hawaii.....	6	6	100	41.0	59	246	354	144
Total, United States.....	4,819	4,770	99	46.3	41.9	223,300	200,081	90

Mrs. MAY. Those six States and maybe a few more really comprise, you think, roughly the bulk of production in the United States.

Mr. NICHOLSON. Well, there is a lot of production in States, too, like Iowa and South Dakota, and there is honey widely produced. But I will supply for the record the production in each of the 49 States that we have a record on.

Mrs. MAY. Fine. Thank you.

That is all, Mr. Chairman.

Mr. FOLEY. Mr. Vigorito?

Mr. VIGORITO. I do not have any questions.

Mr. FOLEY. Mr. Goodling?

Mr. GOODLING. Thank you, Mr. Chairman.

Mr. Nicholson, on page 5 of your testimony you speak about CCC taking title to some 49.9 million pounds of honey. Do you have any idea what CCC paid for that honey and what the selling price was?

Mr. NICHOLSON. Yes, Mr. Goodling. The CCC price support program this year is about 13 cents, as I recall, a pound of honey. Of course, in other years it was a little less because this has kept increasing as parity has gone higher. So on the basis of, say, something like 13 cents loan value plus about 5 cents to process it to put it into proper form to be used by the school lunch people, plus a penny or so a pound transportation, you would have approximately 20 cents a pound cost. This has in turn been defrayed out of section 32 funds when this has been transferred for school lunch use. But roughly 20 cents a pound.

Mr. GOODLING. When outright sales are made other than school lunch, if there are any made, do you know what the selling price has been?

Mr. NICHOLSON. I do not think we have made any outright sales other than school lunch. There may have been some honey that was out of condition or not suitable for table use, some small supplies that were sold outright, but I do not have the data on that.

Mr. GOODLING. The reason I ask that question, I am becoming increasingly concerned about some of the business transactions of CCC. I have been doing a little research. I am thinking of one particular farm commodity on which CCC is losing about 10 cents on every pound that it sells. I am thinking of another commodity on which it is losing from 12 to 15 cents a pound. And it is dealing in millions of pounds every month. This is becoming a terrific loss to CCC, and in turn to the taxpayers of the country. That is why I asked that particular question in connection with your statement.

Now, one other thing. Mrs. May touched on this briefly. On page 19 of the bill, you are excluding beekeeping hobbyists. Who determines what a hobbyist is in the beekeeping industry?

Mr. NICHOLSON. Well, I think this will be mostly determined at the hearing that is required under this in order to have an order. I also think it would be well to have testimony from the industry who is here today, members of the industry, who would be able better than I to say what a beekeeping hobbyist is. I could add that as I understand it, it is intended to be a man who produces a quite small amount of honey that does not enter commercial channels.

Mr. GOODLING. Well, in that same sentence you also exclude those who sell honey only occasionally and make deliveries to handlers. That is pretty loosely written, is it not?

Mr. NICHOLSON. Yes, Mr. Goodling, we would agree on that. This, Mr. Goodling, is covered in our legislative report that will be here soon. We have suggested this particular clause be deleted from the bill, pointing out that a large producer could fall in this category and only make an occasional delivery but of a very large amount. We

would think that the industry would want this man covered under those circumstances.

Mr. GOODLING. The point I am making is unless this is spelled out more specifically than it is here, it could cause a terrific amount of confusion, because who determines what occasional is?

Mr. NICHOLSON. Yes, we agree, and we have suggested in our report that this be deleted.

Mr. FOLEY. Will the gentleman yield at that point?

Mr. GOODLING. That is all, Mr. Chairman. I yield the floor.

Mr. FOLEY. I do not wish to be critical of you, Mr. Nicholson, but I think it would have been helpful if we could have had the report prior to the hearing. Perhaps the Department can expedite those reports in the future.

Mr. NICHOLSON. Yes.

Mr. FOLEY. Mr. Sisk?

Mr. SISK. Mr. Chairman, I wish to inquire on one matter. That has to do with the question raised by our colleague, the gentlewoman from Washington, regarding the recommendation of the Department with reference to requiring the producers to pay the administrative costs. Are there any precedents for this in any orders at present in existence?

Mr. NICHOLSON. Well, we only have one piece of legislation that has been completed that is exactly in this category in my opinion. That is the cotton legislation and under that, the administrative costs are paid by the Department and not by the industry. In other words, I do not think there is an exact precedent in answer to your question.

Mr. SISK. Well, it is my opinion that there is no precedent. It would be a complete change in policy. I think it is of some importance for the committee. I am curious to know if this amounts to a change in policy on the part of the Department.

Mr. NICHOLSON. This is difficult for me to answer because I am here only to testify on this particular bill, Mr Sisk, but I do know the Department has before the Congress at least in the Senate a bill to provide that administrative expenses of the Department under marketing orders will be paid by assessments on the industry. I do know this bill is pending and I believe this was introduced at the request of the prior administration at a much earlier date this year.

Mr. SISK. In connection with that statement, Mr. Nicholson, without necessarily finding fault with this provision, to me it does represent a policy matter of some importance in connection with a much broader approach to programs.

We all recognize that we are facing a situation where we are going to see the end of direct subsidies in a variety of programs. I am speaking of the whole broad scope of programs. We have to move in that direction but the Department of Agriculture must furnish the mechanics to make possible a reasonably stable agricultural economy. The administrative costs of that Department just as the administrative costs of the Department of the Interior, Department of Commerce, or any other department, are in a sense a part of the responsibility of Government. I have some real concern. Not that it is much of an item here because we are only speaking of what amounts to peanuts, as far as the amount of money involved, but I do think there is a principle involved. I simply wanted to raise that question.

Thank you, Mr. Chairman.

Mr. FOLEY. Thank you, Mr. Nicholson. We appreciate your appearance and that of Mr. Krause.

Mr. NICHOLSON. Thank you.

Mr. FOLEY. I would like to reiterate the committee's interest in having the report on the matter that Mrs. May and Mr. Sisk raised.

Mr. NICHOLSON. Yes. We will furnish you such a report.

(The report referred to above follows:)

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 17, 1969.

Hon. THOMAS S. FOLEY,
Chairman, Domestic Marketing and Consumer Relations Subcommittee, Committee on Agriculture, House of Representatives.

DEAR MR. FOLEY: The following are answers to the questions raised during the hearing before your Subcommittee on H.R. 9655, the proposed Honey Research and Promotion Act.

1. Why does the Department recommend that the honey industry pay USDA administrative costs under this program when the question was not raised earlier in connection with the Potato Research and Promotion Act?

The new Administration has been considering many policy issues during the past few months. Our policy position with respect to the financing of national commodity research and promotion programs had not been determined at the time we reported on the potato bill. Therefore, the question was not raised at that time.

2. What is the position of this Administration on S. 816, introduced at the request of the prior Administration, to provide that regulated industries pay USDA administrative costs of all marketing order activities?

This bill involves the financing of individual local or regional marketing orders regulating many types of marketing activities. The issues are different and more complex than those involved in the previous question. The Department is now considering its policy position on S. 816 and will be forwarding a legislative report to the Congress as soon as its evaluation is completed.

Sincerely,

RICHARD LYNG, *Assistant Secretary.*

Mrs. MAY. Mr. Chairman, it just occurred to me, do you know who has introduced this bill in the House or Senate that you referred to?

Mr. NICHOLSON. I believe it was Senator Ellender at the request of the Department of Agriculture. It is S. 816.

Mrs. MAY. Has it been introduced in the House?

Mr. NICHOLSON. In the House? I do not believe so. Not to my knowledge.

Mrs. MAY. We have not had it called to our attention.

Mr. FOLEY. If there is a report on the Ellender bill, the committee would like to have that as well.

Mr. NICHOLSON. All right. If there is one, we will furnish that, too.

Mr. FOLEY. Thank you very much.

The Chair is going to vary slightly from the witness list and call Mr. Hood Littlefield as the next witness.

Mr. MATHIAS. Mr. Chairman—

Mr. FOLEY. I will yield to the gentleman from California, Mr. Mathias.

Mr. MATHIAS. If I could introduce Mr. Hood Littlefield to you, he is a constituent of mine in my State of California. More important than that, he is a fine gentleman and has a great interest in the honey industry. At the present time he is vice president of the American Beekeeping Federation, also the chairman of the California

Honey Advisory Board, and also a member of the executive committee of the California State Beekeepers Association. And even though I am not a member of this subcommittee, it is an honor for me to be here to introduce Mr. Hood Littlefield to you.

Mr. FOLEY. Thank you very much. Mr. Littlefield, it is a pleasure to see you this morning and the committee will be glad to hear your testimony at this time.

STATEMENT OF HOOD LITTLEFIELD, VICE PRESIDENT OF THE AMERICAN BEEKEEPING FEDERATION, AND CHAIRMAN OF THE CALIFORNIA HONEY ADVISORY BOARD

Mr. LITTLEFIELD. Thank you.

Mr. Chairman and members of the Domestic Marketing and Consumer Relations Subcommittee. I am Hood Littlefield, of Visalia and Pasadena, Calif. I am a commercial beekeeper and operate 1,500 colonies of bees up and down the State for honey production and pollination. At the same time, I am vice president of the American Beekeeping Federation, chairman of the California Honey Advisory Board, and a member of the executive committee of the California State Beekeepers Association. It has been my pleasure to help in the drafting of this legislation. I thank you for the opportunity to express my views and also those of many of my fellow beekeepers in California and the rest of the Nation, on why we think you should recommend and support H.R. 9655 and H.R. 9948, the enabling legislation for the Honey Promotion and Research Act. We definitely feel that the basic idea behind this type of enabling legislation is right. It allows the honey producers to help themselves. It sets up the machinery through which the beekeepers can develop needed publicity, education, and research on a national basis. We have tried in the past to accomplish these things on a voluntary contribution basis, with negligible results.

We have had a program similar to the one we are proposing to adopt here in operation in California for 17 years. It has been my privilege to serve on the board for 15 years, and as chairman of the board for the past 8 years. We have been able, with the limited amount of funds we have had available, to print three all-honey cookbooks, and thousands of recipe leaflets yearly on the use of honey which we distribute to the consumers free. We purchase an average of two newspaper ads yearly, along with some radio time. We feel that we have been successful in that honey commands a greater amount of self space on our grocers' shelves than in any other State in the Nation. Our producers are able to sell their honey crop each year at a stable price with very little having to be carried over. We have attracted packers from other States to take advantage of our good market. We have increased the amount of honey sold by 83 percent since our program was initiated, according to the attached data sheet. This information was furnished us by the California Bureau of Marketing. The honey squeeze bottle, which is an accepted way of serving honey in these modern times, was one of the developments initiated by our board. We feel sure that there are unlimited areas to explore, if more funds are available. We have prepared an example sheet to show the different methods we use to accomplish what we choose to

call educational promotion. Both the data sheet and example sheet may be part of the record. There are people who can accomplish these same results nationally if they are given the opportunity.

We feel that no one production area can do these things alone. It will take the combined national industry to do enough to ultimately increase the income of the producer, which is what we sorely need. We feel that if enough consumer demand is created, the producer will be able to get more for his honey without an increase in price to the consumer. At the present time, because of the amount of time honey spends on the grocer's shelves, he feels impelled to take a markup of 33 to 35 percent. In other words, we would like a chance to prove to the general public that honey is a good, healthful sweet, to be eaten daily and not a luxury item to be purchased only occasionally.

Our beekeeping industry is suffering the increased costs of production along with, I am sure, many other farm groups. We cannot continue to buy at retail and sell at wholesale. This industry is certainly important enough to deserve a chance to try to help itself. The pollination value of the honeybee is really difficult to determine. About 90 crops, grown in the United States, valued at over a billion dollars, are considered to be dependent upon insect pollination; other crops valued at about \$4 billion are benefited by insect pollination. The farmer can afford to pay only a part of the actual cost of these pollination services. The beekeeper tries to make up the difference in his cost, with the sale of the honey he produces while maintaining the colony until needed for the next crop by the farmer. The number of commercial beekeepers is on the decline because of the cost-price squeeze and this will ultimately effect the affluent agricultural economy we now have. In 1968, about 1,177,000 colonies were used by growers to pollinate crops. As more new hybrid varieties are developed which are male-sterile and only set seed when insects carry pollen to them from male fertile plants, more honeybee colonies will be needed. Unless we can develop an incentive for the young people to engage in commercial beekeeping, these colonies which will be so essential in the future, will not be available. I feel this is another reason we need the enabling legislation we are asking for at this time.

In conclusion, because of the urgent need for beekeeping to continue on a profitable basis and because of the example set by the California honey promotion plan, I would like to stress the urgent need for speedy passage of this legislation. All we are asking is a fair chance to use our own money to build a program capable of expanding our markets and preserving an industry that means so much to our national economy. We feel that we deserve the opportunity to have the democratic right to vote in a referendum. We trust and hope that you will permit us to have it.

Mr. FOLEY. Thank you very much, Mr. Littlefield.

Mrs. May?

Mrs. MAY. No questions.

Mr. FOLEY. Mr. Vigorito?

Mr. VIGORITO. No questions, Mr. Chairman.

Mr. FOLEY. Mr. Goodling?

Mr. GOODLING. No questions.

Mr. FOLEY. Mr. Sisk?

Mr. SISK. Mr. Chairman, I would like to commend Mr. Littlefield on an excellent statement. I know of his activities in California. I would like to ask one question. Has there been a discussion with your people or groups that you represent with reference to the Department's recommendation on the charge of the cost of administration?

Mr. LITTLEFIELD. No, sir; it has not.

Mr. SISK. Do you have any comments to make with reference to that provision?

Mr. LITTLEFIELD. I was amazed to learn that this is the thinking here. One of the things that I have been telling my people in California is that we would like the national order better because we would not have to bear the administrative costs. There are some complaining about administrative costs to our order in California.

Mr. SISK. I appreciate the comments of the gentleman. As I say, knowing of your work in this area, and, of course, I particularly appreciate your comments because it is absolutely essential to have these bees for the production; for example, of very large certified seed program which we have not only in California but in other States as far as that goes. Of course, that is an important part of this whole business of beekeeping. And recognizing, of course, as you say, the farmer can only pay a portion of the actual cost involved in most cases. To use for pollination purposes, you do have to get a considerable portion of your return through the sale of the product which is produced. I do not know whether you call it byproduct or whether the other is byproduct, but whichever way it goes.

That is all, Mr. Chairman.

Mr. FOLEY. Thank you. Mr. Myers?

Mr. MYERS. No questions.

Mr. FOLEY. Mr. Mathias?

Mr. MATHIAS. No questions.

(The following prepared statement was also submitted by Mr. Littlefield:)

STATEMENT OF HOOD LITTLEFIELD, VICE PRESIDENT, AMERICAN BEEKEEPING
FEDERATION

There is no point in my discussing all the various details of the Honey Promotion and Research Act that is before you, but I would like to make a few comments regarding section seven: "Required Terms in Plans".

First, I think this bill is as non-political as any legislation could be. It specifically bans the use of any funds for the purpose of influencing governmental policy or action and consequently should have bipartisan support. It should not become embroiled in controversy.

Second, I want to emphasize that participation in the program would be voluntary on the part of the individual producers. Any producer against whose honey any assessment is made can request and receive complete refund of such assessment. The bill provides for uniform collection of funds through the first handler where honey is concentrated, eliminating the thousands of honey producers individually. Further, a uniform collection procedure eliminates an undesirable competitive factor between handlers.

Third, the bill provides for participation of honey producers in the program. We feel that this participation is not only highly desirable, but completely necessary if the program is to be successful. The National Honey Promotion Board shall be composed of producers and handlers, selected by the Secretary of Agriculture from the nominations made by producers and handlers. This program will be producer-financed and producer-controlled. We think it has one further advantage, and that is, in effect, that this is a self-policing program. The honey

producer himself is not going to participate unless it is a well-administered program.

Fourth, we recognize the Government's responsibility to see that the money is spent for the purposes intended. We think the bill contains fully adequate safeguards in this respect. At the same time, we do think that producers can and must have the right to decide how their money will be spent.

Fifth, the funds collected shall be used specifically for marketing research, development, advertising, or promotion of honey and honey products and for administration, maintenance, and functioning of the board. In these programs, no false or unwarranted statements can be made in behalf of honey or honey products or with respect to the attributes of use of any competing products. We can then be assured that these funds will be spent in a constructive and effective program.

Sixth, the maximum assessment rate established in the bill shall not exceed fifteen (15) cents per sixty (60) cans or equivalent thereof.

Our understanding of how the program would work is this; the National Honey Promotion Board would be composed of nine (9) members selected by the Secretary of Agriculture from nominations made by producers and handlers. The board would administer the policies of this act and any plan issued pursuant to this act. This administrative organization would have the authority for initiating and developing and supervising the program; in so doing, it would have the authority to consult with and utilize the resources of the U.S. Department of Agriculture, the land-grant colleges, private research and promotion agencies, and any other groups or organizations which can contribute toward the program's objectives. The program would be subject to review and approval by the Secretary of Agriculture. After approval, the board would contract and dispense funds for the programs. The intent is for the producers themselves, through the board, to make the decisions on how their money is spent.

DEFINITIONS

Producer.—Means any person within the marketing area engaged in a proprietary capacity in the production of honey for delivery to a handler, or for sale by that person as a handler, but excludes beekeepers with fifty colonies or less. (We would like this definition as stated, to remain open until after the public hearings to ascertain if it is the consensus of the industry.)

Producer-packer.—Mean a person producing honey which is packed for sale by that person. In this case, that person will be the first handler and will be liable for the assessment.

Marketing area.—Shall be the fifty United States and shall be divided into six (6) districts for the purpose of selecting representatives for the board, with size of each district determined by a total of the prior years of honey production of each state included in such districts, so as to reach an equitable proportionment for each district. Size of districts to be reviewed and revised if there is a shift in production in an area.

Other definitions to be the same as now included in the bill.

Mr. FOLEY. Thank you.

The Chair is going to vary again from the witness list and call Mr. Robert J. Steele of Sioux City, Iowa. The Chair is happy to recognize a distinguished member of the full committee, Mr. Wiley Mayne.

STATEMENT OF HON. WILEY MAYNE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Mr. MAYNE. Thank you, Mr. Chairman and my colleagues of the committee. It is a very real privilege for me to be able to introduce to the subcommittee Bob Steele of Sioux City, who is the executive vice president and general manager of the Sioux Honey Association in Sioux City.

The departmental representative was asked about honey production and there seemed to be some uncertainty about some aspects of it, but about who is the largest honey processor in the world, there is no doubt

whatsoever. I am happy to report that that is the Sioux Honey Association of Sioux City, the agricultural marketing cooperative which Bob Steele heads.

I have known Bob Steele for many years and I am glad to report to the committee that he is not one of those businessmen who keeps his nose to the business grindstone so close that he is not able to see the larger picture because Bob Steele has certainly been one of the outstanding community leaders in Sioux City participating in a very wide range of public service endeavors as well as leading the largest honey processor association in the world.

Mr. Steele.

Mr. FOLEY. Thank you very much, Mr. Mayne.

Mr. Steele, very happy to welcome you before the subcommittee this morning.

STATEMENT OF ROBERT J. STEELE, EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER OF THE SIOUX HONEY ASSOCIATION

Mr. STEELE. Mr. Chairman, ladies and gentlemen, I apologize. Your Washington liquid sunshine is playing havoc with my chest. If you will bear with me, my name is Robert J. Steele.

Mr. FOLEY. May I interrupt? Mrs. May suggested a little honey and vinegar. [Laughter.]

Mr. STEELE. Perhaps I should quit while I am ahead, sir.

Out in the midwest area we figure honey and lemon juice, Mrs. May.

I am executive vice president and general manager of Sioux Honey Association of Sioux City, Iowa. I am also vice president of the National Honey Packers & Dealers Association and a member of the board of directors of the Honey Industry Council of America. My organization, Sioux Honey Association, is an agricultural marketing cooperative serving more than 1,200 member beekeepers who operate in 35 States. We market their honey in all 50 States and in several foreign countries. Last year our association marketed approximately one-fourth of the total U.S. production of honey.

Our association, as the largest marketer of honey, is vitally interested in increasing the per capita consumption of our product. We market the only nationally advertised brand of honey in this country, and during the last 5 years, we have invested \$1,374,105.54 in advertising. This promotion of the association's Sue Bee brand of honey, while competitively designed, also aims at increasing the total market for honey. All of our promotion during the many years of being the only nationally advertised honey has carried forward to a large degree the industry's job of selling the many advantages of honey, and thus increasing its consumption by present users and cultivating new users. In all these activities, the Sue Bee brand promotion has tied in with what other promotions have been carried on by the industry. The two have worked in harmony toward the common goal of getting people to use more honey.

We realize that our honey is not in competition solely with other brands of honey. Our job and that of the entire industry is to position honey favorably with the many other products which compete directly with us for a place on the family table in America. These other products, such as syrups, jams, jellies, peanut butter, and similar spreads,

are being supported constantly by multimillion-dollar advertising campaigns. While the honey industry cannot hope to match promotion dollars with these multimillion budgets, we must do more than we have done or are doing presently.

Our member beekeepers cannot do this job alone. It is the responsibility of every commercial producer of honey to carry a fair share of this project, and Sioux Honey Association pledges its continued support for any fair and equitable program to accomplish this purpose. Members of our association have provided nearly half of the budget of the industry institute in recent years in addition to our own advertising expenditures. It is our conviction that some fair program should be worked out to collect a sizable pool of funds from the industry to carry on this vital program.

The industry has attempted to carry on this program over the years through voluntary contributions, and some people in the industry have contributed, including Sioux Honey Association. These plans have faltered and failed because of lack of consistent support on a voluntary basis. For these many reasons I strongly urge your favorable consideration of this legislation designed to help our industry help itself to maintain our place in the national market.

Mr. FOLEY. Thank you, Mr. Steele.

Mrs. May?

Mrs. MAY. Thank you, Mr. Steele, for your excellent statement. Now, do I understand that you support this bill in its present wording? I notice you said it in two ways. You support some fair program and then you say later you ask favorable consideration of this legislation. Do I detect some reservations on your part on perhaps—

Mr. STEELE. I would have to say, Mrs. May, that there is a bit more reservation on my part since I heard the gentleman from the Department suggest that funds for the administration come out of the collection.

Mrs. MAY. I think I can understand that reaction.

Mr. STEELE. This was a surprise. We had not anticipated this. Other than—

Mrs. MAY. If I might, Mr. Chairman, I will state for the record, Mr. Nicholson is going to correct this. We talked about it just a moment ago. There is no bill such as you referred to pending in the House. Back on January 17 the incumbent administration, not this administration, recommended a draft of legislation which on January 31 was introduced by Senator Ellender. However, we still do not have a reading from the present administration of the U.S. Department of Agriculture on how they feel on this approach.

Mr. Foley feels very strongly as chairman, and I as ranking member, that since we have other marketing bills pending we must have a spelled out stand from the Department of Agriculture on what their attitude on this is going to be. They have a perfect right to suggest this or not suggest it but we are kind of flying blind here right now and we hope to have this cleared up in a few days.

Mr. STEELE. Thank you. I would hope that our industry would not be the guinea pig for this.

Mrs. MAY. That is all, Mr. Chairman.

Mr. FOLEY. Mr. Vigorito?

Mr. VIGORITO. No questions.

Mr. FOLEY. Mr. Goodling?

Mr. GOODLING. Thank you, Mr. Chairman.

Mr. Steele, do you think the Congress would be establishing a precedent if it should pass this legislation?

Mr. STEELE. I think that would be rather a hard statement for me to make, sir. It would be a precedent for our industry which I think we badly need. Perhaps we are a little bit unique in being so widespread and not being quite as favorably situated for State or regional orders as some other types of products.

Mr. GOODLING. I am thinking if we do it for the beekeeping industry, must we not do it for every farm commodity?

Mr. STEELE. I do not know, sir. I do feel, though, that the industry would be better off to have a self-help program of this kind than to base its future on Government support or Government programs which could be withdrawn unexpectedly. Here at least we are building up something from within our own industry that we hope to continue and it would perhaps make a better place in the market for our product.

Mr. GOODLING. My thinking is that here we are asking one farm commodity to compete against another farm commodity and if we do that, do you think the taxpayers should pick up the tab for the administration of the program?

Mr. STEELE. Well, I think perhaps it would cost the taxpayers less than some of the present programs we have, sir. Perhaps we are moving in the right direction. I would think so.

Mr. GOODLING. Well, I do not believe that is an answer to my question. I am sympathetic to the beekeepers. I realize the importance of bees. I have handled bees myself and I have been "tagged" plenty.

Mr. STEELE. Yes; I think we visited about that personally at one time. Let me say this, sir, that the industry has tried diligently over the years to do this on a voluntary basis without involving the Federal Government, and we have absolutely been unable to do it. We feel that perhaps this is the only alternative.

Mr. GOODLING. I was interested in this figure of \$1,374,000 that you expended for advertising. How was that raised?

Mr. STEELE. This is taken out of the income of Sioux Honey Association members. They approved this. We figure, sir, that on the average we spend 1 cent a pound on our members' honey for brand advertising.

Mr. GOODLING. Did you say 1 cent a pound?

Mr. STEELE. One cent a pound. This is our normal average.

Mr. GOODLING. Is that voluntary or is it required of your organization?

Mr. STEELE. This is the result of the democratic vote of the members of our association who approved it.

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

Mr. FOLEY. Mr. Sisk?

Mr. SISK. I want to express my appreciation to the witness. I appreciate, by the way, the gentlewoman from Washington bringing out the other information because this administrative cost, as I say again, reiterating what I said earlier, represents some concern to me. This is a policy matter that I would not want to see attached to you just as

an individual group unless it is going to be a general program. It seems to me that the Department of Agriculture has a service to perform to the American people for the benefit of the consumer as well as the producer. Just as the Department of Commerce has an obligation and a duty to perform for the benefit of the businessman as well as the consumer. These administrative costs are a part of the responsibility of the American taxpayer. They have always been considered just that and I hope it will remain that way. Certainly it is far more inexpensive administering a program in which you are actually paying for the programs rather than direct subsidies or outright purchases by Commodity Credit, which as we know has actually happened.

Mr. STEELE. Yes, sir; we feel that way, too.

Mr. SISK. Thank you, Mr. Chairman.

Mr. GOODLING. One more question. One more observation and I think I should make this to the beekeepers. You spoke about the competition you have. I think I should report to you that this morning in the cafeteria right downstairs, I ate honey on my biscuits rather than jam or syrup.

Mr. STEELE. If we had a few million more people like you, sir, our problems would be solved.

Mr. FOLEY. Mr. Myers?

Mr. MYERS. Since this is the confession hour, I will have to join with my colleague, George. I even ate it on breakfast food in place of sugar. I have been eating honey a long, long time. I kind of go along with George and, contrary to my friend from California, this is a promotion to help you and not the American public. I can see every justification why you should pay for it yourself, for the administration of the program. It is going to help you, not the general public. Indirectly it is going to help the public. I agree with your argument that it is better than subsidies, I oppose some of the subsidies, too.

Mr. STEELE. We would hope we can begin to stand on our own feet.

Mr. MYERS. I am ready to let you. I am trying to help you.

Thank you.

Mr. FOLEY. Mr. Steele, I appreciate your testimony. I think the question of whether administrative costs should be borne by the producers or by the Government is a general problem that should be resolved with respect to many similar types of programs. I would be sympathetic to your view that we should not single out the honey producers of the United States to begin that effort.

Mr. STEELE. It was a little frightening to think that we might be first, sir.

Mr. FOLEY. Thank you very much.

Mr. STEELE. Thank you, sir.

Mr. FOLEY. The next witness will be Mr. Harry Rodenberg, Wolf Point, Mont., chairman of the Honey Industry Council of America.

STATEMENT OF HARRY RODENBERG, CHAIRMAN, HONEY INDUSTRY COUNCIL OF AMERICA

Mr. FOLEY. Mr. Rodenberg, you have been very patient. We followed the usual committee practice of taking out of order witnesses who are accompanied by members of the committee and I certainly

want to extend a greeting to you as the chairman of the Honey Industry Council of America for your patience in waiting until now to testify.

Mr. RODENBERG. Thank you, Mr. Chairman. Members of the subcommittee, my name is Harry Rodenberg. I wish to express my appreciation for the opportunity to present a statement in support of the Honey Promotion and Research Act of 1969.

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 am presently serving as chairman of the Honey Industry Council of America.

The Honey Industry Council is an organization which represents all segments of the beekeeping and honey industry. Eighteen directors from industry organizations (with beekeepers as a majority), elected by their peers, serve on the council. The various segments of the industry represented include: The American Bee Breeders Association, The American Beekeeping Federation, Inc., The Bee Industries Association, The Eastern Apicultural Society, The National Honey Packers and Dealers Association, The California Advisory Board, and two directors elected at large. The object and purposes of this council is to stimulate industry growth. Historically, the council, allied with the American Honey Institute, has been the fund raising agency and promotional arm of the industry.

I am also serving as vice president of the board of directors of the Sioux Honey Association, which as Mr. Steele mentioned, is a honey packing and marketing cooperative, and I wish to make a correction in my prepared statement here. It comprises over 1,200 members located in 35 states.

The opinions and wishes of the beekeepers and honey producers of the United States should be expressed in a democratic manner, in compliance with democratic principles. That is, discussion, debate and vote should result in the will of the majority being voiced. This should be the course to follow for all levels of organization: county, State and national.

For a period of 25 years, the American Beekeeping Federation has been the organization recognized as the voice of the beekeeper. Delegates selected by the various State organizations serve as directors of the American Beekeeping Federation.

Discussion and debate of some form of national legislation to raise funds for the promotion and research work on honey have been taking place within the industry since 1962.

In recent years the honey producer has found himself caught in a tight "cost-price squeeze," resulting in a renewed interest for support for such national legislation.

The beekeeper is realizing that his fine product is competing for the housewives' food dollar along with a vast array of food items, which include other competitive sweeteners and spreads.

Support for the Honey Promotion and Research Act is impressive when you see that the larger honey-producing States, such as Florida, Texas, Minnesota, Wisconsin, Idaho, Montana, North Dakota, and California, are actively working for the enactment of this legislation. The commercial beekeepers from many areas view this legislation as a means of survival for their honey-producing operations.

At the annual convention of the American Beekeeping Federation held in Portland, Oreg., last January, the Honey Promotion and Research Act underwent further scrutiny and debate. As a result, many of the objectionable features of the bill of the previous year were corrected. The final consensus indicated that the general assembly in attendance at the Portland convention favored pursuit of the necessary legislation by a 2-to-1 majority. In addition, the organizations of bee breeders, bee equipment manufacturers, and honey packers and dealers have gone on record as supporting the Honey Promotion and Research Act.

The financial plight of the honey producer is critical. It is questionable how much further inflated costs of production can be withstood without an improvement in the selling price. During the past year, I have seen some sizable honey producers within my own State of Montana literally walk away from an enterprise to which they had devoted the best years of their lives. Others are on the verge of foreclosure or bankruptcy. Many have been forced to moonlight to supplement their income.

Certainly, an industry that plays so vital a role in pollination of more than 100 crops should be able to develop a program to promote its 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 in order to carry on an effective program of research and promotion.

Our industry has contributed so little toward promotion of its own product that the per capita consumption of honey has steadily declined over the past 40 years.

Having a good product and not telling anyone about it is like winking at a girl in the dark; you know what is going on, but she does not.

I would like to add, which is not a part of my prepared statement, but I have taken note that the National Farm Bureau opposes such national legislation. I am a member of the Farm Bureau. Many beekeepers who have supported this legislation are also. I think if I read correctly their thinking that they are opposed on the national level but do favor such type of legislation on a State or regional level.

Now, California, as Mr. Littlefield reported, is a State that has a very successful State marketing order. I would like to point out that California is a large honey producer and they have a large population, whereas many of the other States that are large honey producers do not have the population to absorb the honey that they produce and they become an export producing State, and it is our feeling that State orders could not be worked effectively in every State, and for that reason we feel a national order would be more beneficial to the industry.

Mr. FOLEY. Thank you, Mr. Rodenberg. We appreciate your testimony.

Mrs. May?

Mrs. MAY. Mr. Rodenberg, how many beekeepers do you represent, would you say, in the various organizations you have listed in the first page of your statement that are involved with the honey industry?

Mr. RODENBERG. You mean the various segments of the Honey Industry Council of America?

Mrs. MAY. Yes. This is right.

Mr. RODENBERG. I should point out that these people are not all beekeepers.

Mrs. MAY. I should not have used the word "beekeepers." Let me rephrase the question. How many people connected with the honey industry, let us say.

Mr. RODENBERG. It takes a very wide scope of the industry, and we do not represent to the honey—the Honey Industry Council does not represent every local organization in the country. This figure is a little hard to arrive at. It has been mentioned that perhaps strictly commercial beekeepers, those who derive their livelihood from the production of honey, would be somewhat in the neighborhood of 1,500 over the United States.

Mrs. MAY. 1,500?

Mr. RODENBERG. That is strictly commercial beekeepers but some of these organizations, for instance, your Eastern Agricultural Society, takes in a good number of members along the east coast who are by and large hobbyist-type beekeepers. So the number would be somewhat greater.

Mrs. MAY. The Sioux Honey Association of which you are the vice president does represent 1,000 producers or beekeepers.

Mr. RODENBERG. 1,200.

Mrs. MAY. 1,200, I mean. Yes. Located in 35 States. So, I understand, therefore, from your statement that you could be representing a very large proportion of the honey industry of the United States and they are in support of this legislation.

Mr. RODENBERG. That is correct. The majority have spoken in that direction.

Mrs. MAY. Do you know if there is opposition and where it is coming from within the industry, I mean?

Mr. RODENBERG. Yes, Mrs. May. I understand that there is some opposition and this opposition, it seems, is stemming from some of the former officers of the American Beekeeping Federation in Portland. A new president was elected, a new secretary was hired, both of whom will testify at this hearing. And these former—some of these former officers have formed another organization and I understand are working in opposition to this legislation.

Mrs. MAY. That was after the Portland meeting?

Mr. RODENBERG. That is correct. That organization was formed after the Portland meeting.

Mrs. MAY. And they represent beekeepers also, is that it?

Mr. RODENBERG. They call themselves, I believe, the American Honey Producers.

Mrs. MAY. I beg your pardon, I did not hear what you said.

Mr. RODENBERG. They call themselves the American Honey Producers Association.

Mrs. MAY. I see.

Thank you, Mr. Chairman.

Mr. FOLEY. Mr. Vigorito?

Mr. VIGORITO. No questions.

Mr. FOLEY. Mr. Goodling?

Mr. GOODLING. Mr. Chairman, just to again increase my own knowledge and not in connection with this bill, I think of Montana as a short-season State. What is your main source of honey production?

Mr. RODENBERG. By and large the main honey production in Montana is derived from alfalfa and sweet clover, now. Sweet clover is largely grown on wasteland whereas the alfalfa is largely grown as a hay crop although there are some seed-producing areas in Montana.

Mr. GOODLING. Do all the cuttings of your alfalfa produce honey?

Mr. RODENBERG. That depends on how early it is cut and by and large there are only two cuttings of alfalfa in the State of Montana because of the short growing season.

Mr. GOODLING. If my beekeeping knowledge is correct, in the east we do not think alfalfa produces honey.

Mr. RODENBERG. Mr. Goodling, I believe that is true in many areas and there are areas that formerly produced honey from alfalfa who in some years do not, and that is true in Montana also. There are some years, depending upon moisture conditions, temperatures, and weather conditions, that are not favorable toward the secretion of nectar from alfalfa.

Mr. GOODLING. Do you produce alfalfa seed?

Mr. RODENBERG. There are some seed areas, that is correct.

Mr. FOLEY. Mr. Myers?

Mr. MYERS. No questions.

Mr. FOLEY. Thank you very much, Mr Rodenberg. We appreciate your coming this morning.

Mr. RODENBERG. Thank you.

Mr. FOLEY. The next witness will be the Honorable John Zwach. Mr. Zwach is a distinguished member of the Committee on Agriculture.

Mr. Zwach, before you begin, perhaps we ought to recognize some of the members of your district whom I understand are here in the committee room this morning. Would you like to introduce them?

Mr. ZWACH. Yes, Mr. Chairman. The various rural electrification co-ops in Minnesota each have here today at the Capitol one young person from their membership selected in a very fine and unique way, and those people back here in this row, those young people are all people from my congressional district.

Mr. FOLEY. Would you stand up and be recognized?

[Applause.]

Mr. ZWACH. Now, Mr. Chairman, it was partly because of these fine people that I was not able to come over here just a little sooner, but they are enjoying this tremendously and they are all farm folk and, therefore, are most interested in proceedings in this Agriculture Committee.

STATEMENT OF HON. JOHN M. ZWACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. ZWACH. I want, Mr. Chairman, to submit for the record, a statement that I have and then I would just like to add a few oral remarks.

Mr. FOLEY. Without objection, the statement will be received and printed in the record.

Mr. ZWACH. Now, Mr. Chairman, it is my belief that if I assess the situation right around Washington, so far as agricultural producers are concerned, and I guess my district is one of the best and biggest agricultural congressional districts in the United States, it is my feeling that selfhelp, doing more for themselves, is a basic concept that producers in America are going to need to pursue.

My district is quite a honey producing district. Various things, pesticides, herbicides, insecticides, and so on, have caused them extra problems. Imports have caused them extra problems but I strongly support not only for honey but for cherries, for pears, for other farm producers, a marketing order which is a vehicle for them to be able to sort of in a sense have something to say about their own business.

Now, this order in the honey area is mainly for research and promotion, and I support it enthusiastically. The president of my State Association has written in support of this bill and so far as I know, there is no opposition.

Now, Mr. Chairman, I think just that basic statement, is what I would like to make. You folks have listened here for a long time undoubtedly to the witnesses who know all of the detail, and have the pertinent information that you want. I want to thank you ladies and gentlemen for this opportunity to appear in behalf of this legislation and I would hope that we would find it possible to find a way to put it in such a shape that it could come to the House for consideration.

Thank you very much.

Mr. FOLEY. Thank you, Mr. Zwach. We are very happy to have had your testimony this morning and very pleased that you were able to bring such a group of fine looking young people.

Mr. ZWACH. Thank you, Mr. Chairman.

Mr. FOLEY. Mrs. May?

Mrs. MAY. No questions.

Mr. FOLEY. Mr. Vigorito?

Mr. VIGORITO. No questions.

Mr. FOLEY. Thank you very much.

(Mr. Zwach's full statement follows:)

STATEMENT OF HON. JOHN M. ZWACH, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF MINNESOTA

Mr. Chairman, members of the subcommittee, as a co-sponsor of H.R. 9655, I feel that the Bee Industry vitally needs help. Honey production is important nationally and in my own State of Minnesota. The value of the pollination effects of healthy bees upon the successful yields of fruit and seed crops is estimated all the way from one to six billion dollars annually.

Various problems have plagued this industry in recent years and have been the major factor in bringing it to the stage of needing and requesting a nationwide promotional and research program. Two of these factors should be mentioned here. One has been large imports for the last two years; and secondly, the problem of the indiscriminate use of pesticides or insecticides in the production of grain or fruit crops. Either one of these problems alone can imperil the entire industry, but the two of them simultaneously can be a catastrophic.

I will not detail the statistics of the bee and honey industry, or to touch on all the parts of this bill. I am sure other capable witnesses have or will do this. Rather, let me summarize by pointing out that this bill takes the approach of a nationwide marketing order, with the additional provision that producers may ask for and receive a refund of their assessment. This route is the most nearly voluntary method possible for a federal order.

I have received notice that the Southeastern Minnesota Beekeepers Association unanimously favored the passage of H.R. 9655, as well as a letter of endorsement from Mr. Ray Klein, President of the Minnesota Beekeepers Association.

I appreciate the problems affecting the honey industry and I urge favorable action by this Committee on this proposal which will be helpful to them.

Mr. FOLEY. The next witness will be Mr. David K. McGinnis, Edgewater, Fla., president-owner, Tropical Blossom Honey Co., secretary-treasurer and past president, National Honey Packers and Dealers Association.

**STATEMENT OF DAVID K. MCGINNIS, EDGEWATER, FLA.,
PRESIDENT-OWNER, TROPICAL BLOSSOM HONEY CO.**

Mr. MCGINNIS. Thank you very much. Members of the committee, my name is David K. McGinnis. I own and operate Tropical Blossom Honey Co., Inc., Edgewater, Fla., and have been continuously engaged since 1940 except during World War II in the producing and packing of honey. I am past president and currently secretary-treasurer of the National Honey Packers and Dealers Association and a member of the American Honey Council.

For the past 10 or 12 years Tropical Blossom has, through voluntary contributions and through voluntary contributions from the honey producers who sell honey to Tropical Blossom, attempted to do our part to provide funds to conduct a national organization and provide money for research and the promotion of honey.

The packing and marketing of honey in the United States is done for the most part by individuals and companies doing a gross volume of under a million dollars per annum. With the exception of Sioux Honey Cooperative, none can be considered national in scope. These packers are restricted in the amount of promotion they can do on an individual basis. The files of the executive secretary of the National Honey Packers and Dealers Association reveal that with the exception of Sioux, not over two or three honey packers do over a million dollars in volume per annum, with perhaps only seven or eight others doing a volume of over \$500,000 per annum. Over 75 percent of the packers in the United States are regional and do under \$100,000 in gross volume per annum. The competition from nationally advertised brand products cuts into our market each year. Even in the specialty food and gift outlets in which field Tropical Blossom Honey Co. specializes, there are thousands of new items competing each year for the consumer's dollar.

In Florida, we have seen the citrus industry progress dramatically under the impact of advertising, promotional and research dollars collected through compulsory assessment on each box of fruit and at the same time witnessed an almost stagnant situation in the honey industry, an industry almost wholly dependant during the last several years on Government price support.

I have, until recently, been opposed—I would like to delete the word "mandatory" and insert "systematic" assessment and realize that the implementation of such a program will impose additional cost and bookkeeping on the part of my company. However, since the voluntary method of collecting funds has been wholly inadequate and has been supported by only a few, especially in Florida and, realizing that the

beekeeping industry must have funds to promote the sale of honey, I see no alternative than to urge the passage of H.R. 9655.

Thank you.

Mr. FOLEY. Thank you, Mr. McGinnis. What is your annual production a year in your company?

Mr. MCGINNIS. In my company?

Mr. FOLEY. Yes.

Mr. MCGINNIS. Honey that we pack?

Mr. FOLEY. Yes.

Mr. MCGINNIS. Over a million pounds, between a million and 2 million pounds.

Mr. FOLEY. You would have to rank as one of the larger private producers in the country, would you not?

Mr. MCGINNIS. Yes, sir, I would say so.

Mr. FOLEY. Excluding cooperatives like Sioux Bee, of course.

Mr. MCGINNIS. Right.

Mr. FOLEY. Thank you very much.

Mrs. May?

Mrs. MAY. No questions.

Mr. FOLEY. Mr. Vigorito?

Mr. VIGORITO. No questions.

Mr. FOLEY. We appreciate your testimony.

Mr. MCGINNIS. Thank you, sir.

Mr. FOLEY. The next witness will be Mr. Robert Banker, secretary-treasurer, American Beekeeping Federation, Canyon Falls, Minn.

Mr. Banker, we will be very happy to hear your testimony.

STATEMENT OF ROBERT BANKER, SECRETARY-TREASURER, AMERICAN BEEKEEPING FEDERATION, CANYON FALLS, MINN.

Mr. BANKER. Thank you, Mr. Chairman and members of the subcommittee. I certainly appreciate this opportunity to submit a statement supporting H.R. 9655 and similar bills.

I am, first of all, a commercial honey producer operating approximately 2,500 colonies of bees in Mr. Quie's district in Minnesota, and serving, since February 1, 1969, as secretary-treasurer of the American Beekeeping Federation. I am a director at large of the Honey Industry Council of America, and vice president of Apimondia, the international organization of the industry.

The American Beekeeping Federation is celebrating its 25th anniversary this year, and it has been my privilege and honor to serve in various capacities as an officer during 15 of the last 17 years. It is quite interesting to note that marketing and honey promotion were included as industry problems when the Federation was organized, and that all through this 25-year period these items have persistently continued as serious problems, primarily because we have not succeeded in our efforts to voluntarily fund a good consistent program of promotion and/or research which could develop new products, new packaging, new marketing practices, including market analysis or nutritional studies that would develop new or broader outlets for honey.

The Agriculture Research Service of USDA is doing a good job for our industry with the funds available in most areas of production re-

search, but practically nothing in the field of utilization, nutrition or marketing.

We desperately need research along these lines if we are to compete in today's market and a portion of funds collected under this proposed legislation would be used for such projects.

We also have innumerable opportunities for product promotion and consumer education, awaiting availability of funds, which should be in operation to increase the number of households using honey, thereby increasing the movement of honey from the supermarket shelf to the consumer.

Honey producers generally are suffering with very difficult economic conditions. Returns to producers, with the exception of a recent rising market due entirely to short supplies as a result of our very small crop in 1968, are at or near the levels of 20 years ago, while production costs, particularly in the last 4 or 5 years, have literally skyrocketed.

Producers are insisting that something be done to upgrade our product marketability and improve our economic position.

Voluntary programs in various forms have provided only token funds and must for all practical purposes be labeled insufficient or failures.

Essential pollination service for seed, fruit, and nut crops is providing increasing revenue for producers, but honey production must and does provide the major source of income. Steps must be taken to alleviate the precarious position in which we find ourselves, if we are to continue to provide minimum pollination service for the Nation's agriculture crops which require insect pollination and which can be most successfully and economically provided by honey bees.

A review of our past efforts for a promotion and research program and a survey of our members has resulted in our organization requesting, by resolution at the last two annual conventions, enabling legislation such as H.R. 9655, to provide a self-help program for our industry.

Copies of these resolutions as recorded by Mr. Glenn Gibson, the previous secretary, are attached to this statement for your information.

(The documents referred to follow :)

MANDATORY FUNDS LEGISLATION

Be it resolved by the American Beekeeping Federation in meeting duly assembled at Niagara Falls, New York. That a systematic national money promotion and research program, which will require special legislative action by Congress, be pursued.

Be it also further resolved, That such program shall contain no provisions relating to controls on production, quality, or pricing.

Be it further resolved, That such a program would be developed and administered by a honey industry board.

Be it also resolved, That the maximum rate of assessment for those to be assessed in any marketing year shall not exceed 15 cents per 60 lb. can or the equivalent thereof. Any such assessment may be refunded to the producer assessed, upon his request : Therefore, be it

Resolved, That the Honey Industry Council be delegated the authority to carry out this resolution by drafting legislation reflecting the consensus of members' views and that they also be given authority to approach Congress and seek the necessary legislative action.

RESOLUTION—MANDATORY FUNDS LEGISLATION

Whereas Members of the American Beekeeping Federation recognize the need for promotion and research on a national level to promote the use of honey, and

Whereas the funds for this promotion and research should come from a mandatory assessment, because voluntary collection methods have failed, and

Whereas legislation is needed for implementation for such a project: Now, therefore be it

Resolved, That the members of the American Beekeeping Federation assembled in convention direct the officers of the American Beekeeping Federation to pursue by every means possible the necessary legislation needed to bring this project to a successful conclusion.

Adopted in meeting assembled in Portland, Oregon, January 28, 1969.

Mr. BANKER. May I respectfully request, as secretary of the American Beekeeping Federation and as a vitally interested honey producer, your favorable consideration of H.R. 9655 and related bills, to provide one avenue of approach and possible solutions to some of our many and complicated problems.

Mr. FOLEY. Thank you, Mr. Banker.

Mrs. May?

Mrs. MAY. No questions, Mr. Chairman.

Mr. VIGORITO. No questions.

Mr. FOLEY. We appreciate your testimony in behalf of the American Beekeeping Federation.

Mr. BANKER. Thank you.

Mr. FOLEY. That concludes the list of witnesses scheduled for today. We do have, I understand, some of the witnesses scheduled for tomorrow present in the hearing room. But Mr. Powers and Mr. Blackwell are here and if they would like to testify at this time, we will receive your testimony now. We would not impose on you unless you are willing to testify at this time.

Mr. Powers, would you prefer to testify now or tomorrow?

Mr. POWERS. I would just as soon now if it would be of any advantage.

Mr. FOLEY. Fine. We will be very happy to hear you now, sir.

The next witness will be Mr. Irwin Powers, Babson Park, Fla., commercial honey producer and president of the Powers Apiaries, Inc.

STATEMENT OF IRWIN POWERS, PRESIDENT, POWERS APIARIES, INC., BABSON PARK, FLA.

Mr. POWERS. Mr. Chairman, committee members, my name is Irwin Powers and my address is Post Office Box 327, Babson Park, Fla. I am president of Powers Apiaries, Inc., an Idaho corporation. We own and operate in excess of 25,000 colonies of bees located in Arizona, Idaho, Oregon, Montana, North and South Dakota, and Florida. In good years we produce around 3 million pounds of honey.

During the early part of World War II, I was on a committee of beekeepers who came to Washington on a hearing regarding the establishing of a price ceiling on honey by the Price Stabilization Board. The price was set at 12 cents, which remained until after World War II.

In April of this year the CCC announced the 1969 honey loan support program. The 1969 honey crop would be supported at 66.7 percent of parity. The parity price as of March 1969 was established by the USDA at 21.1 cents per pound for wholesale extracted honey. This is up from the 20 cent figure of March 1965. The average level of support for 1969 is 13 cents per pound. The last few years the

wholesale price paid to the beekeeper has stayed pretty close to the support level with the exception that with the short crop last year in the United States and also Argentina and Australia is now beginning to be felt and the supply of honey is not keeping up with the world demand.

We are experiencing a rise in the price in the United States as well as other countries. This very well illustrates what would happen if we could create a little extra demand. As long as we operate on the free enterprise system supply and demand is going to dominate the marketplace.

Whether we close our eyes or bury our heads in the sand we are still going to have competition. None of our competitors such as the people who represent the jams, jellies, syrup, or sugar are going to offer us shelf space or help create a demand for honey. I was of the opinion a few years ago that it would be possible to raise funds on a voluntary basis to finance promotion and research necessary to developing and holding our honey market. But it turns out that we have too many of what I call welfare beekeepers who go along taking the benefits that others pay for. We must have a compulsory collection of funds to carry on promotion and research for the industry.

We have been unable to raise the price of honey to keep pace with the cost of production. One of the many problems the commercial producers face is that other industries can offer better wages and shorter hours which makes it almost impossible to secure needed help. This is forcing a large number of beekeepers out of business. Gentlemen, I would appreciate your careful consideration of this honey promotion legislation.

Thank you.

Mr. FOLEY. Thank you very much, Mr. Powers. We appreciate having your statement and your consideration in giving it today rather than tomorrow.

I am trying to get in my own mind the size of honey operations, I would gather 25,000 colonies is substantial. Am I correct?

Mr. POWERS. Yes; it is. It is quite substantial.

Mr. FOLEY. You are one of the larger individual producers in the United States, then?

Mr. POWERS. I would assume pretty close, yes.

Mr. FOLEY. I think your testimony is of interest to the committee especially because as a large producer you would be a person who would be affected rather directly by the assessment.

Mrs. May?

Mrs. MAY. I have no questions.

Mr. FOLEY. Mr. Vigorito?

Mr. VIGORITO. Yes; Mr. Chairman.

Mr. Powers, you mentioned here in your statement that supply of honey is not keeping up with the world demand. Is that correct?

Mr. POWERS. Well, it has—if you had been watching the agricultural report and also you will notice the American Bee Journal carries a 2-page report on world prices of honey every month, and a short crop in Argentina, particularly, and also Australia, has resulted in the price of Argentine honey coming into the United States well above the support level. And it has also raised the price of Argentine honey.

This demand, you know, has forced up the price of the suppliers worldwide of honey. That is, the 2 years short crop here in the United States, together with the short crops in particularly Argentina and Australia.

Mr. VIGORITO. This short crop, does this happen to be temporary?

Mr. POWERS. Just a temporary thing. A lot of them have a feeling there may be information that the honey crop of the United States is declining. I do not doubt it one bit but what our crop is gradually declining, but the worldwide shortage of honey; that is, particularly countries where we have been importing honey from, and the price rise of the imported honey, has had an effect on our market, too; that is, in my opinion.

Mr. VIGORITO. How much honey was imported?

Mr. POWERS. Well, I think this last year it was 16,700,000 pounds of honey imported into the United States.

Mr. VIGORITO. Thank you, Mr. Powers.

That is all, Mr. Chairman.

Mr. FOLEY. Thank you, Mr. Vigorito.

Thank you, Mr. Powers.

The next witness will be Mr. Eugene Blackwell, Ellensburg, Wash. To introduce Mr. Blackwell, I yield to Mrs. May.

Mrs. MAY. Mr. Chairman, Mr. Blackwell is the president of our Washington State Beekeepers Association. He has been in correspondence with many of us in the State on his interests in behalf of that organization and this bill as well as other related matters concerning the economic welfare of our beekeepers.

We are very glad to welcome you, Mr. Blackwell, as our witness today.

STATEMENT OF EUGENE BLACKWELL, PRESIDENT, WASHINGTON STATE BEEKEEPERS ASSOCIATION

Mr. BLACKWELL. Thank you, Hon. Mrs. May, and Mr. Chairman.

I operate around 3,000 colonies of bees in the city of Ellensburg, Wash., and I am finding it a hard fight to keep this amount with the high cost of operation and the problems of spray and forage, and the low price of honey.

I have been president of the Washington State Beekeepers Association for the past 2 years, and I am still holding that office.

The beekeepers of Washington State wish to point out our severe economic difficulties and to make suggested ways of assistance. These problems, mainly caused by bee poisoning from the use of Sevin insecticide on processing corn for corn earworm control, and honey prices to the producer, have increased to the point of imminent collapse of our industry.

The immediate impact of this problem to Washington is felt through our sizable fruit industry with a farm value in 1968 of \$100 million for apples and \$32 million for other tree fruits requiring bee pollination. It is obvious that we will fall short of supplying the strong bee colonies needed for pollination of tree fruits in the near future. Whereas we had 84,500 acres of bearing fruit trees requiring bee pollination in 1966, estimates indicate that we will have 102,500 acres in 1970 and 125,400 acres in 1980.

The use of Sevin on our sweet corn started in 1960 and we have suffered increasingly severe losses for each of the nine seasons since that time. Increase in processing sweet corn acreage in Washington from 22,000 in 1960 to 54,000 in 1968 has aggravated the problem considerably.

Recently, a comprehensive economic survey was conducted for 30 commercial beekeepers of Washington. Nineteen of these apiarists are full-time operators owning a total of about 28,000 colonies of bees and providing at least 60 percent of the commercial pollination service within the State. A composite income statement revealed that these 19 operators suffered a net loss of \$46,000 for 1967. The undepreciated investment of this group was \$1,420,000; therefore, a 3.2 percent loss on their investment was taken for the year.

Results of the study further revealed that, had it not been for insecticide poisoning constituting a \$204,000 loss to the group, they would have enjoyed a net income of \$158,000 and a return on investment of 11.2 percent.

The unrestricted use of insecticides has killed off many of the wild bees and pollinating insects, throwing more and more dependence for this vital job upon the commercial beekeeper.

Since honey prices are established by imported honey on the docks of our great seaports, the domestic honey price is way below the cost of production. Yet, bees that produce this imported honey are pollinating only the food and forage crops of the foreign country and do nothing to aid our own food and forage crop production.

To stop the decline in the number of commercial beekeepers and the more serious decline in the number of hives of honey bees that are so vital for the pollination of over 90 different food and forage crops, an increase from 65 percent of parity to 90 percent of parity must be forthcoming. This increase is necessary to keep the beekeeper already established and to attract new and younger people into this profession to replace the many older beekeepers who will be retiring in the next decade.

It is axiomatic that no industry can indefinitely survive deficit operations. If a remedy is not found to alleviate the producers honey price beekeepers will be forced to seek alternative employment of their capital and labor. Needless to say, there will be traumatic dislocations in the tree fruit industry also. Therefore, we feel that the bill H.R. 9655 will be a great help to the honey producer.

Mr. FOLEY. Thank you, very much, Mr. Blackwell.

Mrs. May?

Mrs. MAY. Mr. Blackwell, the Washington State Beekeepers Association represents about how many of our beekeepers in the State of Washington?

Mr. BLACKWELL. Approximately 210, I believe.

Mrs. MAY. Do you have any idea how many beekeepers we have in the State that you call commercial beekeepers, not the hobbyists?

Mr. BLACKWELL. The commercial? Approximately 30, while we have about 20 full-time commercial beekeepers.

Mrs. MAY. Twenty full time. Then the rest of those that you represent, they are what you call—

Mr. BLACKWELL. Hobbyists. They have other supply of income.

Mrs. MAY. And they are exempted from this legislation.

Mr. BLACKWELL. Yes; that is right.

Mrs. MAY. Now, did you attend the meeting in Portland, Oreg., in January?

Mr. BLACKWELL. Yes; I did.

Mrs. MAY. I am beginning to get the idea from some statements and some letters that all was not serene in the beehive down there generally; is that right? [Laughter.]

Mr. BLACKWELL. That is right.

Mrs. MAY. I am not sure, I know I am not sure exactly what the biggest point at issue was, but I had some letters. Now, this one may give us the crux of the controversy perhaps. I would like to read just a paragraph from it and then have you comment on it. It comes from a Mr. Lange, over in Mount Vernon, Washington. I do not know Mr. Lange. He is not in my district—Lange Apiaries. But in this letter to me he urges that I do not support these bills. He says:

I am in favor of a honey promotional bill but the bill H.R. 349 is so worded that it could greatly benefit large cooperatives such as Sioux Bee at the expense of the entire bee industry. There was a great deal of opposition to the wording of this honey promotional bill at our national convention held in January at Portland, Oregon. At that time we were assured that nothing of this sort would take place but that the wording would be changed. The bill was not changed and I strongly believe that it is being pushed through for the benefit of a few at the cost of all the beekeepers.

Could you comment or further explain to me just what was at issue here?

Mr. BLACKWELL. I do not quite understand his letter to you. Last Wednesday at my house I called a meeting of all the commercial beekeepers and Lange was invited, too, but he was tied up in Spokane and could not attend, but he called me long distance and told me that he was all in favor of it and for me to go back, so I do not quite understand.

Mrs. MAY. Well, in all fairness, now, Mr. Blackwell, I should point out this letter came to me at the end of March. So perhaps since that time Mr. Lange has a greater understanding of what is in the bill or not in the bill.

Mr. BLACKWELL. Yes.

Mrs. MAY. This brings up another question, then. Perhaps some of the controversy at the Portland, Oreg., meeting came from the fact that—did you have another wording before that convention than we have in the bill that is before this subcommittee as far as you know, or did they understand what is in this bill?

Mr. BLACKWELL. Well, there was quite a confusion and where a lot of the local beekeepers, especially in the Yakima Valley, what this would do for us. Now, since then, since Portland, we have had these meetings and they understand the bill much more than they did previously at Portland. That is all I can say that would be—they got it understood there in Portland and the confusion we had there probably—

Mrs. MAY. Very frankly, from the correspondence I have had, I do not understand the specific—

Mr. BLACKWELL. Mr. Lange called me last Wednesday night and was very favorable toward this promotion.

Mrs. MAY. Of course, I picked this one letter out of my collection.

Mr. BLACKWELL. I might say at this time that at our meeting on this Wednesday, just before I came here, we had nine commercial beekeepers there, full-time commercial beekeepers, and they were the

ones that wanted me to come back and push for this bill to go through.

Mrs. MAY. As I said, I have mail that came into my office, a few letters in opposition, but all I am trying to get at is this. None of the letters really spelled out what their specific objection to the bill was, and I just picked Mr. Lange's letter out because in this one paragraph it seemed to reflect what they were all saying at that time. It may be that tomorrow when we have further testimony, and I do understand there will be some in opposition to the bill, they will clarify just what their objections are. Maybe we can take care of this in the wording of the bill. I do not know. But I thought you might have some idea of what their feeling was based on.

Thank you, Mr. Blackwell.

Mr. BLACKWELL. It kind of struck me after he called me long distance.

Mrs. MAY. Well, please let us be fair to Mr. Lange. That was back on March 22. So he has evidently seen the light now or learned more about the bill so he has withdrawn his objections.

Mr. FOLEY. Mr. Vigorito?

Mr. VIGORITO. No questions.

Mr. BLACKWELL. Thank you very much.

Mr. FOLEY. Thank you, Mr. Blackwell.

We have now received from the Department of Agriculture the report referred to earlier. It will be included in the record at this point.

(The report of the Department of Agriculture follows:)

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, June 10, 1969.

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

DEAR MR. CHAIRMAN: This report on H.R. 9655 is furnished as requested in your April 14, 1969, letter. 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 has no objection to H.R. 9655, but suggests some modifications.

The bill provides authority to establish an "order" to collect assessments on honey produced in the 50 States of the United States and on honey imported. Domestic honey producers engaged in a proprietary capacity in the production of honey for delivery to a handler or for sale by that person as a handler shall be subject to assessment. However, the many beekeeping hobbyists are exempt from assessments. The assessment may be used for promotion of honey and honey products, including paid advertising. In addition, assessments may be used for marketing research and development projects. The costs incurred by the honey industry in administering the program would also be paid from the 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 assessment and they may deduct them from their settlement with the domestic producers. Domestic producers will be able to obtain a refund on the assessment 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 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 by two-thirds of their production and a majority of those voting who, during the representative period, have been engaged in the production of honey 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 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. This bill would give honey producers authority to help themselves by financing such projects.

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 Department suggests the following modifications of this bill:

(1) In section 3, page 3, line 9, after the word "and" insert the word "may". This change is recommended to make it clear that the Secretary would not be required to amend the Order from time to time but would have authority to do so when deemed necessary.

(2) In section 7(f), page 6, line 24, after the word "nominees" add the following words "subsequent to initial nominees". This change is recommended to make it clear that certification of the nominees by the Board would not apply to the initial nominees since the Board would not be in existence at that time.

(3) In section 7(f), page 7, lines 1 and 2, delete the words "costs as may be incurred pursuant to subsection (h) of this ing year", and insert in lieu thereof the following: "to permit their selection prior to the beginning of the marketing year". This change is recommended to correct an apparent typographical error.

(4) In section 8, subsection (1), page 9, line 22, change the designation of this subsection from "(1)" to "(a)". Likewise in this same section, subsection "(2)", page 10, line 1, should be changed to "(b)"; subsection "(3)", page 10, line 8, should be changed to "(c)"; subsection "(4)" page 10, line 12, should be changed to "(d)"; subsection "(5)", page 10, line 22, should be changed to "(e)"; subsection "(6)", page 11, line 4, should be changed to "(f)"; subsection "(7)", page 11, line 11, should be changed to "(g)"; and subsection "(8)", page 11, line 14, should be changed to "(h)". These changes are recommended so that the subsection designations will conform with those in other sections of the bill.

(5) In section 9(a), page 11, line 25, delete the word "collecting" and insert in lieu thereof the word "first". This change is recommended so as to clearly clarify the specific handler concerned.

(6) In section 9(b), page 12, line 10, after the word "by" delete the word "the" and insert in lieu thereof the word "an". This change is recommended to maintain conformity of terminology in the Act.

(7) In section 17(e), page 19, lines 8 and 9, delete the words "persons who make only occasional deliveries to handlers.". This change is recommended so that the definition will not exclude those producers with large numbers of colonies of bees who may make only occasional deliveries to handlers when such deliveries may well be of large volume.

(8) In section 17(i), page 19, lines 22, 23 and 24, delete the entire subsection. This change is recommended since the subsection as such is not a definition and furthermore it is redundant to Section 18, page 20, lines 2 through 6.

(9) In section 18, page 20, line 6, delete the word "objectives" and insert in lieu thereof the words "declared policy". This change is recommended to maintain conformity with similar statements elsewhere in the Act.

Enactment of the proposed legislation in its present form would place the United States in violation of Article III of GATT by according imported honey less favorable treatment than domestically produced honey. This is because there is provision for refunding, under certain circumstances, the assessment levied on domestically produced honey, but there is no such provision for imported honey. The violation of GATT could be eliminated by eliminating the assessment on imported honey.

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 by assessments collected from handlers and that the handlers may deduct such fees in their settlement with domestic producers.

In view of the time situation, we have not obtained from the Bureau of the Budget advice regarding the relationship of this proposed legislation to the President's program.

Sincerely,

J. PHIL CAMPBELL, *Acting Secretary.*

Mr. FOLEY. That will conclude the hearings for today. The hearing will resume tomorrow at 10 o'clock in the morning to hear Congressman Orval Hansen, Congressman Odin Langen, and Congressman Al Quie, cosponsors of various bills before the committee, and to hear those remaining witnesses who have not testified.

The Chair wishes to thank all those in attendance this morning for their cooperation and attention. Accordingly, the Subcommittee on Domestic Marketing will stand in recess until tomorrow morning at 10 o'clock.

(Whereupon, at 11:50 a.m., the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, June 11, 1969.)

HONEY RESEARCH AND PROMOTION PROGRAM

WEDNESDAY, JUNE 11, 1969

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

The subcommittee met, pursuant to notice at 10:20 a.m., in room 1301, Longworth House Office Building, the Honorable Thomas S. Foley (chairman of the subcommittee) presiding.

Present: Representatives Foley, Jones, Mrs. May, Goodling, and Myers.

Also present: Representative Mathias.

William C. Black, general counsel; Hyde H. Murray, associate counsel; John A. Knebel, assistant counsel; and Martha S. Hannah, subcommittee clerk.

Mr. JONES (presiding). This meeting will be called to order. At this time, in the absence of the chairman, we will start the meeting and I would like to recognize Congressman John Myers.

Mr. MYERS. Mr. Chairman, I would like to ask unanimous consent that the telegram I received from Mr. J. E. Mull, Westville, Ind., who is president of the Indiana State Beekeepers Association, be made a part of the record. He is in opposition to H.R. 9655, representing the beekeepers of the State of Indiana.

Mr. JONES. Without objection, so ordered. Thank you.

(The telegram referred to follows:)

WESTVILLE, IND., May 31, 1969.

HON. JOHN T. MYERS,
House Office Building, Washington, D.C.:

As president of the Indiana State beekeepers association I report we voted unanimously May 3rd that H.R. 9655 Honey Promotion and Research Act of 1969 should be defeated.

This bill would increase the overhead for all producers and only benefit few packers who control the market with cheap imported honey. We urge you to make this wire part of the record of the hearing June 10 and 11 and do all possible to defeat said bill and related bills.

Respectfully,

J. E. MULL, *President.*

Mr. JONES. Now, we will recognize Congressman Hansen.

STATEMENT OF HON. ORVAL HANSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IDAHO

Mr. HANSEN. Thank you, Mr. Chairman. Members of the subcommittee, I appreciate the opportunity to appear here to present a statement on behalf of H.R. 9655. I appreciate the committee accommodat-

ing my schedule which also demands that I be elsewhere to help make a quorum in the House Education and Labor Committee.

This problem also confronts one of the cosponsors, the principal sponsor, Congressman Quie, who is on that committee. I would like to acknowledge the fine leadership that Congressman Quie has provided in development of this legislation.

I also would like to call the subcommittee's attention to the expression, the overwhelming expression of support that has come for this legislation from the honey producers of the State of Idaho. You will have the privilege of hearing later in these proceedings from Mr. Neil Miller, who is the secretary of the Idaho Honey Industry Association. Mr. Miller is also a distinguished member of the Idaho Legislature. It has been my privilege to serve with him in that body.

The bill before us this morning, the Honey Promotion Research Act of 1969, is a program of self-help for honey producers. It is designed to establish a nationally coordinated research, development, promotion, and advertising program for honey and honey products, to be financed by the producers, not by the Federal Government. Enactment of this legislation will enable our honey producers to initiate efforts aimed at promoting their products at their own expense and on a voluntary basis. Production of honey, like many other agricultural products, is subject to the adverse effects of spiraling cost of production, unfavorable and unpredictable weather conditions, disease, insects, and other hazards. These factors all contribute to uncertainty in the honey market. The introduction of a centralized honey research and promotion program should be of considerable value to the honey industry in meeting the demands of today's changeable and dynamic market. In addition, it is important that the American consumer be well informed as to the many uses and the value of honey and honey products. Enactment of this legislation will not only benefit the producers who pay for the program but will serve to better educate the consumer as to the merits and uses of honey products.

I am impressed by the fact that this legislation provides a means by which a honey producer may help himself to improve his own market position, to develop and expand new uses, new markets, for his products. The taxpayers are not being asked to subsidize the industry as is the case with some of our other agricultural commodities. I am also impressed by the voluntary approach this proposal provides. Growers are able to decide by referendum whether or not they want a promotion and research program. If the referendum is favorable, these producers who do not wish to contribute may have their assessments refunded at their request. The honey industry is an important part of the economy of my own State of Idaho. Idaho honey producers produce over 10 million pounds of honey each year. Idaho ranks among the top 10 States in honey production with annual sales in excess of \$2 million in recent years. I know that a majority of the honey producers in Idaho support this legislation and will benefit from its enactment. It seems to me that this is a reasonable step that can be taken to provide a useful self-help tool to attempt to strengthen the honey industry and to help the honey producer to help himself.

I urge its favorable consideration and appreciate again very much, Mr. Chairman, the opportunity afforded me to appear here this morning to present this statement.

Mr. FOLEY (now presiding). Thanks very much, Mr. Hansen. We appreciate your testimony and I would like to express my regrets to those in attendance for my late arrival.

Mr. Goodling?

Mr. GOODLING. No questions.

Mr. FOLEY. Mr. Jones?

Mr. JONES. No questions.

Mr. FOLEY. Mr. Myers?

Mr. MYERS. No questions.

Mr. FOLEY. Thank you very much.

Mr. HANSEN. Thank you very much, Mr. Chairman.

Mr. FOLEY. The next witness will be the Honorable Odin Langen, cosponsor of this legislation, author of H.R. 11790. Mr. Langen, we are very happy to see you this morning.

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

Mr. LANGEN. Mr. Chairman, members of the committee, let me express my gratitude to the committee for this opportunity to appear before you and for being considerate to us by placing us on the program at this time so that we can take care of other committee duties as they demand.

I am very pleased at the opportunity to appear before you this morning in support of what has become known as the Honey Promotion and Research Act of 1969. I do have a prepared statement which I would like to submit for the record and will just make some very brief comments relative thereto.

Mr. FOLEY. Without objection, it will be printed.

Mr. LANGEN. You know, Mr. Chairman, it is good these days to see people with initiative, and it brings me some satisfaction when you have an individual or a group of people who have the desire to do something for themselves. I think the legislation before us provides for just that kind of a situation, because the honey producers are anxious and desirous that they might be able to carry out a promotion and a marketing research program on their own and also to carry the cost of that program on their own.

With an industry such as the honey industry, which is important to the agricultural economy, having a valuation of some \$40 million a year, I think this becomes a rather significant item.

One of the things that I think is pertinent relative thereto is the extent to which there has been a change in the per capita consumption of honey in recent years. I think one of the reasons for this is perhaps a lack of promotional efforts and a lack of research efforts. It is quite understandable how this can come about if you consider that the honey industry consists of any number of very small producers who are not able to carry on a promotional program at their own expense. However, as a unit, they could do this very effectively. This is what their desire is and this is what the legislation provides.

When we look at the legislation, and this is one of the things that I am always kind of leery of, we must be sure that there are sufficient precautions and that it is prescribed correctly so that it can accomplish the objective that is desired. I think this legislation does have all of

those requirements built into it. It provides for a nine-member board, six of them representing honey producers and three representing handlers, which is a good combination. Because of the referendum and other features, it still does not leave the individual producer without a voice in whatever operation there might be. There are limitations on the amount of money that might be used for this purpose so it cannot become excessive. I think these are essential in any legislation and I am happy to inform the committee that they are a part of this legislation, would seem to serve the best interests of the producers as well as the best interests of the consumer, and would be able to perform in a very effective manner that would find the satisfaction of everyone concerned.

I want to direct the committee's attention to one other feature that we have added to my bill that I think some of the others do not include. I have included a provision whereby we might place some limitation on the extent to which imports would interfere with the marketing process here. I happen to think this is pretty essential because I would not like to see the honey producers, for instance, develop a fund, start a research and a promotion program, carry it out successfully, create and expand the market and then have to run the risk that that market will be taken away from them by foreign production. There have been a few instances of this kind before. I think the mink people went through a rather substantial adverse experience in just this manner. Inasmuch as the moneys here are collected from their own producers, designed for the purpose of creating and expanding the market and designed for the purpose of better informing and better dealing with the needs and the wants of the consumers, then it would seem that they should also have the assurance that the results of that effort at least be confined to their own production efforts. And so for that reason we have included such a provision within the bill that I have proposed.

I think it has become evident that in many instances this is necessary because again there are involved a number of items here over which the individual consumer has no control, and because of the fact that he has no control over this, if jointly and by their own moneys they have been successful in their promotion and in their research, then it would seem that they are entitled to the further assurance that they can reap the benefits of that work and the expenditure of those moneys.

For that reason I heartily recommend to the committee favorable consideration for this legislation, including the provision relative to imports as the bill I have introduced provides.

With that, Mr. Chairman, and the statement that I have submitted, I will leave that further decision up to the good wisdom of the committee.

Mr. FOLEY. Thank you very much, Mr. Langen. The committee is very grateful for your statement. I think you pose an interesting question with the possible problem of foreign imports moving in and taking advantage of a promotional effort which the honey producers would advance by means of this promotion and development fund. I am sure you know we do have some possible conflicts with the Committee on Ways and Means in our jurisdiction over any matters touching on duties or tariffs, but I think you do raise an interesting

and useful question in the problem of possible preemption of the market by imported honey after the domestic market is expanded by the development of these programs.

Mr. Goodling?

Mr. GOODLING. Thank you, Mr. Chairman.

Mr. Langen, there seems to be some differences of opinion as to who should pay the cost of administering this program and conducting the referendum. In my opinion, the taxpayers should not pay this. I think it should come out of the fund. I would be glad to have your reaction to that phase of this bill.

Mr. LANGEN. It is my understanding that such recommendation or such suggestion was made to the committee yesterday and I should express my own opinion relative thereto. I see no reason why, if such a fund is set up, it should not carry its own administrative costs. In fact, I think it remains to be said that if the program is not successful enough to bear its own administrative costs, probably it was not successful to begin with, and I would see no objection to administrative costs being carried out of that fund.

Mr. GOODLING. The Department has reversed itself on this in a similar bill. A report on a similar bill said that particular bill might cost in the neighborhood of \$225,000 or \$325,000.

Mr. FOLEY. On potatoes it would cost either 320 or 160 depending on whether it was done by mail.

Mr. GOODLING. The cost in this particular instance would not be that high but I personally feel we have no right to ask the taxpayers to pick up this tab.

Mr. LANGEN. I should find no quarrel with that and let me add one other thing to it. Seemingly the cost of operating Government goes up continuously. I feel sure that leaving the jurisdiction or the authority to determine those costs and to have some say about them within the scope of the board and within the consideration of the producers might just be all right. They might just find a way to do this a little cheaper than Government would otherwise do it.

Mr. GOODLING. We are setting a precedent here and I think we have got to be very, very careful that if we do this for one commodity group we have got to do it for every commodity group that asks us to do it. I think we have got to be very, very careful that we do not set a bad precedent.

Mr. LANGEN. I should agree with that. I think these precedents to some degree have already been established. We do have some other commodities that are operating substantially in this manner, including the cotton growers, I believe you had some potato legislation a while ago, and so on. So, it is not new in that regard. I think we have seen this effort, and I should recall back some years ago, while I was still in the State legislature, when we started programs of this kind on the State level. But as things continue to grow and the exchange of goods and movement of goods between States, it becomes difficult for States to carry on programs of this kind on their own. In fact, you find problems that are comparable to the one I referred to in imports, because one State might do a real good job of this, only to have another State take advantage of what was done. I think there is some merit to looking at the aspects of doing it on a national level which includes the whole national production.

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

Mr. FOLEY. Mr. Jones?

Mr. JONES. No questions.

Mr. FOLEY. Mrs. May?

Mrs. MAY. No questions.

Mr. FOLEY. Mr. Myers?

Mr. MYERS. Thank you, Mr. Chairman.

Mr. LANGEN, I certainly support your views as far as protecting the American producer from what I think are unnecessary imports. Yesterday the Department, however, did take exception to this. They said that there was no way of enforcing it, and it would be in violation of the GATT agreement which, of course, the previous administration entered into. I do not know, why they would protect our imports which are costing our own producers. Do you have any comment on this so far as the violation of the GATT agreement?

Mr. LANGEN. I am not in a position to give whatever legal interpretation might be applied here, but let me just say this. Certainly, the Congress of this country is in a position to determine whatever policy should apply relative to imports, and I think in this particular situation, it has an entirely different connotation than the ordinary regard for imports and exports because you are actually starting a program for purposes of promoting the sale of, the use of, the consumption of a commodity. You are expending moneys to do so. And having done that, you almost automatically pick up a responsibility to see, too, that the benefits of this accomplishment then rest with the people that expended the money. If you do not, I would say it is a foolish move to begin with. If we are going to start a research program for purposes of promoting foreign sales, I would say do not do it. It is just that simple. And unless we—this does not necessarily mean that we are cutting out any markets for a foreign country that they now have. We are just saying that we have not got to permit them to take advantage of the promotion accomplished by this kind of legislation. To me that is not in violation of any good judgment.

Mr. MYERS. Well, I certainly agree with you, it is not in violation of good judgment to incorporate your amendment or what is already in your bill. I think it is the right idea. It is about time some people in and out of Congress start thinking about America first and our producers. I certainly agree with you.

Mr. LANGEN. Thank you very much.

Mr. FOLEY. My concern is that the question of having the producers bear the cost of administration is that it is a general cost and a policy matter we should decide with respect to potatoes, with respect to cotton and all of the other research and promotion programs. I do not feel that we should single out the honey producers.

Mr. LANGEN. I should be in complete agreement with that and I think we ought to have a uniform policy for similar programs relating to other programs. Certainly, they all ought to be treated with equal regard as to the expense and the cost of the program.

Mr. FOLEY. With reference to a remark made by Mr. Goodling, I still have some doubt on where the administration stands. I think Mrs. May yesterday raised the question as to the present position of the Department. We had a report dated January 17 attached to a draft bill to require the cost of marketing orders to be borne by the producers, but

we are still a little unclear whether that report is sustained by the present administration. We have asked for clarification on that point. This is for the record, Mr. Goodling. I do not think we have yet had a clear decision as to whether the Department supports the concept of producer responsibility for those administrative costs.

Mr. LANGEN. This committee has raised the question of the Department. I am sure they will respond in a manner which is clarifying.

Mr. GOODLING. Mr. Chairman, I think I should like the record to show also that I am not singling out the honey producer. As you will recall, Mr. Chairman, I tried to amend the potato bill in committee saying that the potato people should pick up their own tab. I think they should do that just as I think the honey producers and other commodity groups should.

Mr. FOLEY. The gentleman from Pennsylvania has been perfectly consistent in this matter throughout all our discussions.

Mr. MYERS. And some day he is going to win, too.

Mr. FOLEY. Thank you very much.

Mr. LANGEN. Thank you.

(Mr. Langen's full statement follows:)

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

Mr. Chairman, I am very grateful for this opportunity to appear before this distinguished Subcommittee in support of H.R. 11790, the "Honey Promotion and Research Act of 1969" which I have introduced. The promotion and research features of this bill are designed to enable our honey producers to conduct promotional and marketing research programs for the honey market in a unified and systematic fashion at no expense to the Federal Government. The honey producers have often and regularly expressed the desire to promote their own industry at their own expense. This legislation will enable them to do so.

Although my bill is similar to other proposals dealing with honey promotion and research, it has an additional feature that I feel improves the bill significantly. This additional feature is a reasonable limitation on the amount of honey that could be imported into the United States by foreign producers. This will insure that the foreign honey producers will not be able to usurp the fruits of our own producers efforts to expand and promote the markets for their products.

Although the industry is a substantial one that produced an average of 233.4 million pounds of honey over the past five years with an estimated annual average farm value to the producers of \$40.7 million, it is also an industry that consists primarily of small, independent producers. In 1969, there were almost five-million colonies of bees devoted to honey production in the United States.

Unlike the market for almost every other product, farm and nonfarm, the market for honey has not been expanding. In 1954, the total indicated domestic consumption of honey was 17,088,000 gallons. In 1967, it was 19,295,000 gallons. 1961 was the peak year with 21,882,000 gallons. As one can easily see, the honey market has been extremely stagnant over the years. Since the 1940's, the per capita consumption of honey has been virtually cut in half from 2 pounds per person to 1.1 pounds per person in 1967.

Why has this delicious and nutritious food faltered so? Surely, it has not been a decline in quality—honey is as good as it ever was. In fact, it is better because of the technological advances that have come to the honey industry as well as other segments of agriculture. Concerned members of the honey industry have come to the conclusion that their difficulties are the result of an inadequate promotional effort. My study of this situation has led me to the same conclusion. Certainly in this day of motivational studies, market surveys, slick advertising, and the other devices recently developed by "Madison Avenue," the product that is not adequately promoted will not survive in the market place. It is probably no longer true that the world will beat a path to your doorstep if you build a better mousetrap—you will have to go out and sell it.

One of the drawbacks facing the honey industry has been its inability to put together and finance a unified promotional campaign to sell its product. As I

mentioned earlier, the vast majority of the nation's beekeepers are small producers who do not have access to the capital necessary to finance an adequate promotional effort. This legislation is designed to allow these small businessmen to pool their resources, on a completely voluntary basis, so that an adequate and effective effort can be undertaken.

This legislation looks to the establishment of a National Honey Promotion and Research Board which will be charged with conducting marketing research and developing promotion programs. The board will consist of nine members; six representing honey producers and three representing handlers.

The Secretary of Agriculture will appoint the members from persons nominated by the producers and the handlers. The producer members will be selected from six producing districts determined by the Secretary of Agriculture, and the three handler members will be selected at large. The board members will serve staggered three-year terms.

The bill authorizes the Secretary of Agriculture, after conducting hearings, to issue an order establishing the Honey Promotion and Research Board to administer his order. However before the order can go into effect, it must be approved in a referendum by either two-thirds of the producers or at least one-half of the producers who produced two-thirds of the honey in a representative period determined by the Secretary of Agriculture.

Upon being organized, the Board is to develop a promotion and research plan and establish a budget to carry out the plan which will be submitted to the Secretary. The Board will also fix the assessment rate but it cannot exceed 15¢ per 60 pound can of honey.

The Act directs that the assessments are to be paid to the Board by handlers who are authorized to collect the assessment from the producers.

I think that it is quite significant that the Act provides that any producer who does not wish to participate in the program can have his assessment refunded if he wishes. Thus participation in this program is completely voluntary.

Finally, any order issued by the Secretary under this Act may be suspended or terminated by a referendum to be held upon request of the Board or 10% of the producers. A majority vote will be sufficient to terminate or suspend an order.

As I mentioned earlier, my bill differs from the other "Honey Promotion and Research Bills" that have been introduced in that it includes a provision controlling the amount of honey that foreign producers can import into the United States market. This import limitation is an important feature that will compliment the research and promotion provisions of this bill.

This legislation would limit the amount of honey which can be imported into the United States in 1970 and subsequent years to the average annual quantity of honey that was imported during the years 1955 through 1959. My calculations show that this figure is about 5.5 million pounds of honey.

The Secretary of Agriculture is directed to allocate shares of this total among the importing countries on the basis of the amount they supplied during the five calendar years preceding the year for which the determination is made. However, he is given discretion to take into account any special factors that have affected or may affect the trade in honey and honey products in making this allocation.

Mr. Chairman, it will be of little benefit to our domestic honey industry to proceed with the promotion and marketing research activities envisioned in the first part of this legislation if we do not permit our domestic honey producers to take advantage of their own efforts to create an expanded market for their products. In view of the fact that foreign producers will contribute nothing to the effort to expand the market for honey, it would indeed be strange if they were permitted to sop up the expanded market that is the purpose of this bill. In fact, this bill proposes to create an additional expense of up to one-fourth cent per pound of honey which must be borne by domestic producers while foreign producers will not have this additional cost.

Even under existing conditions, imported honey is acquiring ever larger segments of the domestic market. As stated earlier, the average annual quantity of honey that was imported into the United States in the period 1955 through 1959 was 5.5 million pounds. In 1968, approximately 16.9 million pounds of honey were imported into the United States. Thus, the amount of honey imported into our domestic market has more than tripled in the past ten years.

Looking down the line a few years, one can easily see that the expanded market that should result from this bill could be lost almost completely to foreign producers. That is why I have included this section that would place a reason-

able limitation on the amount of honey that could be imported into the United States.

Gentlemen, this legislation is a response to the commendable desire of the honey industry to use its own resources to alleviate the difficult situation confronting them. I only wish that every group in similar circumstances would ask so little of the Federal Government and the American taxpayer.

I urge you to give this bill your close attention and study. I am confident that it will commend itself to you for your approval.

Mr. FOLEY. We had scheduled Congressman Albert Quie to testify on this legislation. Mr. Quie is a very distinguished member of the Education and Labor Committee and is required today to be at that committee. His legislative assistant, Mr. Keith Hall is here to present Mr. Quie's statement for him.

Mr. Hall, very happy to hear from you now.

STATEMENT OF HON. ALBERT QUIE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA; AS PRESENTED BY KEITH HALL, LEGISLATIVE ASSISTANT FOR MR. QUIE

Mr. HALL. Thank you very much, Mr. Chairman. With your indulgence I will read the statement prepared by Congressman Quie. He regrets very much that his duties on the Education and Labor Committee require him to be in that committee to make a quorum.

Chairman Foley, members of the subcommittee, I appreciate the opportunity to testify on H.R. 9655, the Honey Promotion and Research Act of 1969. I also wish to express my appreciation for your calling hearings early in the Congress so that ample time remains for full consideration of this subject and completion of the legislative process.

The honey industry is vital to American agriculture and to all consumers. A little recognized, but vital function of bees is the pollination of crops. It is estimated that \$1 billion worth of agricultural commodities are dependent on bee pollination and that another \$4 billion benefit from bees. Crops dependent on bees for pollination include apples, melons, cucumbers, cherries, and others.

This bill authorizes a selfhelp program whereby beekeepers and the honey industry intend to solve their own marketing problems. This attitude I commend highly and believe the Congress should encourage it among other segments of the economy. As you know, Mr. Chairman, the honey industry has not grown with the growth in American population. Sales have remained fairly stable over the last 20 years, when they should have doubled. To overcome this failure, beekeepers propose to assess themselves up to one-fourth cent per pound to build up a fund to conduct marketing research and promotion. My bill would authorize this program under the administrative procedures of the Department of Agriculture.

As you know, hearings were held on this subject last year, but the subcommittee tabled the legislation because time did not permit completion of the legislative procedure. Since that time, enormous effort went into drafting new legislation which would receive majority support in the industry. Several changes were recommended by the Department of Agriculture and segments of the industry. These have all been considered and were incorporated whenever possible in H.R.

9655. The amount of support for this bill is very encouraging to me. From the witness list, you will see that producers and packers from across the Nation support this bill.

While I know it is not necessary to go into details on the contents of the bill, I will briefly, for the record, explain its provisions. The bill declares it is in the public interest to establish an orderly procedure for carrying out a continuous coordinated program of honey marketing research and promotion, financed through self-assessments on honey marketed in the United States.

H.R. 9655 authorizes the Secretary of Agriculture to issue orders to effectuate this policy according to the terms of the act. A National Honey Promotion and Research Board of nine members would be established to administer the order, make rules and regulations effectuating the order, investigate complaints, and recommend amendments of the order to the Secretary. The Board would be composed of six honey producers and three honey handlers with the producers selected from six districts. They would serve 3-year terms with the exception of the initial appointees, who would serve shorter terms to allow for the establishment of staggered 3-year terms. The Board would be responsible for determining the program of marketing research and promotion and for setting the assessment to finance the program. This assessment would be limited to 15 cents per 60-pound can of honey.

The order under this act would become effective by means of a referendum upon approval of two-thirds of the honey producers in a representative period or by approval of a majority of the producers if they produced at least two-thirds of the honey in the representative period.

Mr. Chairman, there are many safeguards written into this bill so that I can see little reason for anyone to oppose it. If a honey producer is opposed to the program, the bill requires the establishment of a procedure for the refunding of assessments from unwilling producers.

The order will not become effective unless it meets with the approval of the producers of two-thirds of the honey in a referendum.

The bill allows assessments to be reduced in States having similar promotion programs. If 10 percent of the producers become dissatisfied with the workings of the program, they may request a referendum on the order. In such a referendum, the order would be terminated by producers of 50 percent of the honey in a representative period.

Mr. Chairman, I will review some of the changes made in this bill and hope my testimony will reduce whatever opposition may have been raised to this or predecessor bills.

The Board's membership was increased to nine, rather than eight, to prevent deadlocks in voting, to give membership to handlers in the exact ratio of one handler to two producers, and to give wide geographical representation to the producers.

Last year, the districts from which the Board members would be selected were set out in the act. H.R. 9655 authorizes the Secretary to determine the composition of the districts from whole States on the basis of honey production. He may revise the districts from time to time if honey production patterns shift, thus making further congressional consideration of the districts unnecessary.

The definition of "producer" is not too specific. I do not intend that every person who has a colony of bees should be assessed. Hobbyists would be excluded from its coverage. The bill is aimed at commercial honey producers who are interested in improving their markets. The way the bill is written, the order issued by the Secretary, after hearings, would define a "producer." If the subcommittee prefers to write a definition into law, I have suggested to the witnesses that they be prepared to recommend such a definition.

Proxy voting would be prohibited in the referendums.

Some persons may be concerned with the apparent power of the Secretary of Agriculture in the bill. However, the Secretary will be guided in most of his actions by recommendations from the National Honey Promotion and Research Board or honey producers themselves. The Secretary is empowered to act, however, should no recommendations be forthcoming.

Mr. Chairman, I submit for the record a section-by-section analysis of the bill; the 1968 annual summary of "Honey Production" issued by the USDA Statistical Reporting Service; a resolution adopted by the American Beekeeping Federation, at its annual convention on January 28, 1969, endorsing the purpose of this legislation; a resolution adopted by the Southeastern Minnesota Beekeepers Association unanimously favoring passage of H.R. 9655; and two letters which are typical of many I have received favoring this bill.

(The document entitled "Honey Production," a publication of the U.S. Department of Agriculture, may be found in the files of the committee. The other documents referred to above follow:)

CLARK COLLEGE COOPERATIVE GENERAL SCIENCE PROJECT,
Atlanta, Ga., May 16, 1969.

HON. ALBERT H. QUIE,
House of Representatives,
Washington, D.C.

DEAR MR. QUIE: I have just received a press release from the American Beekeeping Federation, which shows that you introduced H.R. No. 9655, or the National Honey Promotion and Research Act. As a former Minnesotan, I wish to express my sincere appreciation to you for this effort. The importance of this bill not only to the beekeeping industry and persons indirectly connected with it, but to agriculture in general will become evident in the next few years.

Respectfully yours,

ALFRED DIETZ,
Professor of Biological Sciences.

THE HOFMANN APIARIES,
HONEY PRODUCERS,
Janesville, Minn., April 23, 1969.

HON. ALBERT H. QUIE,
House of Representatives,
Washington, D.C.

DEAR MR. QUIE: We are writing this to express our thanks and appreciation for your continued interest and concern in the beekeeping industry, and for introducing in the House the National Honey Promotion and Research Act of 1969.

Last year we wrote you expressing our wholehearted support of this Act and want to again assure you we continue to be very much in favor of it this year and so urge passage of H.R. 9655.

Thank you again.

Very truly yours,

CHAS. S. HOFMANN.

Resolution adopted by the American Beekeeping Federation, Incorporated at its annual convention in Portland, Oregon on January 28, 1969.

RESOLUTION NO. 25

Whereas: Members of the American Beekeeper Federation recognize the need for promotion and research on a national level to promote the use of honey, and

Whereas: The funds for this promotion and research should come from a mandatory assessment, because voluntary collection methods have failed, and

Whereas: Legislation is needed for implementation for such a project, now Therefore be it Resolved: That the members of the American Beekeeping Federation assembled in Convention direct the officers of the American Beekeeping Federation to pursue by every means possible the necessary legislation needed to bring this project to a successful conclusion.

WELCH, MINN.,
April 5, 1969.

Resolved: That the Southeastern Minnesota Beekeepers Association convened at their annual spring meeting in Zumbrota, Minnesota on April 5, 1969 did freely discuss the urgent need of the beekeeping industry for promotion and research on honey as a means of strengthening the position of honey in the market place and wish to go on record as unanimously favoring the passage of H.R. 9655, known as the Honey Promotion and Research Act of 1969.

Be it further resolved, that the Secretary of this organization be instructed to mail copies of this resolution to the members of the House Committee on Agriculture.

HIRAM R. HANSON,
Secretary, Southeastern Minnesota Beekeepers Association.

HONEY PROMOTION AND RESEARCH ACT OF 1969

SECTION-BY-SECTION ANALYSIS

Sec. 1. Short Title, cites act as the Honey Promotion and Research Act of 1969.

Sec. 2. Findings and Declaration of Policy. Declares it in the public interest to establish an orderly procedure for financing, through assessments on honey marketed in the U.S., marketing research and promotion to strengthen the competition position of honey.

Sec. 3. Authority to Issue an Order. Gives the Secretary of Agriculture authority to issue orders pertaining to the collection of assessments and use of such assessments.

Sec. 4. Notice and Hearing. Directs the Secretary of Agriculture to hold a hearing on a proposed order when it appears it would effectuate the policy of the Act.

Sec. 5. Finding and Issuance of an Order. Directs the Secretary to issue the order, after hearings, if it will effectuate the policy of the Act.

Sec. 6. Regulations. Authorizes the Secretary to make regulations to carry out the Act.

Sec. 7. Required Terms. Defines the composition, selection, powers and duties of the National Honey Promotion and Research Board. The Board is given authority to administer the order, to make rules and regulations effectuating the order, to investigate complaints, and to recommend amendments of the order to the Secretary. The Board will be composed of nine members: six producers and three handlers. The producers shall be named from nominees selected by producers from six districts, determined by the Secretary on the basis of 1966 honey production. Handler representatives shall be at large. The terms of office shall be three years, except that initial membership shall be staggered to allow one third of the Board's membership to change each year. The Board will prepare a budget to cover marketing research, development, advertising, and promotion and present it to the Secretary. The Board will fix the assessment rate not exceeding 15¢ per sixty pound can of honey produced. Prohibits use of funds for influencing governmental policy. The Board will develop advertising or research and development plans for presentation to the Secretary. Authorizes

refund of assessments upon request of producer. Requires the Board to keep records and submit report to the Secretary. Authorizes the Secretary to maintain suits for collection of unpaid assessments.

Sec. 8. Permissive Terms and Provisions. Authorizes issuance of an order containing following terms: exemption from assessment on exported honey. Reducing assessment in states where state-run programs duplicate efforts of National Board. Promoting honey on a nationwide basis or in surplus-producing area without reference to specific brand names. Providing for marketing research and development, processing, distribution, or utilization of honey projects.

Sec. 9. Assessments. Directs honey handlers to pay assessments to the Board. The handlers are authorized to collect the assessments from the producer.

Sec. 10. Petition and Review. Authorize individuals to petition the Secretary for changes in any order. Authorizes Secretary to rule on petition. Gives district courts jurisdiction to review such ruling.

Sec. 11. Enforcement. Gives the district courts jurisdiction to enforce any order or regulation under this Act. Violation of any order subject to fine between \$100 and \$1,000 upon conviction.

Sec. 12. Investigation and Power to Subpoena. Authorizes Secretary to investigate possible violations of law, to issue subpoenas and compel attendance of witnesses, to invoke aid of courts to carry out this authority.

Sec. 13. Amendments. Applies provisions of this Act on orders to amendments to orders.

Sec. 14. Requirement of Referendum. Requires Secretary to hold a referendum on order among honey producers. Order would become effective only if $\frac{2}{3}$ rds of producers voting favored it or if a majority of the voters favored it and produced not less than $\frac{2}{3}$ rds of the honey in the representative period. Proxy voting would be prohibited.

Sec. 15. Suspension and Termination. Authorizes Secretary to terminate or suspend operation of an order or portion thereof which does not effectuate policy of the Act. Authorizes a referendum on request of the Board or 10% of the producers to determine if the order should be terminated. Order would be terminated by majority vote in such referendum if they produced more than 50% of the honey in the representative period.

Sec. 16. Delegation. Authorizes delegation of Secretary's authority to any officer of the Department of Agriculture.

Sec. 17. Definition. Several definitions, the following two of which are verbatim: "Handler" means any person (except a common or contract carrier of honey owned by other persons) who handles honey, either of his own production or that of another producer or of foreign production, in a manner specified in the order or in rules and regulations issued thereunder.

"Producer" means any person within the marketing area engaged in a proprietary capacity in the production of honey for delivery to a handler or for sale by that person as a handler but excludes beekeeping hobbyists, persons who make only occasional deliveries to handlers, and such other persons as may be excluded by the order or any rules and regulations issued thereunder.

Sec. 18. Modification. Authorizes Secretary to change definitions upon basis of hearing evidence, recommendation of the Board or other information, whenever change would effectuate the Act.

Sec. 19. Separability. Retains validity of remainder of Act if any provision is held invalid.

Sec. 20. Authorization. Provides authority for appropriations.

Mr. HALL. Mr. Chairman, I also draw your attention to a typographical error in the bill on page 7. You will note that lines 1 and 18 are identical. Line 1 should read "to permit their selection prior to the beginning of the market—"

I should like to supply some comments in addition to those in my prepared statement based on questions raised yesterday and in reference to the reports supplied by the Department of Agriculture on this bill. A question was raised about opposition to previous legislation. As indicated in my prepared statement, when H.R. 9655 was being drafted every attempt was made to eliminate specific objections of certain segments of the industry. One objection was to proxy voting which

might be used by large associations to their own advantage. This is eliminated.

Mrs. May, your constituent raised that point. Many letters were written in opposition to legislation introduced in the last Congress or in the early days of this Congress. H.R. 9655 contains significant changes.

With reference to the modifications in the report submitted by the Department of Agriculture, I concur with those modifications set forth on pages 2, 3, and 4 and enumerated as 1-9. These are technical amendment designed to bring the various sections into conformity and also contain a few changes to make meanings more clear.

However, I am very much opposed to the recommendation that the administrative costs be borne by the honey producers. There is no precedent for this in the Cotton Promotion Act. The administrative costs for the honey industry would eat up a large portion of the assessments so that the benefits to the industry and the Nation would be negligible. Requiring the industry to bear the administrative costs would represent a departure from present policy. The value of the pollination of food crops is hard to estimate, but would certainly be many times the administrative costs of this bill. Because American agriculture is so productive, the American consumer can purchase his food requirements with a smaller percentage of his salary than consumers in any other country. I believe there is equity in having the American consumer foot the bill for the administrative costs of this program.

Finally, the report suggests the bill would violate "Article III of GATT by according imported honey less favorable treatment than domestically produced honey." Major exporting countries are Mexico, Argentina, Canada, and Australia. Mexico is not a member of the GATT. However, under world marketing conditions for honey, U.S. importers could pay no less than the world market price for honey, hence the U.S. importers would be paying the assessment. Therefore, I do not believe there would be a violation of article III.

One of the largest importers of honey, Mr. R. B. Willson, of R. B. Willson, Inc., New York, has sent a telegram to you, Mr. Chairman, urging passage of H.R. 9655 as written. This, I believe, should take care of the Department's objection on this score.

The last paragraph has not received the concurrence of Mr. Quie. If he does not agree with it, let the ax fall on my neck.

In closing, Mr. Chairman, I hope the subcommittee agrees that this is a honey of a bill and that no one would be stung supporting it. I have done my best to extract a favorable vote from you and hope that in the process of your deliberation you will say amen, which translated means, "sue bee it."

Mr. FOLEY. Mr. Quie will want to take credit for that last paragraph.

Thank you very much, Mr. Hall. I think our only regret is that we did not have the opportunity to welcome Mr. Quie personally. He is a very respected former member of this committee and in my judgment, one of the most knowledgeable and competent Members of the Congress on the subject of agricultural policy in the House.

Mr. HALL. Thank you very much for the generous remarks.

Mr. FOLEY. Mrs. May?

Mrs. MAY. Mr. Hall, on page 2 of your statement where you refer to Congressman Quie's reservation that I have, and I think some others on the subcommittee, about the definition of producer, because it is not specific, we went into that very briefly yesterday. I would like to talk to you about this because I think this is going to be a responsibility of the committee as we work the bill over.

What does producer mean in the honey industry? Do you have any idea of a specific type of definition?

Mr. HALL. I believe one of the witnesses scheduled today from the industry has a tentative definition. I know that they have struggled with this as has the committee. I do not think there is any problem in defining a "commercial" producer as opposed to a "hobbyist," but the question is whether or not it should be defined further in terms of the amount of honey produced a year or the number of colonies owned by the producer.

Mrs. MAY. Well, I think our committee needs to know of the some 200 million pounds of honey that were produced, that I think was the 1968 production figure, what percent of that, if this bill passes, would be subject to assessment. Also, I would like to know what the yield on that would be at a quarter of a cent a pound. I think that is something that this committee has to know, too.

Mr. HALL. I believe the estimates on the yield have been set at \$200,000.

Mrs. MAY. And that goes to whatever percentage of the production, and we do not know that yet, would be subject to assessment times a quarter of a cent yields some \$200,000? I will put that question perhaps to a later witness.

What would be Mr. Quie's attitude on this bill should the committee follow the recommendations from some that the producers would bear the cost of administration of this marketing order?

Mr. HALL. Well, I think that that would be self-defeating. If you withdraw the administrative costs from \$200,000, you wind up with \$150,000 and the producers themselves might think that the administrative costs are too excessive, and there would be no benefit to the industry. I think that—

Mrs. MAY. Congressman Langen, I think, commented earlier that it might be possible that if the producers had the administration of this in their own control, that they might bring those administrative costs down. Would you comment on that statement?

Mr. HALL. I am sure that we would all welcome reduction in Federal expenditures. I think the administration of it still would have to be in the Department. Perhaps he as a member of the Appropriations Committee could bring some pressure on them if the industry has any suggestions for administering the program in a more economical way than the Department would under its normal procedures.

Mrs. MAY. Thank you.

That is all, Mr. Chairman.

Mr. FOLEY. Mr. Myers, did you wish to be recognized at this point?

Mr. Jones?

Mr. JONES. No questions.

Mr. FOLEY. Mr. Goodling?

Mr. GOODLING. No questions.

Mr. FOLEY. Mr. Myers?

Mr. MYERS. No questions.

Mr. FOLEY. Thank you very much, Mr. Hall. I think Mr. Quie will be very pleased with your representation this morning.

Mr. HALL. Thank you very much, sir.

Mr. FOLEY. Mr. Myers?

Mr. MYERS. Mr. Chairman, the question came up this morning about the Department's attitude in their report yesterday. I have a corrected copy of the Department's report. This is signed by Phil Campbell, Acting Secretary, which I ask unanimous consent that it be made part of the record as of yesterday at this particular time we made this report.

Mrs. GALLAGHER. We put it in yesterday. The original which came yesterday was correct. It was only the mimeographed ones that were wrong.

Mr. MYERS. As long as you have got the correct copy in the record, all right. Then, I withdraw my request.

Mr. FOLEY. Without objection, your request is withdrawn.

(The following statements from Members of Congress were also submitted to the Subcommittee:)

STATEMENT OF HON. ANCHER NELSEN, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF MINNESOTA

Mr. Chairman, I urge you and your colleagues to endorse H.R. 9655, the Honey Research and Promotion Act of 1969 which I have co-sponsored.

The price of honey has not significantly changed in over 15 years, while at the same time, the prices of supplies beekeepers must buy have skyrocketed along with the growth of the economy, and inflation.

One authority quoted a set of hives listed in a 1941 catalog for \$9.95. The same catalog now lists that set for \$43.00.

The parity price of bulk honey is down to 67% and a number of beekeepers have gone out of business because of the high costs and low income.

The honey industry has not asked for a big government handout. It hopes to solve its problems through industry-wide promotion and product development.

The Executive Director of the American Honey Institute put it this way, "When the day arrives that honey becomes a pantry staple in 30 million American homes, price won't be our major problem any longer."

Through promotion, the market for honey can be increased, and the beekeepers of America will be able to receive the proper return on this important investment.

I would like to address myself for just a moment to the importance of bees to American Agriculture.

There are those who say, that we should forget about American made honey, and import all we consume. The fallacy of this thinking is in ignoring the vast importance of bee pollination.

In the October 7th issue of Science Journal, an article on the services of bees states, "American authorities estimate the agricultural value of honey-bees, in addition to honey and beeswax, to be just slightly less than \$100 per bee."

That is quite a figure for a scientist to be throwing around, but we can imagine the devastation that would result if bees did not pollinate the crops just one year.

I do not believe I have to dwell on the virtues of this outstanding product. It was convenience food for the Egyptians when they were building pyramids.

Enactment of the proposed Honey Research and Promotion Act will help the American honey industry put its product forward in a 20th Century style and bring it to the position of prominence it deserves.

STATEMENT OF HON. JOHN J. RHODES, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF ARIZONA

Mr. Chairman, I oppose the Honey Promotion and Research Act, which in my opinion, is both unwise and unwarranted at this time.

The reasons for my opposition are two-fold. (1) First, while I recognize that there are precedents for this type of legislation, I do not believe that it is the

proper role of the federal government to establish the far-reaching program which this bill sets forth—authorizing the issuance of subpoenas, conducting investigations, forming a "National Promotion Board," promulgating regulations, and imposing criminal sanctions—"for the advertising and sales promotion of honey or its products."

(2) Second, I think it unwise to enact comprehensive legislation of this sort in face of the strong opposition from many of those whom the bill is supposedly designed to benefit. Thousands of small producers in this country want no part of this legislation. They are fully capable of forming their own organizations for the promotion of honey or its products. Both the American Honey Producers Association and, in my State, the Arizona Beekeepers Association have gone on record as opposing this bill.

Mr. Chairman, I see no necessity for the Federal government to get into the honey business particularly in view of the widespread opposition of those within and without the industry. I am, therefore, opposed to H.R. 9655.

STATEMENT OF HON. OLIN E. TEAGUE, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF TEXAS

Mr. Chairman, thank you for the opportunity to submit testimony in behalf of H.R. 349, 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. I appreciate your scheduling this important hearing on my bill and similar bills, one of which, H.R. 9655, I am also sponsoring. Collectively these are known as the Honey Promotion and Research Act of 1969.

Although we know that honey is a delicious and desirable food—in fact our only natural unrefined sweet—the USDA statistics show that the per-capita consumption of honey is steadily declining. It is apparent that many of our people do not share our knowledge of the goodness of honey. The small amount of research that the honey industry has had done with the severely limited funds available indicates that honey has a tremendous potential that could be developed.

At the present time the future of the domestic honey industry does not look promising. During this period of great national prosperity the income of the beekeeper continues to decline. Although production efficiency has increased, this efficiency has not been able to completely offset the rapidly rising costs of production. At the same time declining consumption of honey tends to depress the beekeepers market for his cash crop. If this trend is not reversed many beekeepers will be forced out of business. This would have a serious adverse effect on our nation's agriculture because honeybees are necessary to adequately pollinate many of our crops, including, as you know, the apples produced in your state of Washington.

I think the people of the honey industry are to be commended for seeking self-help legislation such as this you are considering. At their convention in 1968 and again in 1969 the beekeepers national organization, The American Beekeeping Federation, passed resolutions asking for this legislation. They are not asking for a vast outlay of Federal funds. Instead they are asking for authority, in the form of this enabling legislation, to collect money on the honey which is sold in the United States and to administer the expenditure of the money so collected on a nationally coordinated research and promotion program which they would devise. This approach has been successful for other agricultural commodities. For example the Cotton Research and Promotion Act seems to have wide support from the nation's cotton farmers.

I can appreciate the necessity for a truly nationally coordinated promotion effort on honey. My district in Texas is one of the great beekeeping districts of the state—in fact I think there are more colonies of honeybees in my district than in any other in the state—yet the beekeepers there are widely scattered. When we consider that honey is produced in every state in the United States we can see that the honey producers would have great difficulty in carrying out a national research and promotion program without enabling legislation such as this. I am glad to see that our nation's beekeepers want to undertake a program to expand their markets so that their industry which is so vital to our general agriculture can begin to prosper and grow again rather than decline as it has been doing since the end of World War II.

This legislation has many safeguards to insure that the nationally coordinated honey research and promotion program is operated by the honey producers for the benefit of the honey producers. The benefits would incidentally extend to

the entire nation through insuring an adequate number of honeybee colonies to pollinate the agricultural crops which are dependent on them.

I will not here attempt any detailed analysis of the proposed legislation. However, I would like to point out that any honey producer who is assessed, and from whom assessments are collected, has the right to demand and receive a refund of the money which was collected from him. You will also note that there are provisions for the termination of any order issued under the act if the program should become ineffective or undesirable.

Mr. Chairman, as I have stated before the benefits derived from this bill would extend to the entire Nation. I respectfully urge that this subcommittee give the Honey Promotion and Research Act of 1969 its early and favorable consideration.

Mr. FOLEY. The next witness will be Mr. Neil Miller of Blackfoot, Idaho, and secretary-treasurer, Idaho Honey Producers Association.

STATEMENT OF NEIL MILLER, SECRETARY-TREASURER OF THE IDAHO HONEY PRODUCERS ASSOCIATION

Mr. MILLER. Mr. Chairman, members of the subcommittee, I want to thank you for this opportunity to present the Idaho beekeepers views on the subject of H.R. 9655.

In the 1930's, the Idaho beekeepers were able to secure passage through the Idaho Legislature of a most important act. The act has been enthusiastically endorsed by the Idaho beekeepers as a great benefit to the industry. It levies a fee for the promotion of honey.

In addition to promoting the use and consumption of honey, the act has provided funds for a "save the pollinators" educational campaign. This campaign advises farmers what kind of insecticide to use, and when to apply for maximum protection of beneficial insects. This has resulted in a substantial reduction in death of honeybees due to insecticides.

Idaho has nearly three times as many colonies of bees as another Western State which suffers much greater loss of honeybees due to insecticides. This has undoubtedly been a factor in the smaller amount of indemnification claims from Idaho.

Idaho beekeepers enthusiastically endorse H.R. 9655. Since Idaho is always one of the top 10 honey producing States, and one of the bottom 10 population States, it is apparent that a State-oriented promotion plan has severe limitations in seeking to increase national honey consumption. Even though Idaho beekeepers have been generous in appropriating funds to the American Honey Institute have been rather insignificant because there was never enough money to put on a hard-hitting effective promotion.

It is apparent to the Idaho beekeepers that a honey promotion program on a national scale is essential to the survival of the honey production industry.

I am sure this subcommittee is aware of the cost-price squeeze that is causing a higher rate of bankruptcy and a higher rate of default on loans by beekeepers than ever before. American beekeeper's jobs are being destroyed by the liquidation of honey production business through financial failure. A self-supporting program financed by honey producers is the answer to a desperate need.

Honey gathering activity by the bees saves a valuable product for the beneficial use of mankind that would otherwise be lost forever. It neither depletes our resources nor pollutes our environment. Honey

is a valuable commodity for international exchange, aiding our dollar balance when exported.

A strong honey production industry is able to provide the pollinators necessary for successful seed production in agriculture. The Idaho Honey Industry Association favors a National Honey Promotion Act so strongly that they sent a resolution out to all known beekeepers of the Nation endorsing the passage of a National Honey Promotion Act.

Mr. Chairman, if I could add a little bit to this, the ordinary beekeeper simply does not understand legislative process and it scares them when they see the limitations set forth in a bill like this, and I would like to point out the difference between the Idaho beekeepers who have worked under this kind of a program for 30 years and their willingness to support and promote a national program.

It is apparent to them that this kind of a program can be worked and I am sure that objections like were mentioned this morning from Indiana would be offset by an adequate education of the people involved because in most cases where we have had a chance to do a little missionary work the beekeepers readily accept this type of a program. And so I would submit that possibly many of the complaints that you receive would be from lack of experience and acquaintance with programs like this.

If I could comment a little further, the employees of a honey producer often are of the limited education group and are also the type of people that are in line for various types of Government aid for educational purposes or public assistance, et cetera. In regarding imported honey, it would seem that it would be a sound step to concur with Mr. Langen's suggestion that we are protecting the jobs of American people by being sympathetic to limiting importing of honey. And by the same token, perhaps since these people are finding employment in the honey industry, that the expense of administering the program could easily be offset by keeping these people off of various relief programs.

I submit this plus the fact that if the program is successful, as anticipated, and these are based upon figures presented yesterday, there were approximately \$9,800,000 expended since 1950 by the Commodity Credit Corporation in receiving honey under loans. Taking the Department of Agriculture's cost of \$47,000 per year and multiplying it, you will find that it is 10 to 1 cheaper to pay administrative costs of this program, assuming it is successful, than it would be to take honey under loan and dispose of it under the present program.

Thank you very much.

Mr. FOLEY. What was the period of purchase by the CCC that you quoted?

Mr. MILLER. I used the figures presented yesterday, since 1950, and I believe that was through 1968.

Mr. FOLEY. Thank you.

Mrs. May?

Mrs. MAY. Mr. Miller, you, I think, heard the questions I directed to Mr. Hall representing Congressman Quie.

Mr. MILLER. Yes, Ma'am.

Mrs. MAY. Do you have the figures that would indicate what percent of the production of honey in this country would be subject to

the assessment under a marketing order as presented in this bill? I use the figures, I think I am correct, some 200 million pounds of honey were produced in the United States in 1968. Is that correct?

Mr. MILLER. As far as I know, Mrs. May, that is correct.

Mrs. MAY. Do you have any idea what percentage of that would be subject to assessment under this proposed legislation?

Mr. MILLER. Mrs. May, I would prefer to limit my answer to Idaho where I would say that of the 10 million pounds produced in Idaho, substantially less than 10 percent would come from the hobbyist or part-time noncommercial beekeeper.

Mrs. MAY. I am sure you can understand we will need the national figures on this.

Mr. MILLER. Yes.

Mrs. MAY. Because the question has been raised and I think it is a very good question. We must have a more precise definition of producer I believe before we try to present this bill to the full committee or to the floor, to the rest of the House of Representatives. Furthermore, under the wording of this bill, as I understand it, that definition could be changed by the Secretary of Agriculture at any time, and I think those that are in the honey producing business, as either commercial producers or hobbyists, should know exactly—I am sure the question will be raised—whether they come within the purview of this legislation or not.

And secondly, I think it seems to me a more precise definition of producer is very necessary so that we can accurately, forecast or predict what kind of an income this would yield for the purposes of this act for promotion and research.

Mr. MILLER. Yes.

Mrs. MAY. I will place this question perhaps to further witnesses who might have the statistics nationally.

Mr. FOLEY. Mr. Jones?

Mr. JONES. No questions.

Mr. FOLEY. Mr. Goodling?

Mr. GOODLING. Just this one question, Mr. Chairman.

This has nothing to do with the bill. What are your main honey crops in Idaho?

Mr. MILLER. In Idaho the primary honey plant is alfalfa with sweet clover running right along behind it.

Mr. GOODLING. Thank you.

Mr. FOLEY. Thank you, Mr. Miller.

Mr. MILLER. Thank you.

Mr. FOLEY. The next witness will be Mr. Frank Hrushka, Boyne Falls, Mich., president of the American Beekeeping Federation.

STATEMENT OF FRANK HRUSHKA, PRESIDENT, AMERICAN BEEKEEPING FEDERATION, BOYNE FALLS, MICH.

Mr. HRUSHKA. Mr. Chairman, members of the subcommittee, thank you for the opportunity to present a statement in support of the Honey Promotion and Research Act of 1969.

I am Frank Hrushka, Boyne Falls, Mich., president of the American Beekeeping Federation, immediate past president of the Michigan Beekeepers Association, a director of the Honey Industry Council

of America and have served as a federation director for the past 8 years, and on the executive committee for two terms.

During my entire lifetime, the production of honey and beeswax—and to some extent, providing bees for pollinating fruit crops—has been my only occupation.

Our industry is confronted with problems over which we have no control—such as dwindling sources of honey producing plants and insecticide poisoning of bees. In addition, we have to face the problem of low honey prices and a steady decline in the per capita consumption of honey. Competitive, advertised products are pushing honey off the supermarket shelves. In some cases, honey is entirely eliminated. In other suppliers are forced to offer special inducements—such as a higher markup, or in some instances, one case free with every so many sold. This pushes the price up to the consumer, but not to the producer, and in turn tends to further discourage the purchase of honey. I firmly believe that if through promotion and research, the demand for honey would put it back on the shelves as a staple item, the price to the producer could be substantially increased without increasing the price to the consumer. Likewise, if the number of honey bee colonies continue to decline at the present level, it will become even more difficult to adequately pollinate crops (including seed crops) which are dependent on, or are benefited by honey bee pollination. In this event, the result would certainly be substantially higher prices for most food items at the consumer level.

About a dozen years ago, beekeepers were receiving substantially more for honey than in recent years, in spite of the fact that the cost of production has about doubled and the cost of living has increased tremendously during this time. At that time the retail price was considerably less than it has been in the last year or two. It occurs to me that this was about the same time that the book "Folk Medicine" by Dr. Jarvis was a best seller. To me, this would indicate that if results like this can be attained by accident, a systematic, nationally coordinated program for honey promotion and research should accomplish as much—if not in fact, more.

Honey is produced in all 50 States. In order to promote honey successfully, it must be done on a nationally coordinated level. At the 1968 convention in Niagara Falls, N.Y., and again in Portland, Oreg., the members of the American Beekeeping Federation voted overwhelmingly in favor of the Honey Promotion and Research Act. Also between the two conventions—in response to a Federation questionnaire—the members voted in favor of a national promotion fund by a 12-to-1 margin. At the 1969 convention in Portland, Oreg., the following State beekeepers associations presented resolutions favoring the Honey Promotion and Research Act:

Alabama, California, Colorado, Florida, Georgia, Idaho, Minnesota, Montana, North Dakota, and Pennsylvania.

In the interest of preserving our small, but vital industry, I respectfully urge the committee to favorably consider the Honey Promotion and Research Act of 1969—H.R. 9655.

Thank you.

Mr. FOLEY. Thank you, Mr. Hrushka.

Mrs. May?

Mrs. MAY. I would like to ask you my questions again, Mr. Hrushka. You heard them placed to a previous witness. Do you have any idea what percent of the overall national production of honey would be subject to assessment if this bill should pass?

Mr. HRUSHKA. Of course, this would only be a guess, but I would say the Sioux Honey Association, you would start out with 50,000 million pounds right there, or maybe even more. Certainly, the rest of the country should more than match that, and I would say it would be in excess of 100 million pounds certainly, probably much more than that.

Mrs. MAY. Well, somebody arrived at the figures of income or yield under this bill of \$200,000. So they must have had to have something to multiply the quarter of a cent by, and that would add up to 100 million pounds, would it not?

Mr. HRUSHKA. Yes. I think we would be—personally, my own opinion is that we would be very safe in saying that. That would be the minimum.

Mrs. MAY. The Chairman points out 80 million pounds would produce the \$200,000. My mathematics are not as quick as yours.

Mr. MILLER. I would certainly say that that would be a bare minimum. I think it would be much more than that.

Mrs. MAY. 80 million to 100 million pounds. So, slightly over half of the honey produced in this country is produced by hobbyists, not what we define as producers. Would that follow, then? We have 200 million pounds of honey produced in this country in 1968. Now, I assume that with the passage of this bill, what the industry has been defining as producers would bring, according to you, between 80 million and 100 million pounds under assessment to bring in the income of \$200,000. So, based on that, the other—there would be 100 million pounds of honey that would not be subject to assessment because it is produced by someone who is not defined as a producer.

Mr. MILLER. Well, I think my statement was that over 100 million, certainly over 100 million. That would increase that figure, in my personal opinion.

Mrs. MAY. Well, here again you can see our confusion because how do we—I have just been told that Idaho does not exempt hobbyists under the workings of their order. Am I correct on that? We have to get a more precise definition because over 100 million pounds—that would bring in \$250,000 rather than \$200,000.

Mr. MILLER. Well, I base my estimate on—if one organization would be subject to assessment on, well, certainly 50 million pounds, the rest of the United States certainly should more than match that.

Mrs. MAY. Yes. So, you think that really 100 million pounds subject to assessment is a predictable, sound figure?

Mr. MILLER. I would say it is a minimum.

Mrs. MAY. And, therefore, the yield under this act would really be at \$250,000, at a quarter of a cent a pound, rather than \$200,000.

Mr. MILLER. That would be my personal figure.

Mrs. MAY. Thank you very much.

That is all, Mr. Chairman.

Mr. FOLEY. Mr. Jones?

Mr. JONES. No questions.

Mr. FOLEY. Thank you very much, Mr. Hrushka. We appreciate your testimony.

Mr. HRUSHKA. Thank you.

Mr. FOLEY. The next witness will be Mr. Roy S. Weaver, Jr., Navasota, Tex., past president of the American Beekeeping Federation, and member of the board of directors of the Honey Industry Council.

STATEMENT OF ROY S. WEAVER, PAST PRESIDENT OF THE AMERICAN BEEKEEPING FEDERATION, MEMBER OF THE BOARD OF DIRECTORS OF THE HONEY INDUSTRY COUNCIL

Mr. WEAVER. Mr. Chairman, members of the subcommittee, thank you for permitting me to testify in favor of H.R. 9655 and similar bills. As stated, I am Roy S. Weaver, Jr., of Navasota, Tex. Along with my father and younger brother, I own and operate approximately 5,500 colonies of honey bees for honey production and package bee production. During my beekeeping career, I have been president of the Texas Beekeepers Association, president of the American Bee Breeders Association, and president of the American Beekeeping Federation.

At present, I am chairman of the Legislative Committee of the American Beekeeping Federation, and chairman of the Government Relations Committee of the Honey Industry Council of America. In those capacities, at the end of my prepared statement, I would like to comment on some of the questions that have been raised during this hearing. That was a change from my prepared statement right there, that sentence.

Beekeeping is now at its lowest profitability within the span of my memory. High costs and low prices of honey together with loss of colonies of bees from pesticides, disappearance of natural bee pasture due to herbicides, urbanization, and changing agricultural practices, and the loss of honey markets to other competitive sweets is making it extremely difficult to show a profit from beekeeping operations. Many beekeepers are living on their reserve for depreciation, whether they realize it or not, and many marginal operators are being forced out of the business. This is not a healthy condition for beekeeping, or for other branches of agriculture which depend upon pollination by honey bees, or for the people of our Nation who enjoy an abundance of food for the lowest percentage of their income in our history.

I would like to depart again and emphasize that I think one of the reasons our people do enjoy an abundance of food for such a low percentage of their income is partially due to the pollination by the honey bees which we beekeepers operate.

The witnesses preceding me have pointed out that in order to change the 20-odd year trend in declining numbers of colonies of honey bees in our country, we badly need to increase the per capita consumption of honey. As our population becomes more urbanized they tend to forget farm products which are not constantly brought to their attention. I believe that the provisions of the Honey Research and Promotion Act will permit us, using our own resources, to bring the goodness of honey to the attention of the housewives, and eventually increase the per capita consumption of honey. One of the witnesses has shown that this has been the case in California. We need the same effort nationally.

Other witnesses have given you a brief history of our industry's efforts to carry out promotion on honey with funds collected volun-

tarily. However, with beekeepers operating in every State in the Union, it has proved very difficult to interest most beekeepers in contributing funds regularly. We are just too scattered geographically to be able to get together. This has resulted in inadequate funds contributed by a few faithful with sporadic contributions by a few others. If we are to do the research and promotion job on honey which needs doing—and we must do it—I see no alternative to a more or less automatic method of collecting funds from every producer. The legislation you are considering now permits such a method.

It has been pointed out to you that many of our largest honey producers favor this legislation. In fact, some of our very largest producers have stated here that we should have it. Also some of our small producers have stated here that we should have it. It has also been shown that many of our largest honey producing States, including—now I must correct a typographical error. There were a couple of lines left out. It has also been shown that many of our largest honey producing States, including my own State of Texas, have resolved at their State beekeepers meetings to seek legislation such as this. Our only national beekeepers organization, the American Beekeeping Federation, has passed resolutions by a large margin at its last two conventions requesting this legislation.

It seems to me that this is a good bill—one which will permit us to do one of the things that badly needs doing to get the beekeeping industry moving forward again. It will permit the beekeepers—the very people who are paying the bill—to remain firmly in control of both the collection and disbursement of the funds which insures against abuses by giving the Secretary of Agriculture authority to see that the provisions of the act are carried out.

Mr. Chairman, I think this is an act which will benefit the beekeeping industry, and at the same time will benefit all the people of our Nation by helping insure an abundance of food in great variety. I urge that your committee make a favorable report on it.

Now, at the end of this statement, as I stated before, I would like to make a few comments on some of the questions that have been raised. One of the first questions concerns the recovery of administrative costs by the U.S. Department of Agriculture. This recommendation staggered me. Ours is a small industry. If this suggestion is followed, it would in my opinion, defeat the purpose of this act. I personally estimate that possibly 50 percent of the funds collected would be dissipated in administrative costs. I feel that I must point out that our industry would have no control over cost incurred by the U.S. Department of Agriculture and I really do not like the idea that we should pay for cost over which we have no control.

Another question that might deserve further comments and clarification is that of opposition within our industry to this act. Mrs. May has asked some questions concerning that. On January 3, before our National American Beekeeping Federation convention late in January in Portland, Congressman Olin Teague of Texas, who is my Congressman, introduced H.R. 349, to give us something to work from at our convention. As you have learned, this bill was debated at length at our Portland convention and although the objections to it were rather nebulous, we were able to learn that some of the objectionable features

in this bill were the possibility of block voting by cooperatives, members of cooperatives, the possibility of research on production, and the possibility of brand name advertising with funds collected under that act.

Now, it has been shown that in H.R. 9655 these features have been corrected, so it is my opinion that any remaining opposition from within our industry will be rather nebulous and groundless.

This may be crystal ball gazing but I foresee the eventual end of aid such as price support on honey and I am really anxious to see that our industry stays ahead of the situation by initiating the self-help program that we are considering here. I think it is important that we try to help ourselves.

Now, Mrs. May, you have asked questions on definitions of a producer. Would you like me to comment on that voluntarily or do you want me to wait for questions because this is the end of all the statement I have prepared.

Mrs. MAY. All right, if I may, I was going to put the question to you this way. I have again gone through the wording of the bill and the only thing I really find concerning definition of producers is in two areas. On page 19 of the bill it says:

Producer means any person within the marketing area engaged in a proprietary capacity in the production of honey for delivery to a handler or for sale by that person as the handler, but excludes beekeeping hobbyists, persons who make only occasional deliveries to handlers, and such other persons may be excluded by the order or any rules and regulations issued thereunder.

Then on page 20, under section 18, it says:

The definition set forth in section 17 may be modified by the Secretary upon the basis of hearing evidence on the order, the recommendation of the Board, or other information whenever he finds that such modification would tend to effectuate the objectives of this Act.

Now, yesterday I put the question to Mr. Hedlund of the Department in this way. I said would not section 18 allow the Secretary of Agriculture, working with the Board, and its recommendations, as well as on his own, to change the definition of producer? Now, I believe he indicated that—his remark, his answer was not too clear to me. I believe he said that this was routine language in a bill of this type.

However, going back to that original definition of producer, it really does not seem precise to me and I know that this has been brought to my attention by other people interested in the legislation, both in support of it as well as those who might not be in support of it.

What does proprietary capacity mean? How do you define an occasional delivery?

Now, as our counsel has pointed out, the Department has suggested that on page 19, under section (e), the words on lines 8 and 9: "Persons who make only occasional deliveries to handlers", should be deleted. They also have recommended deletions under section (i), "The definitions set forth in this section may be modified by the Secretary pursuant to section 18 of this act." And they further recommended that section 18, on page 20, line 6, that the word "objective" be stricken from the bill and substituting for that word the two words "declared policy".

Now, I am not sure just how much further this would bring us to a precise definition of producer. I wanted to get this into the record for our own clarification.

Now I will, after that long preamble, ask you to comment or answer—tell me, do you have an answer for how we might get to a more precise definition of producer in this legislation?

Mr. WEAVER. Mrs. May and Mr. Chairman, you must realize I am a beekeeper and not a lawyer.

Mrs. MAY. Yes.

Mr. FOLEY. That is in your favor, sir. [Laughter.]

Mrs. MAY. I am glad Mr. Foley said that. He is the attorney. I am not.

Mr. WEAVER. First, I would like to say that I would concur with the Department of Agriculture in their recommendation that this part of line 8 and line 9 on page 19 be stricken out, "persons who make only occasional deliveries to handlers". I can see that that would cause much confusion. It would be tough on a handler—for example, I as a fairly large producer could make an occasional delivery to a handler.

Mrs. MAY. Actually, you could make just two deliveries a year depending on the size of the delivery and it would be quite a bit of honey.

Mr. WEAVER. I can see that that would be confusing. I concur with the Department on that. Now, as to definition of a producer, I would prefer to see this defined in any order written under this act rather than in an act itself because we could make a mistake in definition of a producer. It is hard to define precisely, I think, for the purposes we are considering. So, I would—

Mrs. MAY. When would you define—

Mr. WEAVER. When an order is written and when hearings are held on the order. As I said, I am not a lawyer, so that may be wrong. This is just my idea.

Mrs. MAY. We are going to have to define it at some point and it just seems to me to get support for such legislation, I think anybody in the production of honey right now, small, medium or large, would want to know whether he was going to come under the purview of the legislation before it was passed. This has been our experience in other types of legislation.

Mr. WEAVER. Well, I do not mind getting a suggested definition into the record. It might not be the best definition but it would be one suggestion that might be workable. Now, I think it is important to us not to antagonize the hobbyist because actually, within the honey industry, they are more promotion minded as a whole than some of the commercial producers, and they tell their friends and neighbors about honey and really are strong supporters and I would not like to antagonize them in any way. And still for purposes of workability, we should under this definition, possibly exclude some of them. So, one possible definition would be any beekeeper who owns or operates more than 50 colonies of honey bees.

Mrs. MAY. As I understand it, by statutory—I mean administratively, rather than statutorily, that is what Idaho uses as its breaking point.

Mr. WEAVER. Well, you see, our honey handlers are going to have to keep books on this and if they are to keep books on one or two 60-pound cans of honey, it could become burdensome.

Within that definition, though, I would think we should give the hobbyist, the smaller beekeeper, the opportunity to participate voluntarily if he so wishes if he takes his honey to a handler and would like to contribute to the program. I think he should be permitted to do so.

Mrs. MAY. I understand you have not had too much success, however, with that in the past and that is why you are here.

In other words, just for yourself, not representing anyone else, you think that a "probably less than 50 hives" type of a definition might be one thing that would be considered in trying to set a definition of producer.

Mr. WEAVER. Just my own personal opinion, and I did not mind getting it into the record at all because we do need to think about that, but I still want to emphasize that I would prefer seeing this in the order rather than in the act in case it is wrong. I mean, we might set 50 colonies as the definition or five colonies and discover later that we made a mistake, that perhaps it should be set at 25 colonies, and it would be much easier to amend within the order than it would if it were law.

Mrs. MAY. Do you believe, Mr. Weaver, that the figures of 1 million pounds of honey would be about what would be assessable under this legislation? Under a marketing order? I mean 100 million.

Mr. WEAVER. Mrs. May, anything I say would be a guess and would not be a very well educated guess.

Mrs. MAY. I understand.

Mr. WEAVER. I worried with this problem for years and I think really that nobody knows an exact answer to this. My personal estimate would be somewhere between 125 million to 150 million pounds, but this is rather an uneducated guess on my part.

Mrs. MAY. Thank you.

That is all, Mr. Chairman.

Mr. FOLEY. Mr. Jones?

Mr. JONES. No questions.

Mr. FOLEY. One of the things that you mentioned that I think is important, Mr. Weaver, is the fact that this is a small industry. I am talking at this point with relation to the costs of the program being borne by the industry. We received testimony in the hearing recently on a similar proposal for potato producers, that the potato research and promotion board would receive estimated funding of about \$2 million a year and the Department estimated it would cost \$80,000 to operate that program.

Just roughly calculating, that is a cost of about 4 percent for administrative burdens.

Now, if the figures that Mrs. May quoted of \$200,000 annually apply to the honey promotion program and the costs run anything around \$47,000 as estimated by the Department, the program would be bearing an overhead cost of about 25 percent. It is a matter of equity. If we are going to suggest that producers bear the cost of their program, I think we are going to have to consider the relation of the program to potential revenues. In one commodity it might be very small and not a burdensome cost at all and in another like this program we might be spending 25 or 30 percent of the funds for administrative costs, which I should think would seriously affect the judgment of producers when they vote in the referendum.

Mr. WEAVER. Yes, Mr. Foley, and I would also like to point out that these figures that we have been talking about, \$200,000 to \$250,000, are based on the maximum allowable assessment. Now, I foresee that perhaps the Board to be established under the act would set the assessment at some lesser figure than this one-quarter of a cent a pound. And in that case, the administrative costs would be a substantially greater percentage than this 25 percent. And also I object to the feature that we would have no control over this administrative cost.

Mr. FOLEY. I am unsure how the Department reaches these estimates of cost. In one program they will say \$80,000, another \$47,000, and since these are rather, I think, rough judgments on their part, administrative costs may be even more expensive rather than less expensive.

Well, I think you have provided some very useful information out of your experience and background and your testimony has been very helpful. Very happy to have it.

Mr. WEAVER. Thank you.

Mr. FOLEY. The final scheduled witness this morning is Mr. W. J. Bessonnet of Donaldsonville, La., representing the American Honey Producers Association, Inc.

I might say, Mr. Bessonnet, that attorneys often feel that the final argument is the most advantageous, at least in terms of position, so I hope you do not mind being our last witness. You have the final argument, sir.

STATEMENT OF W. J. BESSONNET, REPRESENTING THE AMERICAN HONEY PRODUCERS ASSOCIATION, INC., DONALDSONVILLE, LA.

Mr. BESSONNET. Thank you, Mr. Chairman. Before I start my remarks I would like to enter two statements that I received that were addressed to us instead of the committee. With your acceptance, I would like to enter that in the record. Also, a statistical report of the number of colonies in honey production since the year 1940.

Mr. FOLEY. Thank you. They will be received.

(The documents referred to follow :)

TABLE I—HONEY: NUMBER OF COLONIES AND PRODUCTION, UNITED STATES, 1940-66¹

Year	Number of colonies (thousands)	Honey production (thousand pounds)	Year	Number of colonies (thousands)	Honey production (thousand pounds)
1940.....	4,350	205,767	1955.....	5,252	255,222
1941.....	4,477	221,959	1956.....	5,195	214,035
1942.....	4,893	177,672	1957.....	5,199	241,218
1943.....	4,887	189,867	1958.....	5,152	260,522
1944.....	5,217	188,917	1959.....	5,109	236,578
1945.....	5,460	233,070	1960.....	5,005	242,802
1946.....	5,787	213,814	1961.....	4,992	255,868
1947.....	5,916	228,582	1962.....	4,900	249,608
1948.....	5,721	206,185	1963.....	4,849	266,778
1949.....	5,578	226,334	1964.....	4,840	251,188
1950.....	5,601	232,431	1965.....	4,783	244,549
1951.....	5,546	257,522	1966.....	4,770	246,972
1952.....	5,493	272,011	1967.....	4,825	223,000
1953.....	5,520	223,770	1968.....	4,720	200,081
1954.....	5,451	216,419			

¹ Excludes Hawaii 1940-54 for all items.

Source: Statistical Reporting Service.

IMPERIAL VALLEY BEEKEEPERS ASSOCIATION,
June 8, 1969.

Mr. GLENN GIBSON,
Secretary, Washington, D.C.:

I am Paul Mitchell, president of Imperial Valley Beekeepers Association. Our association of over 50,000 colonies of bees, for honey production and seed polination, wish to go on record as unalterably opposed to the compulsory Honey Promotion and Research Act of 1969, H.R. 9655 and S. 1851. This act cannot be of any aid to the honey producers of this country. We urge a "No" vote on H.R. 9655 and S. 1851. Make this statement part of the record.

PAUL MITCHELL, *President.*

LYMAN APIARIES,
Greenwich, N.Y., June 2, 1969.

Mr. GLENN GIBSON,
*Secretary, American Honey Producers Association,
Washington, D.C.*

DEAR MR. GIBSON: I believe you are right in your stand opposing H.R. 9655, the Honey Promotion and Research Act of 1969.

I shall be glad to have you file my objection.

Sincerely yours,

W. E. LYMAN.

Mr. BESSONET. Mr. Chairman, members of the committee, I am W. J. Bessonnet of Donaldsonville, La. We are a small producer-packer and sell most of our honey in south Louisiana. I am a member of the American Honey Producers Association. This is a national organization composed of large and small beekeepers or honey producers. Voting membership is restricted to beekeeper or honey producers. I am a member of the Washington legislative committee.

H.R. 9655, the Honey Promotion and Research Act of 1969, is not designed to help our small industry. I realize the act is only an enabling piece of legislation designed to permit the Secretary of Agriculture to conduct a referendum among beekeepers. The results of this referendum would presumably determine whether our industry wanted a marketing order for honey. An order that would apply to other commodities such as cranberries, potatoes, and pears will not apply to honey simply because our industry is widely scattered and its members are not dependent on a central sales agency.

In the first place, no one seems to have a list of beekeepers. The estimates of the Department of Agriculture are made from sampling returns from a partial list of beekeepers. No one officially attempted to break down the colony ownership so that we will have an idea how many hobbyists, sideliners, and commercial beekeepers actually make up our industry.

This information would be vital when drafting such legislation as H.R. 9655. As the bill is written, the Secretary of Agriculture must determine which beekeepers will be assessed under the order. How can a referendum be conducted among beekeepers when no one seems to know how many we have?

Frederick W. Bauer, in "Honey Marketing," Bulletin 776, 1960, California Experiment Station, gives the following information about the approximate beekeeper ownership and production in 1957:

187,200 hobbyists (24 colonies or less) produced 19 per cent of the total production.

11,600 sideliners (25-399 colonies) produced 37 percent of the total production.

1200 commercial (400 colonies and up) produced 44 per cent of the total production.

The Statistical Reporting Service reports the 1957 honey production at 241,000,000 pounds.

Before trying to promote any legislation like H.R. 9655, we feel that more information is needed on the beekeeper ownership. We think the commercial beekeeper has had to expand his operations to make ends meet, and there are fewer of them. On the other hand, the sideliners have reported expanded their numbers.

As I interpret H.R. 9655, no one in the hobbyist group would be assessed, but all commercial beekeepers would be assessed. Until the Secretary of Agriculture fully defines the term "producer," we will not know who will be assessed from the sideliners group.

ELEVEN STATE ASSOCIATIONS ADOPT OPPOSING RESOLUTIONS

The following State associations have reportedly adopted resolutions asking that action on the Honey Promotion and Research Act be delayed until the honey import problem has been resolved: The Oklahoma Beekeepers Association; the Kansas Beekeepers Association; the Texas Beekeepers Association; the Arkansas Beekeepers Association; the New Mexico Beekeepers Association; the Arizona Beekeepers Association; the Nebraska Honey Producers Association; the Iowa Honey Producers Association; the Indiana Beekeepers Association; the South Dakota Beekeepers Association and the Missouri Beekeepers Association.

Clifford Reed, President of the Wyoming Beekeepers Association, has filed a statement in opposition to H.R. 9655. Also Kenneth Sperry, President of the North Dakota Beekeepers Association, has filed a statement opposing H.R. 9655. Opposition to compulsory promotion from individual beekeepers over the country is increasing daily. This probably means that more and more producers have studied the act and do not like what they have learned.

POINTS OF OPPOSITION

Quite a number of reasons are given for opposition to the act. Most often mentioned, however, is the problem of uncontrolled imports. There is a strong feeling that if the program will increase consumption of honey in the United States, foreign competition will supply the demand; and no one seems to like the idea of advertising and promoting imported honey. Consequently, lack of import protection can be listed as the first and most important objection to the bill. Objections can be summarized as follows:

1. Lacks a provision for protection from low-priced imports.
2. Too much control vested with the Secretary of Agriculture.
3. If packers sit on the administrative board, then they should be assessed.
4. The cost of the program for the Government is too great.
5. The Board requires too much confidential information relative to the handlers' business.
6. The beekeeper should have a choice of participating before he is assessed.

7. The board is powerless; why bother with this expensive procedure?

8. Organizations should not select the board nominees.

9. Fear of big packer and co-op domination.

10. We have many problems more pressing than promotion that should be resolved first.

11. Last but not least, the bill is not clear to the rank and file beekeepers. Some effort should be made to educate them.

NONBEEKEEPERS SUPPORT H.R. 9655

We do not feel that the bill is designed to help the producer—especially the sideliner. The benefits, if any, will go to the honey packers and dealers. This partially explains why a good percentage of the honey packers are reportedly working for passage of this bill. Increased consumption could mean an increased volume of sales, but the domestic beekeeper could not possibly benefit since the possible increased demand would be supplied by imported honey; and this, we hasten to add, will mean a continued depressed honey market. Consequently, our domestic markets would be set by Argentina and Mexico.

Some of our prominent bee supply dealers are reportedly working for passage of this bill with all of the energy at their command. That they would recommend more taxes on their customers' honey is puzzling. I wonder if they would agree to a small percentage mandatory checkoff on all of their bee supplies sales if the funds were used for promotion and research under H.R. 9655. Mr. Baxter Woodman, a bee supply manufacturer from Grand Rapids, Mich., evidently feels that promotion is our only salvation. A part of a message from Mr. Woodman dated May 23, 1969, covers this point:

With proper promotion the U.S.A. could absorb most of the world's surplus in addition to its own and be on the short side, which would increase prices.

Promotion is our only answer. No promotion that appeals to you, keekeepers, and the ten per cent on the farms must appeal to the 90 per cent in the cities that think differently than we do.

Evidently, Mr. Woodman feels like a honey promotional program authorized by H.R. 9655 would be instantly successful by creating a demand that would absorb the world's surplus production. This is a super pipedream that can never be realized. Anyway, if we absorbed all of the world's surplus honey, our commercial beekeepers would all go broke. The sideliners might survive, but the low price would certainly discourage them.

Discrimination of small producer packers and beekeepers. Frankly, I would say that it would be difficult to draft honey checkoff legislation that would be acceptable to the beekeeping industry. Any legislation considered must be acceptable to the sideliners who outnumber the commercial beekeepers 10 to 1.

Most of our sideliners do not have a marketing problem. Consequently, among sideliners we can find very little enthusiasm for a compulsory checkoff for honey. Our commercial beekeeper correspondents have indicated that they felt the program would be too expensive and the total money accumulated would not be sufficient to accomplish very much. There seems to be a strong feeling in the industry that H.R. 9655 or any checkoff bill would promote cooperatives by giving them an edge in the marketplace.

Big packer and cooperative domination would be assured under the provisions in section 9. This section disturbs us very much. Lines 15 through 17 say:

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 * * *

Paragraphs (a) and (b) call for quite a bit of detailed information that I would ordinarily consider confidential. I am not particularly anxious to reveal our detailed figures to the Secretary of Agriculture, but if it would serve a useful purpose, I would reluctantly accept this part. However, this same information being made available to the board of nine persons from or industry upsets me very much. Each of these men would have a vested interest in the movement of their own production or brand. The collective information obtained under paragraphs (a) and (b) would be valuable to any district or national honey sales organization. It would be impossible to make up a board that would be free from the "conflict of interest." Consequently, it is my feeling that a board of nine, operating under the provisions of H.R. 9655, would gradually eliminate the small operators—both beekeepers and packers. In this event, less than a dozen packers or one large cooperative would handle the entire U.S. honey production. The thousands and thousands of family-size producer-packers would be eliminated and this must not happen.

OUR MOST PRESSING PROBLEMS

At some distant time, perhaps in 2 or 3 years, our industry may be ready to consider a mandatory checkoff for honey, but at the present time our energies should be directed to more pressing problems. Some of these are—

- (1) heavy bee losses to pesticides,
- (2) dwindling honey plants,
- (3) promoting the use of bees as pollinators,
- (4) relief from imports, and
- (5) increasing the price of bulk honey to 90 percent of parity.

It should be noted that none of these problems will be helped by H.R. 9655.

BEEKEEPER OPPOSITION

The American Honey Producers Association will oppose a mandatory checkoff at the Federal level until we are assured that the beekeepers want the program and that it will not cause a big packer or cooperative takeover of sales. Also, we want some reasonable assurance that the program will justify the cost.

AMENDMENTS

If the bill is adopted in spite of our opposition, we recommend the following amendments:

1. Permit each State to vote its own referendum and eliminate the provision of permitting the beekeeper to elect his voting residence.

2. Tax the packers or eliminate the packer membership on the administrative board.

3. Permit the beekeeper a choice of participation before a deduction is made.

4. Assess all export sales.

5. Devise some method for the Secretary of Agriculture to be the only office to receive confidential information.

This concludes my statement. Please defeat H.R. 9655 and related bills.

Mr. FOLEY. Thank you, Mr. Bessonnet.

Mr. Jones?

Mr. JONES. No questions.

Mr. FOLEY. I have a few questions. Would you assume from reading the bill that what you described as a sideliner would fall under the definition of commercial beekeeper?

Mr. BESSONNET. That is very hard to determine. You would have to be a beekeeper to understand the answer to that question. What I call a sideliner in Louisiana would be a considerable beekeeper in the State of Minnesota. The variation in production is so great that in Louisiana he would be a hobbyist but in Minnesota he would be—he would have an impact on sales where he would not have in Louisiana.

Mr. FOLEY. Well, I was a little confused about your objection to the sideliner participation. If sideliners are not going to be included, they would not be adversely affected by the legislation. And if they were to be included, they would have a vote in the referendum. If they are not in favor of it, they would have an opportunity to vote down the program because they are more numerous as you indicated, than the commercial beekeeper. Actually, would it not be true that in any referendum, in which the sideliner participated, they would dominate?

Mr. BESSONNET. Sure, they would.

Mr. FOLEY. Would you see anything wrong with having a referendum to determine whether producers and sideliners really wanted to have this sort of program?

Mr. BESSONNET. But we still have not determined who would be assessed under this program. We will have to determine who comes under this program. And nobody seems to have the answer, not even a list of the names, much less the size of the operation.

Mr. FOLEY. We have had the objection made before to programs of this kind that the checkoff should not be made until the producer has an opportunity to decide whether he wants to participate. I think frankly that these programs have to have a refund provision or we should not attempt them at all because without it we really get back to the same problem that you have with voluntary programs.

I would have to say on my own part, at least, that if we make a decision in advance that a producer ought to be able not to contribute, then really the heart of the program has been eliminated. I am not suggesting you are wrong in posing that, but realistically, that sort of amendment just defeats the bill.

Could you tell us a little about the organization of the American Honey Producers Organization?

Mr. BESSONNET. It is a very new organization. It was formed since March. At present we have a little over 300 paid members.

Mr. FOLEY. Did this arise out of the Portland meeting?

Mr. BESSONNET. After the Portland meeting.

Mr. FOLEY. Are the members of your organization generally former members of the American Beekeepers Federation?

Mr. BESSONET. Most of them are. Some of them are not.

Mr. FOLEY. Did the fractionation of the industry occur as a result of this bill? Was this the primary issue involved?

Mr. BESSONET. This and other issues.

Mr. FOLEY. You have 300 paid members? Are these mostly commercial or sideliners or hobbyists or could you describe—

Mr. BESSONET. No, I could not.

Mr. FOLEY. They include all?

Mr. BESSONET. They are all beekeepers.

Mr. FOLEY. Do they come from all regions of the country?

Mr. BESSONET. All regions of the country.

Mr. FOLEY. About what percent of production would your organization—

Mr. BESSONET. I would not have the slightest idea.

Mr. FOLEY. Mrs. May?

Mrs. MAY. I was going to ask the question about the percent of production. Mr. Bessonnet, you have listed the number of associations that have adopted resolutions, reportedly adopted resolutions, asking that action on this bill be delayed until the honey import issue has been resolved. You list Oklahoma Beekeepers Association, Kansas, Texas, Arkansas, New Mexico, Arizona, Nebraska, Iowa, Indiana, South Dakota, and Missouri.

Now, each of these beekeepers associations is an associate of your newly formed—

Mr. BESSONET. No.

Mrs. MAY. These are all separate organizations?

Mr. BESSONET. Separate.

Mrs. MAY. So, I assume they represent many more than the 300 members you have?

Mr. BESSONET. Yes.

Mrs. MAY. We have had testimony from representatives of the States today—I am just a little bit confused. For instance, would the Oklahoma Beekeepers Association or the Texas Beekeepers Association not be a member of the American Federation of Beekeepers?

Mr. BESSONET. They are members of the American federation.

Mr. FOLEY. Would you yield on that point?

Mrs. MAY. Yes.

Mr. FOLEY. This confused me a little bit and perhaps some of the other witnesses could help us here. Are the individual State beekeepers associations necessarily members of the American Beekeepers Federation? Are they entirely separate organizations?

Mr. BESSONET. They can at their discretion belong, according to what I know, to the federation.

Mrs. MAY. But, do they?

VOICE. Yes, there are a number that do.

Mr. FOLEY. Do they belong as an association or just because they have common membership?

Mr. BESSONET. An association. They can join themselves.

Mr. FOLEY. They can join as an association.

Mr. BESSONET. They have State association dues.

Mrs. MAY. That is all.

Mr. FOLEY. I want to go back, if I may, again to your testimony. The reason I am asking you a few more questions than the other witnesses is that you are the principal witness in opposition and I think we ought to clearly understand the opposition to the bill.

You said that you were concerned about confidential information coming to the board in addition to the Secretary. Could you describe how a beekeeper might be disadvantaged? What kind of information might come to the board which, let us say, an unvirtuous member of the board with a conflict of interest might use to the disadvantage of the producer?

Mr. BESSONET. Well, this board would have information concerning packers, where possibly he buys his honey, total production, that would be valuable to a national organization; where he buys his honey from. That would help a national organization.

Mr. FOLEY. Is this information hard to obtain now? For example, could the national organization find out where Mr. Weaver or some other producer buys his supplies or how much he produces?

Mr. BESSONET. Not unless he wanted to tell them.

Mr. FOLEY. Again, I am a little confused about what kinds of information are now confidential and restricted that might be made available under this bill to the disadvantage of producers.

Mr. BESSONET. Just the total amount of honey packed would be an advantage to a national concern.

Mr. FOLEY. When you say a national concern, do you mean that of a packer or handler?

Mr. BESSONET. Yes.

Mr. FOLEY. You object to the participation of the packers on the board. Could you spell that out a little bit more?

Mr. BESSONET. Well, they are not paying any of the costs, so why should they not be assessed part of the cost if they are participating in the administrative—

Mr. FOLEY. It is your feeling that just in equity they should participate. Would you have any objection to their participation as such, supposing they paid some?

Mr. BESSONET. No.

Mr. FOLEY. You do not feel their participation on the board is within itself dangerous to the beekeeper?

Mr. BESSONET. No.

Mr. FOLEY. When you listed some of the problems that face the beekeeping industry, did you mean those to be orders of priority? Do you think the principal problem is pesticides and so on, down the line, or were they just grouped there for convenience?

Mr. BESSONET. Just grouped for convenience.

Mr. FOLEY. What do you feel is the most pressing problem facing the beekeeper?

Mr. BESSONET. Pesticides.

Mr. FOLEY. That happens accidentally to be No. 1 and you feel that is the most important.

Mr. BESSONET. Yes. The price of honey, if you cannot make a crop, it does not help. If you cannot produce the crop due to pesticides, with honey selling at 20 cents a pound, it will not help you.

Mr. FOLEY. Did you feel this legislation works against those other objectives?

Mr. BESSONET. I would not say that, but I think more efforts should be toward the other objectives.

Mr. FOLEY. Your concern is merely the allocation of efforts. Are they necessarily conflicting?

Mr. BESSONET. Well, I would say this. If we could solve those other five problems—

Mr. FOLEY. You would not need this bill.

Mr. BESSONET. No; we would not need it. We would need this bill. If we could increase our production, then we would have honey to worry about. So, we need to do something about producing it before we can sell it.

Mr. FOLEY. Well, I am a little confused again because I got the impression that you had some positive objections to promotion. You do not.

Mr. BESSONET. No.

Mr. FOLEY. You just feel the first thing to do is get the production up and then worry about promoting sales.

Mr. BESSONET. And have objections to this bill resolved.

Mr. FOLEY. Are there any further questions?

Thank you very much, Mr. Bessonnet. We appreciate your testimony today. I think it is also useful for the committee to have your specific judgments on amendments, and so forth.

I would like to thank all those who testified on this legislation for your patience and your attention. The subcommittee has completed its scheduled list of witnesses. Is there anybody in the hearing room who would like to state very briefly any additional views? Yes? Our time is very short.

Mr. LITTLEFIELD. It will only take a minute, Mr. Chairman.

**STATEMENT OF HOOD LITTLEFIELD, VICE PRESIDENT OF THE
AMERICAN BEEKEEPING FEDERATION, AND CHAIRMAN OF THE
CALIFORNIA HONEY ADVISORY BOARD—Resumed**

Mr. LITTLEFIELD. I am Hood Littlefield, Visalia, Calif. I should have had this statement yesterday to follow my regular presentation, but due to some of the things we had to correct, I was not able to get it done at that time.

Mr. FOLEY. Would you like to have it included in the record following your regular statement?

Mr. LITTLEFIELD. Yes, sir.

Mr. FOLEY. Without objection, so ordered. It will be included with your statement.

Mr. LITTLEFIELD. It only concerns the way that the beekeepers anticipate that we will work the program.

Mr. FOLEY. Thank you very much, that will be included in the record in full.

Yes?

(Statement referred to above follows Mr. Littlefield's testimony of June 10, 1969. See p. 19.)

**STATEMENT OF NEIL MILLER, SECRETARY-TREASURER OF THE
IDAHO HONEY PRODUCERS ASSOCIATION—Resumed**

Mr. MILLER. Mr. Chairman, members of the committee, I am Neil Miller from the Idaho Beekeepers Association. Recently I received a letter and if you will forgive me quoting it by memory, it said this, generally speaking. It was the Wyoming Bee Lines, which carried the following comment over the signature of President Clifford Reed. It said:

I know a lot of you fellows will not like this but I am against the promotion Act and I am going to work against it even though you voted for it at the State level.

I pass that information along because it might enlighten you as to the validity of the previous comment inferring that the Wyoming beekeepers were against this proposal.

Thank you.

Mr. FOLEY. Thank you.

Mr. Weaver?

**STATEMENT OF ROY S. WEAVER, PAST PRESIDENT, AMERICAN
BEEKEEPING FEDERATION, MEMBER, BOARD OF DIRECTORS OF
THE HONEY INDUSTRY COUNCIL—Resumed**

Mr. WEAVER. Mr. Chairman, I am Roy S. Weaver, Jr., of Navasota, Tex., and before I go back to Texas I need to get a correction into the record.

The opposition witness said in the list of States that had submitted resolutions to the American Beekeeper Federation opposing Honey Research and Promotion Act until some curbs are placed on imports. He included the State of Texas. That was an incorrect statement. The Texas resolution did not read that way. From memory only, I do not have this resolution from Texas with me, but from memory it read that Texas Beekeepers Association favors Honey Research and Promotion Act provided controls on imports can be put into effect and I think Mr. Langen's bill included that and satisfied the Texas resolution.

Mr. FOLEY. Thank you, Mr. Weaver. I would say to any of those present in the room that the committee would be happy to receive any of those resolutions for the file and perhaps the best evidence of what the resolutions stated would be the resolutions themselves. So, if any of those are available, either from the organizations or from others who might have them in their possession, we would be happy to include them in the file for the information of the membership.

(Mr. Weaver subsequently submitted the following letter:)

WEAVER APIARIES,
Navasota, Tex., June 18, 1969.

HON. THOMAS S. FOLEY,
*Chairman, Subcommittee on Domestic Marketing and Consumer Relations, House
Office Building, Washington, D.C.*

DEAR Mr. FOLEY: You will remember that toward the end of the hearing on H.R. 9655, The Honey Research and Promotion Act, I requested that the record be corrected to show that The Texas Beekeepers Association favored such an act if we could get some kind of import restrictions on honey. I have just received a copy of that resolution from our association secretary and I am enclosing it. I hope you will make it a part of the record of the hearing.

The resolution No. 7 adopted at the last annual meeting of the Texas Beekeepers Association in November 1968 reads as follows:

"Whereas, the membership of the Texas Beekeepers Association recognizes the need for a nationally coordinated honey promotion and research effort,

Be it resolved, That the Texas Beekeepers Association favor some type of mandatory fund raising program for honey promotion if we can get some type of import restrictions on honey."

I hope this will correct the error made when one of the witnesses at the hearing stated that Texas opposed the Honey Research and Promotion Act.

Yours truly,

ROY S. WEAVER, Jr.

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

STATEMENT OF E. H. ADEE, CHAIRMAN OF THE AMERICAN HONEY PRODUCERS ASSOCIATION

My name is E. H. Adee of Sutherland, Nebraska. I am Chairman of The American Honey Producers Ass'n, Inc., an organization of honey producers which includes hobbyists, part time producers and commercial producers. We all have the best interest of the Honey Industry at heart, but we are opposed to this bill, H.R. 9655. We do not think it will solve any of the basic troubles of the honey producer. The proponents of this bill would have us believe that Compulsory Honey Promotion would solve all our problems by increasing the consumption of honey.

Let us see how little of value this is to the problems that confront the honey producers. The proponents of this bill in the forefront of the bill use the honey production of 1966 or 247,000,000 as the amount of honey we are confronted with "All figures used are from Gov't reports". The honey production in 1967 had dropped to 223,000,000 lbs. and in 1968 it dropped to 200,081,000 lbs. or a drop of 47,000,000 in two years. According to Foreign Agriculture published by the U.S. Department of Agriculture in 1967 we consumed 95% of our crop or 211,600,000. We exported 11,600,000 lbs. but imported 16,700,000. We consumed 211,000,000 lbs. of our own production and 16,700,000 of Foreign Imports or a total of 227,600,000 lbs. Our consumption was 4,600,000 more than we produced. In 1968 our production was 200,081,000. From the figures used by the advocates of this bill, H.R. 9655 we have had a drop in production of 47,000,000 in two years.

I can see no hopes for an increase in honey production as these same forces that caused a decline are still at work, instead we can expect a further decline. It might be pertinent to list these factors that have caused a decline in honey production, millions of lbs. below our consumption. S. E. McGregor, Chief Agriculture Research Branch, Entomology Research Division, Agricultural Research Service U.S. Department of Agriculture at an informal conference called by Congressman Page Belcher, Feb. 20, 1968, to consider bee poisoning caused by insecticides and other problems facing the Bee Industry stated, "The most serious threat to the Beekeeping Industry today is the damage caused by pesticides, particularly insecticides. An estimated 500,000 colonies were killed or seriously damaged by pesticides in 1967. This represents about 10% of the bee colonies in the country. This damage occurred in all parts of the country and was caused by application on various crops, on forests and mosquito control." This application of insecticides and the killing of bees still continues.

Other factors that are lowering honey production are the vast changes taking place in Agriculture practices. Large areas that once were good honey producing areas have been eliminated by non honey producing crops. Corn, soy beans, milo etc. have replaced nectar producing crops. Clovers, one of our best honey producing plants, are disappearing due to ground being leveled and the use of fertilizers. One fairly large beekeeper in northeast Iowa stated he was the victim of "Modern Agriculture". A beekeeper at Greeley, Colorado, who operates 3,000 colonies, stated recently, "That a number of years ago he could set 100 colonies or bees down in one place and get a good honey crop, clover was to be seen everywhere and the bee yards were only one to three miles apart." Now he can put only 25-30 colonies in a place and in most cases it is many miles between yards and honey production has dwindled. In 1968 he received 25-30 lbs. per colony.

The following is taken from an article in the World Herald of Omaha, Nebr. The Chief of Land Resources Branch of the Natural Resources Economic Division of the Department of Agriculture's Research Service stated, "Roughly two million acres broadly classified as Agricultural land is being shifted to other uses each year." In our case fifty miles of Interstate 80 was built recently along the South Platte river. We had seven bee yards along 25 miles of this stretch. Due to this and changing agricultural practices three yards were eliminated and we found it necessary to reduce the colony count in the remaining four. Where to take them is a real problem as it is hard to find productive locations anymore.

All these factors are making an increase in honey production just wishful thinking. I own 4,000 colonies of bees and have always followed those practices that I figured were good business practices in order to stay in business. I do not consider H.R. 5966 as helpful to my business. *When the honey production in the U.S. is millions of pounds lower than the amount being consumed and still declining, it is folly to tax yourself to create more demand for honey and only imported honey being available to fill this demand. I am certain you gentlemen would not condone such a thing in your own business affairs.*

STATEMENT OF RICHARD L. ADEE, OF BRUCE, S. DAK.

I am Richard Adee of Bruce, S. Dak. I am on the Advisory Board of the S. Dak. Beekeepers Ass'n. and serve as chairman of the Marketing and Taxation Committees. I am also on the Executive Board of the American Honey Producers Ass'n. I own and operate Adee Honey Farms, a commercial beekeeping enterprise with operations in the States of S. Dak., Nebr., Kansas, and Mississippi. It is one of the larger bee outfits in the United States with over 11,000 colonies under production.

I am strongly opposed to H.R. 9655 and S. 1851, The Honey Promotion and Research Act of 1969. Also our S. Dak. Beekeepers Ass'n. went on record at their annual meeting last fall as being unanimously opposed to any compulsory tax on honey for promotion and research until something is done about the cheap foreign honey which is flooding the markets.

Using U.S.D.A. figures we find we had a honey crop in the United States in 1966 of 247,000,000 pounds. The honey crop in 1967 was down to 223,000,000 pounds and in 1968 down to 200,081,000 pounds or a decline of almost 20% in two years. In 1967 we consumed, according to U.S.D.A. figures, 4.6 million pounds more honey than we produced. In 1968 we had an even larger spread between consumption and production. As we are now consuming several million pounds more honey each year than we produce we have under present circumstances created a market for cheap foreign honey. This cheap honey coming in at an uncontrolled rate is having a depressing effect on our domestic market. I feel, as I'm sure most S. Dak. beekeepers do, that a tax on domestic honey would only be a tax to develop a market for foreign honey.

In 1968 South Dakota ranked third in the nation in total honey production. We produced 11,128,000 pounds of honey from a total of 104,000 colonies. The beekeepers of S. Dak. have been blessed with more abundant crops than in most areas but nevertheless in the present cost-price squeeze many beekeepers are having a hard time making ends meet. *We cannot afford any more taxes, especially one which would develop a market which cannot possibly be filled by anything but foreign honey. We therefore ask that you kill the Honey Promotion and Research Act as it is not in the best interest of domestic beekeepers without first providing some restrictions on foreign honey.*

STATEMENT OF GORDON ALDRICH, SUGAR GROVE, PA.

I am Gordon Aldrich, P.O. Box 312, Sugar Grove, Pa. 16350. I own and operate 12 colonies of bees. We sell our honey to individuals and retail stores.

I am opposed to H.R. 9655, The Honey Promotion and Research Act of 1969. I feel that we already have too much government control over our whole way of life.

I urge you to vote against H.R. 9655.

ALLEMEIER APIARIES,
Chicago, Ill., June 3, 1969.

HON. TOM FOLEY,
Chairman, Special Subcommittee on Domestic Marketing and Consumer Relations,
Washington, D.C.

HONORABLE SENATOR: I understand that your Committee is conducting hearings on a bill: H.R. 9655, The Honey Promotion and Research Act of 1969. I believe this hearing is being held on June 10th and 11th.

Officers of our American Honey Producers Association are appearing before your Committee opposing the enactment of this bill. Because the administration of such an act would be handled by the Department of Agriculture, the cost would consume practically all of the tax which the producer would pay, thus add to the cost of our operation without benefit to our industry.

I therefore wish this letter to be a part of the record of the hearing as opposed to the legislation.

Sincerely,

NORMAN F. ALLEMEIER.

BALLARD'S,
Roxbury, N.Y., June 5, 1969.

HON. TOM FOLEY,
Chairman, Special Subcommittee on Domestic Marketing and Consumer Relations,
Washington, D.C.

DEAR MR. FOLEY: I would like this letter to be part of the record of the hearing on H.R. 9655, The Honey Promotion and Research Act of 1969.

We feel that H.R. 9655 and all related bills are premature and improper and we would like to testify against these for the following reasons:

1. Honey producers are not adequately protected against cheaply produced imported honey while there are tons of similar grades of honey available from the Mid-West and South-west of our own country. (Honey buyers say it is cheaper to import than to transport domestically.)

2. I have carefully read everything I could obtain pro and con, and have listened to men who put forth both opinions, and I have reached the conclusion that Mr. Glenn Gibson and Mr. W. J. Bessonnet represent adequately the stand I wish to make concerning H.R. 9655 and similar bills.

3. Some problems that need to be taken care of before promotion and research legislation: Import regulation, pesticide indemnification, protected wildlife damage indemnification, protection for the established beekeeper from urbanization. (People knowingly move next to, or build next to, beeyards and then expect the beekeeper to move.)

The Government would do the entire Honey Industry a great favor, very inexpensively, if it made known publicly that food would be much more expensive and the country less beautiful, if it weren't for the honeybees and the beekeeping industry.

Very truly yours,

PAUL A. BALLARD.

STATEMENT OF CARL E. BENSON, PRESIDENT, ARIZONA BEEKEEPERS ASSOCIATION

I am Carl E. Benson, 303 West Sunland, Phoenix, Arizona. To describe my interests in beekeeping: I am a commercial beekeeper in the State of Arizona, I am a member of the American Honey Producers Association. I am President of the Arizona Beekeepers Association, And I am concerned!

I am concerned because a small group of people, some beekeepers and some not, is trying very hard to ramrod legislation through Congress which we Arizona beekeepers find undesirable. By name, this legislation is the Honey Promotion and Research Act of 1969, H.R. 9655.

At the annual meeting of the Arizona Beekeepers Association, December 1968, our organization went on record with a unanimous vote, as being opposed to honey promotion and research legislation. Additionally, copies of resolutions pertaining to our opposition to "Honey Promotion" legislation were sent to the Arizona Congressional Delegation. At a later date, Arizona's members of the House of Representatives were asked to do all in their power to oppose passage of H.R. 9655 and similar legislation.

There are two basic reasons why our organization opposes legislation such as H.R. 9655. First, we feel that we have many problems more serious than promotion of and research on honey. Problems concerning us most directly are pesticide devastation, low price of honey (reflecting low price support level and pressure of imported honey), constant influx of imported honey and diminishing bee pastures. Second, the Honey Promotion and Research Act of 1969 is basically poor legislation, approaching the subject with the thought in mind to "maintain and expand domestic markets for honey marketed in the United States" (H.R. 9655 page 3, lines 3 and 4).

In the stated objectives of H.R. 9655, two of our most serious problems, both interrelated in the whole marketing complex, are ignored. These problems are (1) a need for an increase in price for our product and (2) a need for satisfactory controls over imported honey. Possibly the authors of H.R. 9655 had the import situation in mind when they concerned themselves with "honey marketed in the United States", not with honey *produced* in the United States.

We find other faults with the legislation too numerous to mention in detail.

In 1967, according to Lyman Coe, State Apiary Inspector of Arizona, approximately 75,000 colonies of bees, of an estimated total number of 100,000 colonies, were killed by pesticides in Arizona. The situation of massive insecticide application resulting in devastating colony kill has continued each year since, and has forced many beekeepers out of business and will continue to do so, not just in Arizona, but throughout the nation. Cognizant beekeepers throughout our country are realizing how serious the threat of pesticides to beekeeping truly is.

When the multitude and magnitude of problems confronting beekeepers of not only Arizona, but the entire United States, is recognized, then it becomes more apparent why beekeepers are opposed to legislation such as H.R. 9655. When problems such as pesticide devastation, honey imports, low prices and diminishing bee pastures are affecting beekeepers, then it is no wonder that they do not wish to be taxed for an "idea" touted by some to cure all our problems, but which, in fact, would simply be an added burden to beekeepers.

As President of the Arizona Beekeepers Association, I ask that after considering these and other facts presented to you and your committee relative to H.R. 9655, the Honey Promotion and Research Act of 1969, in the best interests of beekeepers and beekeeping, you oppose such legislation.

Thank you.

STATEMENT OF CLARENCE L. BENSON, CHAIRMAN, WASHINGTON LEGISLATIVE
COMMITTEE, AMERICAN HONEY PRODUCERS ASSOCIATION

My name is Clarence L. Benson, 5617 S. Montezuma Avenue, Phoenix, Arizona. I am chairman of the Washington Legislative Committee of the American Honey Producers Association. I am a commercial beekeeper and have been for more than 35 years. I am Secretary of the Arizona Beekeepers Association and have served in that capacity for more than 20 years. For some 22 years I have been representing beekeeping interests in Washington. I served for 8 years as the beekeeping representative on the U.S.D.A. Seed Research and Marketing Advisory Committee.

I am opposed to H.R. 96555, the Honey Promotion and Research Act of 1969. Beekeeping in the United States is a dying industry—the number of colonies of bees is declining year after year and beekeepers large and small continue to go out of business. The widespread use of pesticides is causing the destruction of more than 500,000 colonies of bees annually. Tens of thousands of acres of prime honey producing plants disappear annually due to present agronomic practices, urbanization, freeways, etc. Cheap imported honey depresses our market. So the lot of the American beekeeper, who supplies the pollinating insects necessary for several billion dollars worth of crops in this country, is indeed a serious one.

Some proponents of the Honey Promotion and Research Act of 1969 have been so rash as to state that the Act, if passed, would be a long range cure for all of our problems. In my opinion, it would cure none of our problems.

We are not producing a surplus of honey in this country. Foreign imports, therefore, must be blamed for the low honey prices now received by the American honey producers. I cannot see why the American honey producer should be taxed one-quarter cent a pound, as proponents for the measure plan, if the measure is enacted, to promote the sale of foreign honey in this country.

I am informed that all of the large honey packers in this country are in favor of the Honey Promotion and Research Act of 1969. I can understand why. They would have nothing to lose, since they would not be taxed. If any benefits accrued from the program, it would be to their advantage. There is no reason to assume, however, that the American beekeeper would receive an increased price for his honey.

Mr. Willson of New York, a honey importer, is in favor of the Act and well he might be, because the Act could possibly increase his sales of foreign honey in this country. Most, if not all, of the large packers that favor this Act, pack foreign honey. For instance, Mr. Burleson of Texas has stated that he is in favor of this Act. Well he might be, because it might increase his sales enabling him to pack more foreign honey.

The management of Sioux Honey Association, a national honey packing farm cooperative, is in favor of the Honey Promotion and Research Act of 1969. One who is not informed could assume that, being a farm cooperative, the management's primary interest would be in its producers' welfare. It should not be assumed, however, that that is the case. Mr. C. C. Gralapp, manager of the Anaheim, California plant of Sioux Honey Association, said to me, as part of a conversation relative to the efforts of beekeepers to obtain an increase in the price support level of honey to 75% of parity, that Sioux Honey Association could not pay that kind of price (75% of parity). It is not our business, he said, to try to make you beekeepers a profit, so why don't you guys "get off our backs" and let us pack honey. I asked him if he thought we could make a living on less than 75% of parity and he replied that he did not see how we could even do it on that, adding that he thought we were a "bunch of suckers" for staying in the beekeeping business. Some of those privy to the conversation were, DeWayne Barrett, now assistant manager of Sioux Honey Association, Ray Reed, a director of Sioux Honey Association and also an employee of the Association, Jim West, now manager of the Wendell, Idaho plant of Sioux Honey Association. None of these people voiced any disagreement with Mr. Gralapp's philosophy. I therefore believe that Mr. Gralapp's statement is indicative of the philosophy of the entire management of Sioux Honey Association. They have even bought cheap imported honey in order to increase their volume. I understand that volume is important to the management as they receive not only a salary but a percentage of sales. All of the large packers, whether they are co-ops or private packers, due to the nature of the business, buy honey as cheaply as possible and sell it as high as possible. It is thus ridiculous to assume or assert, as have some, that the interests of the large packers of honey are synonymous with those of the producer of honey.

Some proponents of the Honey Promotion and Research Act of 1969 have stated that the primary purpose of the legislation is to increase the price paid to the American producer for his honey. I have been unable to find any mention of that objective in the Act. The Act does state, however, in Section 2, page 2, line 19 . . . "Therefore, it is the declared policy of the Congress and the purpose of this Act that it is essential in the public interest. . . (page 3, line 3) to maintain and expand domestic markets for honey marketed in the United States. If I read correctly, the Act indicates that one of the purposes is to expand domestic markets for imported honey and it is *not* one of the purposes of the Act, at least I have been unable to find where it is so indicated, to increase the price paid to the American honey producer so that he can stay in business.

Considering that the American beekeeper would be burdened with an additional tax of one-quarter cent per pound if the Honey Promotion and Research Act of 1969 were passed and implemented, and considering that it is very likely that those who would receive the only benefit from such tax would be the importers and packers of foreign honey, we hope you and your committee will oppose the enactment of H.R. 9655, the Honey Promotion and Research Act of 1969.

SUTHERLAND, NEBR., June 5, 1969.

HON. TOM FOLEY,
Chairman, Special Subcommittee on Domestic Marketing and Consumer Relations, Washington, D.C.

DEAR SENATOR: This letter is in regard to H.R. 9655, the Honey Promotion and Research Act 1969 and I would like this letter to be part of the record on the hearings on H.R. 9655.

As an operator of 500 colonies of bees in Nebraska, I am opposed to this bill for the following reasons:

(1) Domestic honey bears the cost of all the honey promotion. Imported honey gets a free ride.

(2) Too much direct and implied authority vested in the Secretary of Agriculture.

(3) The need for this Bill is not sufficiently proven.

(4) The administrative cost of this bill would be about forty eight thousand per year. After administrative cost is taken out, there would not be enough money left to effectively promote honey on a national basis.

(5) The real need now is import control, or an increase in import duty, so our honey can compete on an equal basis.

An explanation of the above reasons:

(1) We, the American Honey Producers, don't want to foot the cost of all the honey promotion in the U.S. and have the imported honey get a free ride, this might be good for the packers and importers, but for us, the producers, we would foot the bill without any assurance of better prices.

(2) Carefully read the bill.

(3) At the present time we are consuming more honey in the U.S. than the U.S. producer is producing. (U.S.D.A.) figures. Due to our changing farming methods, (increased use of insecticides and herbicides) loss of bee colonies from the use of insecticides, loss of bee pasture due to the use of herbicides, and more intensive farming practices, most beekeepers will concede that honey production in the coming 70's can never be as high as it was in the 60's.

(4) After administrative costs are taken out, the amount left would not be sufficient to anywhere nearly promote honey on a national basis.

(5) The honey packers are using imported honey to beat down our U.S. produced honey prices. Quote a honey price to a packer and invariably you will get this reply, "Oh, I can't pay you that much for your honey. You know that I can get honey laid in on the dock from * * * for about three cents under what you ask."

First! Give us protection against imported honey, or an increase duty on imported honey so we can compete with it. "This is what we really need."

As reasonable men I ask that you kill this bill.

Sincerely yours,

VIRGIL L. BRAND.

STATEMENT OF TROY COWAN, COMMERCIAL BEEKEEPER, CASA GRANDE, ARIZ.

I am Troy Cowan, Route 1, Box 391, Casa Grande, Ariz. I own and operate 3500 colonies of bees. We sell our honey as cooperative members to the Sioux Honey Association.

I am against H.R. 9655. The Honey Promotion and Research Act of 1969.

Taxing my honey for promotion without import protection means I will be promoting foreign honey. I feel like this in turn will reduce our low prices to a lower level. I cannot afford the additional expense of this tax as long as my honey is cheap and the cost of business operations increase.

Please vote "no" on this bill.

STATEMENT OF THOMAS DOONAN, DES MOINES, IOWA

I am Thomas Doonan, 8924 Buena Vista Courts, Des Moines, Iowa, I am currently serving as President of the Central Iowa Honey Producers Association. I own and operate a sideline bee outfit of 50 colonies. Our honey is sold direct to neighbors and local supermarkets.

I am definitely opposed to H. R. 9655, The Honey Promotion and Research Act of 1969.

The proponents of H. R. 9655 contend that we should increase the consumption of honey by promotion. Increasing consumption would be desirable, if we are able to make a reasonable profit on our sales. However, we are caught in a price squeeze on bee supplies and glass containers. Glass containers have increased in price between 21 and 35% since 1965, with more increases on the way. Meantime, the price of honey remains low, due partly to the effects of cheap imported honey.

We have many pressing problems that I would rate more important than promotion. Our honey bee loss in Iowa last winter was over 50%. Doubtless, a sizeable percentage of the loss was from colonies which went into winter with a weakened population of bees due to pesticide losses last summer. Also, we are plagued with dwindling bee pasture due to growing population demands for housing, commercial developments and Inter-state highways.

If we concentrate only on increasing consumption of honey, we will create a vacuum which will attract more competitive foreign honey. This will reduce our prices to a new low.

Please vote against H. R. 9655.

JANESVILLE, WIS., June 7, 1969.

HON. TOM FOLEY,

Chairman,

*Special Subcommittee on Domestic Marketing and
Consumers Relation, Washington, D.C.*

SIR: I am only a small beekeeper, but am very concerned in the bill H.R. 9655; The Honey Promotion & Research Act of 1969, and wish to file my opposition to it.

From what I have read, I feel that it hasn't been a success in California, and it has had plenty of time to do so.

I also think that the producer, and the packer should have to pay for the marketing. After all the packer gains as much as the producer.

I am not in favor of promoting foreign honey, and if this act goes through the American beekeeper will be paying for their advertising.

Thank you for your cooperation, and consideration.

Very truly yours,

GLEN R. HARTNELL.

STATEMENT OF CHARLES EMERSON HINCKLEY, MARION, OHIO

I am Charles Emerson Hinckley, Route 1, Marion, Ohio, 43302. I own and operate 300 colonies of bees. We sell our honey to local markets, at our place of business, and some wholesale.

I am opposed to H.R. 9655, The Honey Promotion and Research Act of 1969. I do not believe this bill will in any way help the beekeeping industry, as it will in no way improve the price of honey at the level where it is needed most. That is with the honey producer. Producers will have little if any voice in the execution of H.R. 9655 and S. 1851, therefore it will be under the control of the large packers who already have caused us to believe that any promotion under this bill will be to stimulate their business. The producer then, is more subject to the sale of his honey, to such organizations, who are not paying enough to cover current costs at the present time.

I urge you to oppose this bill.

STATEMENT OF CARL D. HULTGREN, PRESIDENT OF THE KANSAS STATE BEEKEEPERS ASSOCIATION

I am Carl D. Hultgren of Route #1, Rossville, Kansas 66533. I am at present serving as President of the Kansas State Beekeepers Association and am a member of the American Honey Producers Association. I own and operate a small bee outfit in Eastern Kansas.

The Kansas State Beekeepers Association is opposed to H.R. 9655—The Honey Promotion and Research Act of 1969.

The views of the Kansas State Beekeepers Association are reflected in the following resolution adopted at meeting in Manhattan, Kansas on March 1, 1969:

Whereas, All beekeeping associations within Kansas and surrounding areas, including Kansas State Beekeepers Association, overwhelming, passed resolutions in opposition to H.R. 15936 of the 90th Congress which was tabled by an Agriculture Subcommittee by a vote of 4 to 1, and

Whereas, H.R. 349 (currently H.R. 9655) specifically is the same reading as H.R. 15936, with minor exception of changing the numbers of the sections, and

Whereas, the Kansas State Beekeepers Association has had no change of opinion, and supported by every state that borders Kansas, with regard to the probable merits of the Honey Promotion and Research Act, as written, and

Whereas, we pointedly and specifically reject the proposed Honey and Research Act for these reasons:

1. HR 9655 specifically authorizes the Secretary of Agriculture to take over full authority with regard to promotion and research according to the dictates of his own conscience and judgement. Argument to the contrary notwithstanding. We do recognize that in some cases this would be satisfactory but we also foresee the possibility of some dictatorial Secretary, or his appointee in the future.

2. Supporters of HR 9655 have indicated that the program would be managed by an elective board to be chosen by honey producers. The wording of the bill clearly indicates such board would be only nominated along with alternates and the Secretary would then appoint whomever he decided, and no doubt with the advice and in cooperation with influential people. The manner of electing nominees clearly indicates an element of secrecy.

3. It is clearly the consensus that major packers would benefit from promotion even to a greater extent than producers, yet, they would not be taxed. The clerical work in connection with tax collection and remittance is a minor obligation which they should carry out in addition to their fair share of the tax load.

4. HR 9655 would authorize the Secretary to write rules and regulations that would have the force of law. If a board is to be effective and clearly represent their constituents, that board should be authorized to approve or reject any rules and regulations prior to the point where they would have the force of law.

5. There is no provision in this HR 9655 to tax imported honey sufficiently to control the influx which undoubtedly would be shipped greater quantities to take advantage of any higher price we might generate. Likewise, importers would be encouraged to buy the lower priced imported product instead of patronizing the American producer.

6. There is no point in promoting honey at the national level, unless and until, we raise the duty on imported honey, or tax it high enough to create an equitable balance in competition for the market we may enjoy: Therefore be it

Resolved, That the Kansas State Beekeepers Association, in regular session in Umberger Hall, Kansas State University at Manhattan, Kansas on March 1st, 1969, do go on record by a unanimous vote in opposition to HR 9655 as written and until some definite provision has been set up to protect the market we might create.

STATEMENT OF CECIL KANE, KANE APIARIES, HALLETTSVILLE, TEX.

I am Cecil Kane, Rt. 1, Box 200, Hallettsville, Texas. I own 4,000 colonies and operate a bee outfit in this area of Texas. In addition to honey production we produce queen and package bees. Our honey is sold in 55 gallon drums to the cash buying honey packers over the country. Our bees and queens are sold mostly to northern United States beekeepers.

Currently I am serving as a member of the Board of Directors of the American Honey Producers Association. This is a voluntary organization of beekeepers which is completely controlled by beekeepers.

I am opposed to H.R. 9655. The Honey Promotion and Research Act of 1969. At their meeting last November, our Texas Beekeepers Association adopted a resolution asking that no action be taken on a Mandatory Check-off for honey until the honey import problem had been solved. This is a sound resolution and is still in effect. Nothing has been done to curb imports.

Before working on a Mandatory Check-off for honey we should control imports. Please vote against H.R. 9655.

CHANDLER, ARIZ., June 10, 1969.

HON. TOM FOLEY,
Chairman, Special Subcommittee on Domestic Marketing and Consumer Relations, Washington, D.C.:

We are commercial beekeepers and are opposed to H.R. 9655 and S. 1851. We are definitely opposed to being taxed to promote foreign honey especially since insecticide conditions prohibit us from producing honey. We are in full support of the American Honey Producers Association. We want this statement to be a part of a record of the hearings on H.R. 9655 and S. 1851.

MERCEDES M. DAVIS.
 MERTON E. DAVIS.
 ALBERT KROLL.
 JACK H. GILES.

B-K APIARIES,
 Freeport, Ill., June 4, 1969.

HON. TOM FOLEY,
Chairman, Special Subcommittee on Domestic Marketing and Consumer Relations, Washington, D.C.

DEAR HON. FOLEY: I am William R. Koenig, Route 2, Freeport, Illinois producer of fine Illinois and Iowa Honey. I own and operate some 2100 colonies of bees, producing well over 135,000-lbs. of honey per year. Also producing around a ton of beeswax.

We sell our honey to Chas. E. Farris Company, Inc., 100 Hudson Street, New York, New York and also to Hubbard Apiaries, Onsted, Michigan. Our honey is sold locally in Freeport.

As one of Vice-Presidents of the State of Illinois Beekeepers Association; member of the Iowa Association; member of the Wisconsin Association; member of The American Honey Producers Ass'n and also member of the "Rock River Beekeepers Ass'n. I am opposed to H.R. 9655 and S. 1851, The honey promotion and research Act of 1969, and related bills.

I urge you to vote against H.R. 9655 and S. 1851 as it is truly a bad Bill.

My reasons are as follows:

1—The producers and board under this bill are under continuous orders from Secretary of Agriculture Section 3-7.

2—There is no clear cut line drawn between the small beekeeper, who could be exempt from Assessment, Section 17.

3—Producers and handlers of honey may nominate the board members but the Secretary must actually appoint the Board to Administer the provisions.

4—There is a U.S. Cooperative plus packers, importers and supply dealers would dominate such a board and yet no one but honey producers would be paying into such a fund.

As it is now they are striving to hold price of honey at its lowest level; Council of leaders in these independent organizations above expect to be appointed by the Secretary of Agriculture to Administer the funds. Now is this right?

Respectfully submitted.

Sincerely yours,

WILLIAM R. KOENIG.

KNOEFLER HONEY FARMS,
 Arnold, Nebr., June 4, 1969.

HON. TOM FOLEY,
Chairman, Special Subcommittee on Domestic Marketing and Consumer Relations, Washington, D.C.

DEAR MR. FOLEY: We operate 10,000 colonies of bees for honey production and pollination of seed and fruit crops, in California and Nebraska. We wish to protest H.R. 9655 for the following reasons, all U.S.A. Honey Production was consumed last year. We are sure that the additional tax no doubt would sell more honey; in fact maybe we could sell all the surplus in the world, then the price might increase. For our part we are not interested in promoting foreign honey of which millions of lbs. are entering the U.S.A. every month. We would like our letter to be a part of the record of the hearing on H.R. 9655.

Sincerely yours,

HAROLD R. KNOEFLER.

STATEMENT OF PHILLIP LINDELL, BEEKEEPER, ENID, OKLA.

I am Phillip Lindell, 745 N. Central, Enid, Okla. I am currently serving as President of the Northwest Oklahoma Beekeepers Association.

I have 205 colonies of bees. My production is sold to neighboring super markets and individual customers. I do not have a market problem, since my honey is sold rather quickly each year.

I am opposed to H.R. 9655, The Honey Promotion and Research Act of 1969.

Our Oklahoma association is opposed to any action on a compulsory check-off for honey until the import problem has been solved. I wholeheartedly support this position of our Oklahoma association.

If packers are to be allowed to sit on the administrative board they should be assessed. As set up in the bill the board is unfair.

Too much authority is given to the Secretary of Agriculture.

If the bill caused an increase in consumption of honey I feel like the additional demand will be supplied from imported honey since our own production is declining.

Some of the bee supply manufacturers have been pushing for passage of this bill yet they will not pay any of the taxes. If they want our honey taxed for promotion it would be proper for the bee supplies sold to be taxed also.

Please kill this legislation.

STATEMENT OF DOUGLAS LONG, PRESIDENT, NEBRASKA HONEY PRODUCERS ASSOCIATION

My name is Douglas Long, Lexington, Nebraska. I am President of the Nebraska Honey Producers, Ass'n. I operate 2,000 colonies of bees in central Nebraska.

At our annual meeting held November 3, 1968, we voted unanimously against any Promotion & Research Act for honey. This applies to H. R. 9655 and S. 1851.

As beekeepers we have promoted honey in many different ways. At county fairs, at the local level and we had a booth at the Nebraska State Fair in 1969 with the Nebraska Honey Queen in attendance. An estimated 400,000 persons witnessed the booth and thousands of honey recipes were given away. All this is voluntary on the part of the Honey Producers.

The proponents of H.R. 9655 and S. 1851 use as their main argument is that the percapita consumption of honey in this country is declining. The cause is not from lack of promotion but is due to our rapidly expanding population. No account is taken of our rapid decline in production and the fact that our consumption of honey is now many millions of lbs. more than we produce, so that foreign honey is being imported to supply the demand. The foreign honey is being used to depress our domestic market. This bill H. R. 9655 and S. 1851 would not help our domestic market. It would simply tax the beekeepers to develop a market for foreign honey.

Due to the severe winter in the northern sections of the U.S. the beekeepers have been dealt a severe blow in the loss of untold numbers of colonies. In Nebraska our winter kill runs from 15% to 80% or a probable kill of 35,000 colonies out of 103,000 colonies. In 1968 we were the 8th state in the U.S. in honey production. We produced over 8,000,000 lbs. Nebraska honey producers are mainly commercial producers and they cannot see how passage of H. R. 9655 and S. 1851 will benefit them.

We ask you to kill this bill or any related bills.

STATEMENT OF O. P. MANDRAPA, CALEXICO, CALIF.

I am O. P. Mandrapa, P. O. Box 1025, Calexico, California, 92231.

I own and operate 2500 colonies of bees, producing honey on a commercial basis and am also deeply involved in the seed pollinating business.

I have the best interests of the honey industry at heart. I believe that beekeeping has a good future, if given a chance to run its own business, rather than being taxed out of it by the compulsory Honey Promotion and Research Act of 1969.

This legislation would not help the honey producer, neither would it solve the basic problems of beekeeping—which are many. We must work to solve them by other means rather than by compulsory honey promotion tax, which would help sell the foreign honey and depress our own domestic market.

I am opposed to H. R. 9655 and S. 1851, The Honey Promotion and Research Act of 1969, and related bills, as I cannot see how it would help my business in any way.

I strongly urge you to vote against H. R. 9655 and S. 1851.

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., June 10, 1969.

HON. THOMAS S. FOLEY,

Chairman, Domestic Marketing and Consumer Relations Subcommittee, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN FOLEY: 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 its views with respect to H.R. 9655, the Honey Promotion and Research Act of 1969.

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

Farm Bureau has a long record of supporting sound, well-coordinated programs for the promotion of agricultural commodities. At our most recent annual meeting, in December, 1968, 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 federal government administers, or has veto power 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) The program must be approved or amended by two-thirds or more of the eligible producers voting individually in a referendum, and these must represent two-thirds or more of the production of the commodity involved.

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

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

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

"(7) 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. 9655 fails to meet the criteria set forth in our policy resolution in a number of respects. The Secretary of Agriculture would have veto power over the program; the Secretary could initiate hearings without a request from producers; a majority of the producers who produce two-thirds of the honey could vote in an order; there is no provision for periodic review by producer referenda; board members would be appointed by the Secretary; there is no right for producers to refuse to pay at the first point of collection; and no provision for an annual certified audit.

Our only experience to date with a nationwide check-off program for any agricultural commodity that involves the federal government 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 federally controlled promotion activity is in the best long-term interest of honey producers. Therefore, we urge that H.R. 9655 not be enacted into law.

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

Sincerely your,

MARVIN L. McLAIN,
Legislative Director.

MINNEAPOLIS, MINN., June 9, 1969.

Hon. TOM FOLEY,
Chairman of Special Committee on Domestic Marketing and Consumer Relations.
%Mrs. Christine S. Gallagher, Clerk, House of Representatives, Committee
on Agriculture, Room 1301, Longworth House Office Building, Washington, D.C.:

We believe H.R. 9655 honey promotion and research is detrimental to honey producers. Any benefits from promotion would be nullified by imports. We need higher import duty and higher support prices. We emphatically object to paying one-quarter cent per pound. Sales tax on our honey for a program of such doubtful value to the producer. Make this wire a part of the record of hearing on H.R. 9655.

MELFORD OLSON.

OSBORNE APIARIES,
Beloit, Wis., May 31, 1969.

Hon. TOM FOLEY,
Chairman, Special Subcommittee on Domestic Marketing and Consumer Relations, Washington, D.C.

DEAR SIR: My name is Marcus Osborne. I operate over 1500 colonies of bees on a commercial basis, and own them, giving free pollination for the most part to the economy of the nation and try to make my living on the sale of honey. I have been in this business over 30 years. I am past president of our Wisconsin Honey Producers Assoc. and am holding or have held other positions in county, state, national beekeepers organizations.

I would appreciate it if you would make my comments a part of the record of the hearing on H.R. 9655, the Honey Promotion and Research Act of 1969.

California has had a honey promotion program since 1952 very similar to the bill now being introduced nationally. For 16 or more years they have been promoting honey and had the services of an excellent Home Economics Expert and advertising agency.

How has this helped the California producers? In 1963 (highest production year of the last 10 years) California producers received 13¢ to 15½¢ per pound. In 1968 (lowest production year since 1944) her producers are receiving 12½¢ to 14¢ in latest May, 1969 U.S. Report, at a time before their new crop starts when prices should command highest price. This is a *drop* of 1¢ to 1½¢ per pound for the producer in California compared to 5 years ago.

In comparison, Wisconsin producers are receiving about a 2¢ *increase*, May, 1969 report, due to the very low production of 1968, compared to 1963, a high year for Wisconsin in production, also. These figures on production and prices are from U.S. Dept. of Agriculture Honey Market Reports. Wisconsin producers are receiving 14¢ and 15¢ at this time.

Latest of these U.S. Agriculture reports show that California honey PACKER wholesale markets command up to 9¢ per pound price more than does the Chicago markets (no Wisconsin markets are listed) so it would appear that the California consumer is paying more for his honey, even though the producer is not benefitting.

The producer is the only one to be taxed under H.R. 9655. From the 1968 U.S. Annual Honey Report you will note that our industry is a steadily dwindling one as to numbers of colonies being operated. Costs have gone up just as steadily as bees have diminished. The last thing the producer needs is additional expense. We do need protection from sprays, foreign imports and other conditions that raise expenses and lower our income.

Records prove that the production of honey is not on a paying basis. Trade papers are full of advertisements of beekeepers trying and it is difficult to sell bees and equipment. As the nation loses its bees and beekeepers, it loses its crop yields due to pollination—it loses a cog in the wheel of economy as we stop buying our supplies and hiring our labor, it loses its taxes.

We urge you to reject H.R. 9655, the Honey and Promotion Research Act of 1969. It is a very loosely written bill and *will hurt the producers* of honey, and the pollination of food crops of the country.

We thank you for your consideration of our predicament.

Gratefully yours,

MARCUS OSBORNE.

OKLAHOMA BEEKEEPERS ASSOCIATION,
Chickasha, Okla., January 7, 1969.

Hon. PAGE BELCHER,
*United States Congressman,
Washington, D.C.*

DEAR SIR: The Oklahoma State Beekeepers' Association at its annual meeting October 12, 1968 adopted the following resolution:

Whereas, returns from a questionnaire sent out from the Federation office indicate a lot of confusion about a national promotional program for honey and;

Whereas, there is a lot of opposition to some points that were included in the "Honey Promotion and Research Act of 1968," and

Therefore, Be It Resolved, that the Oklahoma Beekeepers' Association instruct its officers to conduct a thorough study of all phases of a national promotional program for honey and how it will affect our beekeeper members both large and small.

Be It Further Resolved, that the American Beekeeping Federation take no action on a National compulsory promotional program until the honey import problem has been resolved and the members of the State Associations have ample time to study the program and how it will affect their members.

Be It Further Resolved, that copies of this resolution be sent to members of the Board of Directors of the American Beekeeping Federation and other interested persons in the Beekeeping Industry.

For your information HR 16455 and related bills asking for a mandatory check-off on honey were introduced during the second session of the 90th Congress. The sub-committee on Research and Extension of the House Committee on Agriculture held a hearing for these bills on June 18, 1968. The Sub-committee passed over the bills without prejudice in July.

We feel like the bill was hastily prepared and our membership was given no opportunity to study the bill. We feel like our request to delay action is reasonable. To be quite frank about it, our preliminary investigation gives us a negative attitude.

Complying with the resolution will be no small task. I have appointed a committee to study the matter in detail and asked them to "hammer out" a position that will be acceptable to our association. I am hopeful that this can be done so that we can take some definite action at our June meeting.

The proponents of a mandatory check-off contend that a promotional program is surely needed to increase consumption of honey. I have some mixed thoughts on the matter of increasing honey consumption in Oklahoma.

It seems to me that increased consumption will heat up our price wars and increase low price imports. This would automatically mean lower prices for our Oklahoma Beekeepers and squeeze the small operator who is struggling to make ends meet. You can readily see why we want the import problem solved before launching any kind of a national promotional program.

We are proud of our small industry in Oklahoma. Our membership has been growing and all reports indicate an increase in beekeepers and honey production. No one has reported any difficulty with sales. No Oklahoma honey will be "carried over" until next season. At the moment our prices have been satisfactory.

We think our resolution is reasonable under the circumstances. We will certainly appreciate anything you can do to delay action on any mandatory check-off bill until we have "hammered-out" our official position.

Very truly yours,

HUGH PRICE, *President.*

STATEMENT OF HUGH PRICE, PRESIDENT OF THE OKLAHOMA BEEKEEPERS ASSOCIATION

I am Hugh Price of Chickasha, Oklahoma. I own and operate a small commercial bee outfit in central Oklahoma. I am a member of the Board of Directors of the American Honey Producers Association and president of the Oklahoma Beekeepers Association. My statement will reflect the views of our Oklahoma association only.

We are opposed to H.R. 9655, The Honey Promotion and Research Act of 1969

At this point, I would like to mention that quite a number of my fellow Oklahomans assisted me in the preparation of this statement. I am grateful for the help of my fellow officers in the Oklahoma association—Mr. Phil Lindell, Novak Bullard, and Lynn Beard. I am pleased with the excellent and willing cooperation of the Oklahoma State Board of Agriculture.

According to the Department of Agriculture, Oklahoma beekeepers own an estimated 50,000 colonies and produce approximately two million pounds of honey annually. Our Oklahoma Board of Agriculture lists nearly 1,000 beekeepers owning from 1 to 1,700 hives. Beekeepers and colonies are definitely increasing in our state. A good many of our producers can be called sideliners. This group produces honey in commercial quantities but depend on other sources for the major part of their income. As near as we can figure, at least 50 of our members will be included in a mandatory assessment.

Our state has wholeheartedly worked for high price support, import protection, indemnification for bee losses from pesticides, and a strong bee research program.

At our June, 1968, meeting and picnic we passed the following resolution: "... that we defer action on the 'Honey Promotion and Research Act' until the import problem is solved." This resolution was a part of the hearing that was held on June 18, 1968 before the Sub-Committee of the House Committee on Agriculture.

At our annual meeting on October 12, 1968, we adopted the following resolution: "Whereas, returns from a questionnaire sent out from the American Beekeeping Federation indicates a lot of confusion and about a national promotional program for honey; and

"Whereas, there is a lot of opposition to some points that were included in the Honey Promotion and Research Act of 1968: Now, therefore, be it

Resolved, That the Oklahoma Beekeepers Association instruct its officers to conduct a thorough study of all phases of a national promotional program for honey and how it will affect our beekeeper members, both large and small; be it further

Resolved, That the American Beekeeping Federation take no action on a National compulsory promotional program until the honey import problem has been resolved and the members of the State associations have ample time to study the program and how it will affect the members; be it further

Resolved, That copies of this resolution be sent to members of the Board of Directors of the American Beekeeping Federation and other interested persons in the Beekeeping Industry."

Copies of this resolution have been mailed to the Oklahoma Congressional delegation. As instructed, I attached a letter to the resolution asking them to oppose any action on the bill until such time as our group would be able to publicize a policy.

As indicated in the resolution, we want some action on imports first. We would, also, like for our members who will be included in the assessment to understand what the bill will do for them or against them. It is truly regrettable that such little information has been published on the bill.

The proponents of a mandatory check-off have repeatedly said that our honey consumption is declining. I wonder if they have any better figures than dividing our reported population into our annual reported honey production. I would be inclined to take any statement that was based on the USDA figures with a grain of salt. I have a feeling that honey production and honey consumption in Oklahoma is increasing. A good many little things tend to indicate this.

Our state association is growing by leaps and bounds. In past years our group could have met in a telephone booth with ease. Our meetings are now well-attended. Few state associations equal our attendance. Supply dealer say

their sales have increased in Oklahoma. Queen and package bee shippers report increased activity with Oklahoma beemen.

You would think that this sudden increase in the bee business in Oklahoma would create some problems. Selling honey is not one of them. Not a pound of Oklahoma honey will be carried over to the next season and most of the sales were made at profitable prices. Oklahoma production is reported at two million pounds. We estimate that commercial packers ship in nearly two million annually. If these figures are near accurate, our per capita consumption would be about 2 lbs.

If we removed the entire Oklahoma production from these figures, I doubt that commercial packer would sell very much more honey than they are presently selling. To state it more simply—without realizing it our small producer-packers are doing a tremendous job promoting and selling honey without realizing it. They talk bees and honey constantly. Collectively, this activity should be considered an important part of any promotional program. The honey booths at the county and state fairs are examples of important promotional work.

The promoters of a mandatory check-off have asked us to go along blindly and accept their "pig in a poke" without asking us how we feel about it. As near as I can guess, nearly 50 of our producers would be covered in the mandatory check-off. Some of our industry bigwigs have indicated that "us Okies" don't amount to much.

I think we might explore a few details that should be discussed at this point. Commercial packers seem continuously engaged in some kind of price war. As near as I can determine about 60% of the commercial packer sales in Oklahoma are made up of 4 lb. containers. A great percent of these four-pounders are sold on a "deal" basis which allows the retailer to sell them at 98¢ or less. One wholesaler reported that he had been well-stocked on "deal" honey for an entire year. This means that price lists in the catalogs or books used by the wholesaler are meaningless.

I have no quarrel with any of these packers, who sell honey so that it can be retailed for 98¢ or less. The blame or responsibility would be difficult to establish. However, I feel as it might be worthwhile to check into the matter of "wheeling and dealing" among our larger packers. I feel legislation might prove helpful in this area.

The promoters of a mandatory check-off say that their proposal will increase consumption of honey, and this increased consumption will be our salvation. If the program will increase consumption, I would like for someone to tell me if this increase will cause the packers to heat up our price wars. I feel as it will. I am also firmly convinced that increased demand will cause an increase in imports and I think most will agree that this will depress our domestic prices. Can our producers stand a continuously depressed market? Of course not.

I have appointed a mandatory check-off committee and have asked them to give us a report as soon as possible. I am hopeful they can "hammer out" a report and have it ready for our June meeting.

In the meantime, our Oklahoma opposition against any action on a mandatory check-off bill will remain firm. We hope our beekeeper friends in Idaho, Minnesota, and California will understand. We think our position is reasonable. Surely, we are not expected to support anything we do not understand. I want to assure everyone that we will do everything as quickly as possible and our action certainly is not a delay tactic.

In summation, it would seem that:

1. Increased honey consumption will cause hotter price wars.
2. Increased consumption will cause increased imports at low prices.
3. Increased low price imports mean lower prices for our domestic honey.

Please kill H.R. 9655 and related bills!

PUPPE APIARIES,
Nebraska City, Nebr., May 31, 1969.

Hon. TOM FOLEY,
Chairman, Special Subcommittee on Domestic Marketing and Consumer Relations, House Office Building, Washington, D.C.

DEAR SIR: I am a relatively small beekeeper with about 200 colonies of bees. I want to go on record as being much opposed to H.R. 9655 the Honey Promotion and Research Act of 1969.

I think it is a bill that would not help small and large beekeepers of the U.S. It is so loosely written so as to help the large Co-ops, and large pack-

ers and IMPORTERS of honey into the country. The way I interpret this legislation is that the BIG boys get the advantage and pay nothing. The cost falls entirely upon the honey producers. Thank you very much.

Sincerely yours,

HENRY F. PUPPE.

STATEMENT OF CLIFFORD REED OF DAYTON, WYOMING

I am Clifford Reed of Dayton, Wyoming. I own and operate the Tongue River Apiaries, a commercial bee outfit established by my father in 1918 when I was a lad of 10 years. Since the early 1940's when I purchased my Dad's outfit and joined it with my own, we have been one of the larger bee outfits in the state.

I am strongly opposed to H.R. 9655 and S. 1851, The Honey Promotion and Research Act of 1969.

In this area our annual colony production is about half of what it used to be. (Due to improved farm machinery and changing farm practices.) I have seen many changes take place in the beekeeping industry. Some of these are:

1. State laws have been passed which prohibit movement of healthy bee colonies into good production areas (Montana, South Dakota, and many others).
2. A lid of 100% of parity was clamped on us during a war when we could have named our own price, and then a support of 66% when things changed and we must now compete with sugar, syrups, and jams.
3. A total loss of honey crops due to grasshopper spraying supervised and primarily financed by Federal and State funds.
4. Increased imports of foreign produced honey and of course many other problems.

This foreign honey has always been a thorn in my side and as our production costs continue to rise, it hurts even worse. I and all American honey producers are subject to Federal and State sanitary regulations. To comply costs money and constant vigilance. Foreign producers are not subject to these regulations, and in some cases quality might be of doubtful character but it is still brought into the U.S. and fed to the American public. I do not believe that passing a law to tax me to promote foreign produced honey will be of any benefit to me. When a quota and fair tariff is placed on imported honey I might be willing to take a second look at mandatory assessments for promotion and research.

Not long ago in Montana I found a good quality Montana produced and packed 5 pound pail of honey retailing for \$1.09. Every now and then a Co-op packed 5 pound pail of honey can be purchased in Wyoming or Colorado for 98¢ I do not believe taxing me will correct these and similar situations.

Naturally honey buyer-packers are going to push hard for passage of this legislation—it would be a big help to them. But to the average tax paying honey producer I believe it would be an added burden that could well break our backs and might lead to Heaven knows what. I ask for defeat of the Honey Promotion and Research Act of 1969.

L. R. RICE & SONS,
Greeley, Colo., June 2, 1969.

Hon. TOM FOLEY,
Chairman, Special Subcommittee on Domestic Markets,
House Office Building,
Washington, D.C.

DEAR SIR: In reference to H.R. 9655, we would like to state our opposition to this bill. We operate around 3,000 colonies of bees and we feel that they are very essential to agriculture for pollination. Our cost of production has steadily increased over the past several years, at the same time the net price received by beekeepers for bulk honey is about the same today as it was twenty years ago.

The total consumption of honey in the United States is about the same as the total production in the United States, therefore, we do not feel that it is necessary at the present time to advertise and promote honey at an additional cost to the beekeepers.

We understand that the large honey Co-op and packers in the states would like to see this bill passed as they can increase their volume and supply this with

foreign import honey at a much less cost per pound. We would appreciate your consideration of these facts in relation to H.R. 9655.

Thank you,

WILLIAM D. RICE.

STATEMENT OF LEONARD ROBINS

I am Leonard Robins, 205 W. Linden Circle, Kennett, Missouri. I own and operate the Robins Apiaries, a commercial honey producing outfit composed of 3,800 hives of bees which I started in 1926. Currently I am serving as a member of the Board of Directors of the American Honey Producers Associations.

During the time I have owned and managed this outfit we have had several times which were rough going and this is no exception.

The loan on honey furnished by the government is one of the best things that ever happened to the honey business however it is much too low at the present time.

Now it has turned out that we are competing with the imported honey which is being shipped in to the U.S. at less than our own domestic production costs.

I am strongly opposed to H.R. 9655 and Senate bill S. 1851.

We are selling as much honey in the U.S. as is being produced here so I feel we would only be advertising to make sales for foreign honey which seems to be plentiful and cheap.

Before this bill could be of any possible benefit to me there would have to be a rise of several cents duty on honey or a very strong limit on imports.

H.R. 9655 would cost me over \$1,000 per year with no benefit. I feel like it will be an additional expense to an overtaxed business.

Please defeat H.R. 9655.

STATEMENT OF EARL C. ROBINSON, PRESIDENT, THE IOWA HONEY PRODUCERS ASSOCIATION

I am Earl C. Robinson, 406-5th Avenue S. E., Oelwein, Iowa. I am currently serving as President of the Iowa Honey Producers Association and as Director of the American Honey Producers Association. I have owned and operated up to 750 colonies of honey bees in this area for many years. I have also owned and operated a supply business, furnishing the needs of other beekeepers. I have packed and marketed our own production plus the crop of many beekeepers in this area.

I am against the Honey Promotion and Research Act of 1969, H.R. 9655 and S. 1851 and related bills. With a steady declining production rate of honey, our problem is not promotion of this type. Packers that offer the trade an acceptable flavor of honey can find a ready market for their honey.

Iowa production has declined steadily for years, with a 22% decline in 1968. Because of changing farm practices one can expect this production decline to continue.

Profitability of honey production has been depressed by unregulated imports. The utter futility of creating increased demand that will be immediately supplied by cheap imported honey is hardly a reasonable approach to the marketing problem.

The Iowa Honey Producers Association meeting in Boone, Iowa, November 2, 1968, adopted the following resolution; Be It Further Resolved, that the American Beekeeping Federation take no action on a national compulsory promotional program until the honey import problem has been resolved and the members of the State association have ample time to study the program and how it will affect their members.

On behalf of the members of the Iowa Honey Producers Association, I ask that you defeat this type of legislation.

STATEMENT BY JOHN W. SCOTT, MASTER, THE NATIONAL GRANGE

Mr. Chairman and members of the subcommittee, I am John W. Scott, Master of the National Grange, with headquarters at 1616 H Street, N.W., Washington, D.C.

The Grange is a family farm, rural-urban organization, representing over 600,000 members located in 7000 communities in 40 of our 50 states. Members of the Committee might be interested to know that we have active Granges in Alaska and the Philippine Islands, however, not a sufficient number of local Granges to permit them to organize State Granges.

It is because of our heterologous membership that we have a wide range of legislative interests and address this Committee today, representing both the producers of honey as well as the ultimate consumer of this excellent product. To be quite candid, we are more the consumer in regards to honey than the producer. Although many of our members may well be "hobby" beekeepers, and many more are interested in the great contribution the honeybee makes toward higher productivity of our farms by providing pollination of many agricultural crops. Our primary interest in supporting H.R. 11790, and similar bills to enable honey producers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for honey, is that it is in keeping with long-standing Grange policy of self-help programs for the nation's producers of food and fiber.

In 1924, the Delegate Body, meeting, in Annual Session, adopted the following as basic Grange policy:

"The problem of the hour is how to restore and maintain agriculture on equality with other industries to the end that the labor contributed and investment involved be as remunerative when engaged in raising the necessities of life as in any other occupation or industry. Efforts at the solution have brought forth in Congress many relief measures—many of which have meritorious features.

"We wish . . . to point out some of the gross injustices forced upon us due to the dual economic system in vogue in our nation. There has gradually crept into our economic system the idea of special privilege and preferred consideration for certain industries and occupations. The law of supply and demand has been bridled and rendered inoperative by artificial measures of protection, and by price-fixing both direct and indirect, until the price of the commodities the farmer must buy are fixed and sustained on the basis of high wages, high cost of production, interest on investment and profit added.

"The American farmer is straining nobly to maintain agriculture and the American farm home on the high plane of the past and on an equality with every other honorable calling, but he is at present hopelessly handicapped by the dual and unjust economic system which he is forced to patronize.

"The present condition of agriculture is not the result of any single or overt act on the part of organized society, nor is it the consequence of inefficiency or the failure of intelligent application by those therein engaged; but rather the accumulated effect of taking the course of least resistance in legislative enactment, of yielding to the allurements of political expediency and of granting special privilege and preferred consideration in the regulation and promotion of business prosperity."

This statement of Grange policy in 1924, applies somewhat to today's conditions in agriculture, not for the same reason, but the general theme of this 45 year-old Grange policy is certainly applicable.

In 1958, the Grange policy of self-help was stated as follows:

"The development of sound farm programs on a commodity-by-commodity basis has long been a primary Grange objective. We have made substantial progress through the development of a number of specific commodity programs."

This approach has gained wide acceptance and support. It remains Grange policy that we continue to work with and encourage the various commodity groups in the development of sound programs, with emphasis where possible on farmer-financed and farmer-administered programs.

H.R. 11790, and similar bills to encourage the use of honey, thereby expanding the domestic market and effecting price increase by creating a greater demand, is in our judgment, the type of agriculture self-help program that should not only be encouraged by this Congress, but enabling legislation passed to permit any or all producers of agricultural commodities to avail themselves of such self-help programs.

The bills in question provide for referendum of producers before such assessment programs are placed in effect and further provide for a producer to be reimbursed for the amount of funds he has paid into such a program if he so wishes, upon showing of proof of payment of such assessment. Thus, any plan would be voluntary on the part of the producers.

We would like to point out to this Committee that one of the bills in question provides for collecting a like assessment on honey and honey products imported into this country. This, in our judgment, is a violation of GATT (General Agreement on Tariff and Trade) as it would be a charge over and above any tariff schedule now in effect and approved by GATT on honey. Therefore, we would recommend that this section be removed from legislation reported by this Committee.

The Grange is in agreement with the general purpose of the import regulation feature of Section 20, (a)(b)(c)(d) and (e) of H.R. 11790. It would make little sense and show even less financial management ability to encourage the American honey producers to spend their own money to expand and promote markets for their product, only to permit foreign suppliers to usurp that market at no expense to the foreign producer. However, we would hope that such import regulation would be worked out under the rules of GATT and not by legislative means. This could lead to the approval under GATT of assessing foreign imports of honey products and then allowing them to share in the growth of the domestic market after 1970, on a pro rata basis of each country's past import history.

We would also recommend that one other provision be considered by the Committee before approval of the "Honey Promotion and Research Act of 1969". That would be to investigate with the industry the use of Federal Marketing Orders in connection with the promotion and research features of the act. It would seem to us that some control over grade and quality would be highly desirable if funds are to be spent to encourage and promote increased use of honey products. In case such action is desirable the consumer would be amply protected by being assured of high quality products at fair and reasonable prices.

In conclusion, Mr. Chairman, please permit me to re-state some basic Grange policy regarding farm marketing.

Our Journal of Proceedings for 1961 stated:

"MARKETING ENABLING LEGISLATION"

"The Grange has long advocated the commodity-by-commodity approach in the development of farm programs, and recognized the marketing order as a useful tool in developing such programs. Under existing Federal law, however, this and similar tools are not available to the producers of many commodities. If it becomes apparent that there is a broad desire on the part of the producers of any such commodity now excluded by law to have the opportunity to develop and vote on marketing-order type measures, we will support their efforts to obtain necessary enabling legislation."

In addition, in 1959, Grange policy regarding marketing orders was expressed as follows:

"Increased producer bargaining power. The Grange believes that farmers are entitled to bargaining power comparable to that enjoyed by 'labor' and 'business'. Farmers are both. Our programs would, therefore, seek to place responsibility for—and the control of—excess production in the hands of producers themselves.

"Provide producer-managed marketing programs. Through legislation, government has helped develop the bargaining power of organized labor. Other Federal laws often enable 'business' to regulate and control production and marketing of its products and services. Likewise, government should provide the framework for producer-managed commodity marketing programs, where necessary, to enhance producer-bargaining power."

At our 1968 Annual Session, the Delegate Body reaffirmed basic Grange policy of legislation to enable producers, through referenda, to establish facilities for orderly marketing of agricultural commodities, thus continuing our strong support for self-help farm programs.

We, therefore, urge this Committee to adopt legislation to give honey producers an opportunity to develop their own self-help programs. We would call your attention to several recommendations we have made to make the programs more in keeping with total national trade policy and still provide the producers the enabling legislation they need.

We appreciate this opportunity to present our position to this Committee and to once more support legislation to increase the farmer's control over his own destiny.

Thank you, Mr. Chairman, for permitting the National Grange this privilege and we ask that our statement be made a part of the hearing record.

LA FONTAINE, IND., June 1, 1969.

HON. TOM FOLEY,
Chairman, Special Subcommittee on Domestic Marketing and Consumer Relations,
House Office Building, Washington, D.C.

DEAR SIR: It has been brought to my attention that the hearings on H.R. 9655, the Honey Promotion and Research Act of 1969 are near. I want to go on record as a producer and as Vice Pres. of the Indiana State Beekeepers as not in favor of H.R. 9655. I realize that as a producer and in talking to other beekeepers thru the association that an act of this type may have some virtue in the future, but until we get greater import restrictions and an indemnity program, the Honey Promotion and Research Act would have the producers paying the costs of this bill and that we cannot afford until our decreasing income is corrected.

I would appreciate it very much if you would make this letter a part of the record.

Yours truly,

DON M. SHENEFIELD.

STATEMENT OF W. H. SMITH, PRESIDENT, ARKANSAS BEEKEEPERS ASSOCIATION

I am W. H. Smith of Harrison, Arkansas. Currently, I am serving as President of the Arkansas Beekeepers Association. I own and operate a sideline bee outfit. My honey is sold at retail in one of the country stores in Dogpatch, USA. We buy honey from neighboring beekeepers to supply the demand since our own production doesn't last very long.

H.R. 9655 and S. 1851, the Honey Promotion and Research Act of 1969, would tax my own production and force me to collect taxes from my supplying beekeepers.

Personally, I am opposed to the payment of the tax. I am also opposed to this assessment as a "handler". I dislike being a tax collector. I will outline my reasons.

In the first place, our Arkansas Beekeepers Association has taken a position against the bill. I certainly agree with the position that was outlined in the following resolution which was adopted at our last annual meeting on November 1, 1968:

"... Be It Further Resolved, that the American Beekeeping Federation take no action on a National Compulsory promotional program for honey until the import problem has been resolved and the members of the State associations have ample time to study the program and how it will affect their members..."

Until something is done to control imports I do not feel that any benefits whatever will come out of this bill. In addition to this, I feel like our beekeepers are entitled to know what this bill is all about. Some of us feel that its passage will eventually eliminate the small producer-packer and funnel most of our production through the large packers and co-ops. We have over 100 Arkansas beekeepers who will probably come under the provisions of this Act. A good many of these pack and sell their own honey and some buy honey from their neighbors. As I interpret H.R. 9655 and S. 1851 these people would be designated as "handlers".

I know of very few beekeepers in Arkansas who have a marketing problem with their Arkansas honey. Nor is it likely that they will have a problem under the present conditions in Arkansas.

We have a nice promotional program that has moved our honey in the past and if we half-try it will continue to do so in the future. It would not be good business to discontinue our several programs and put our energies and money into some big scheme that would eventually put us out of business.

Our honey queen program sells honey. Our fair booth program sells honey. Every collective scheme that we have tried sells more Arkansas honey. It would be senseless to quit these. On the contrary, we need to increase our efforts.

In 1967 Arkansas beekeepers produced 2,576,000 pounds of honey from 92,000 hives according to the USDA Honey Market News. Beekeeping as a whole in Arkansas has been growing as a result of our collective promotional efforts. We have had excellent cooperation from our state officials. We have stressed the need of bees as pollinators and have tried to educate the general public about this need.

H.R. 9655 and S. 1851 puts too much power in the hands of the Secretary of Agriculture. Three honey packers, who wouldn't be paying one red cent, are permitted to sit on the Administrative Board. *This is unfair.*

Why not give the beekeeper a choice before he pays? Why set up machinery for refunds? *This is unfair and needless.*

Gentlemen, this concludes my statement. Please kill this vicious piece of legislation.

STATEMENT OF KENNETH SPERRY, COMMERCIAL BEEKEEPER, KINDRED, N. DAK.

I am Kenneth L. Sperry, Box 487, Kindred, North Dakota. I am currently serving as President of the North Dakota Beekeepers Association. I own and operate 1500 colonies of bees. We sell our honey to packers-exporters.

I am opposed to H.R. 9655, The Honey Promotion and Research Act of 1969.

In my opinion any increase in honey consumption would not help honey prices. It would increase importation of foreign honey at low prices.

Apart from the above, the passage of this act would create a need for administrators—more people on government payroll. We need less.

I urge you to vote against H.R. 9655.

STATEMENT OF P. EVERETT SPERRY, LAWRENCE, KANS.

To: The Senate and House Committees on Agriculture.

I have been an educator in the secondary field of education for many years and now retired. I served in the Kansas State Legislature 1955 and 1956. I now operate 200 colonies of bees and together with my family, we operate about 1,800 colonies in Kansas and North Dakota. I served two terms as President of the Kansas State Beekeepers' Ass'n and as a delegate to the American Beekeeping Federation, the minority group now sponsoring the H.R. 9655 and S. 1851, the Honey Promotion and Research Act.

I personally oppose these resolutions covering the Honey Promotion and Research Act for the following reasons:

1. If I were alone in my opposition, there could be some question, but what I offer to you here for consideration represents the unanimous consensus of beekeepers assembled in their regular annual state meeting held on March 1st, 1969 at Kansas State University, Manhattan, Kansas.

2. The matter of consuming more honey by the public is not our chief concern. As of May 15th, no surplus was available in Kansas and we were sold out in North Dakota. We are concerned about the low price paid for honey at the producer level. While all costs are higher as everyone well knows, the producer price is lower than it was three to five years ago. The reason for this lies in the fact that importers can buy for less on the foreign market and they use this as a club to beat down domestic prices. Container costs and labor is also up for packers and to maintain their established business, the practice is to buy for less wherever they can find it—at home or on the foreign market.

3. We oppose the Act too on the grounds that it will not serve any useful purpose for producers, yet they are the people who will be required to pay the tax under H.R. 9655 and companion S. 1851. We believe this type of legislation—as written, is only a straw in the wind.

4. We look with askance on the possibility of "Enabling legislation" that has a record in agricultural circles to grow and grow in authority under regulations written by an ever increasing number of Department of Agriculture employees, commonly referred to as bureaucrats. We believe the policy of building up regulatory employees will be bad for the honey producers and a continuing bad policy for any political party—especially so when we already have more than three million people on the government payroll. Sponsors of these resolutions may tell you that the honey producers will operate the program through a board elected from their own group. A careful reading with a little imagination plainly indicates otherwise.

5. We view the names of substantial members of Congress as co-sponsors of H.R. 9655 and S. 1851 as mere political strategy on the part of major interests. It may serve them well back home in the next election rather than rendering a major service to honey producers across the nation.

We request your co-operation in killing the Honey Promotion and Research Act as non-essential to our interests without first providing some restrictions on cheap foreign production.

EDITORIAL

(By P. Everett Sperry)

It is my purpose here to pass on to the Kansas Beekeepers information that I have reasons to believe to be factual along with my personal evaluation of what has happened to the American Beekeeping Federation. In the mail recently, was a News Letter that came to me from Cannon Falls, Minn., the new home office of the Federation. I found it quite interesting in many respects. Had I not known what was behind some of the information, it would have been even more interesting. On the whole, there was evidence of some sort of front for consumption. I doubt, under the circumstances, it could hardly be any different regardless of who put the information together.

Anyone interested, would have to research his own mind and then ask the question—"What is the cause of all this?" Why? My conclusions must of necessity be based on what I see has happened, plus the information gathered from those of our area who have had the privilege of attending the last two conventions. I am now convinced that the one problem that broke the camel's back was the proposed "Honey Promotion and Research Act." When analyzed, it is enabling legislation, enabling the Secretary of Agriculture to write rules and regulations to run the business of honey production and marketing of the crop. The cost of this operation, as stated in the House and Senate Resolutions would cost in taxes, not to exceed .15 cents per sixty pound can.

Why is a tax for promotion purposes controversial? As a matter of fact, any type of legislation means "law" and laws are mandatory in compliance. Some of the promoters of this type of action became so involved and so sure they were right, they allowed themselves to bog down into personalities as a whip to line up support for their belief. How can I write this and be gracious, charitable and with needed compassion? That is difficult. Probably as difficult as it was for Mr. E. H. Adee to move for the adoption—if he did—of a resolution in the presence of some of the organization peers, while deep down in his breast he knew that he opposed the resolution and what seemed to him for good reasons. All of which reminds me of the story of the old lady who said, "I am willing to be convinced, if you can convince me" and the saying, "A man convinced against his will, is of the same opinion still."

When we think of promotion along with the thought and anticipation of an increase in prices for honey at the producer level, we tend to grab at any straw in the wind with optimism. The .15 cent per can seems small indeed in exchange for the *hoped-for* price increase but there are catches. The .15 cents might pay for the advertising but the cost of administration of the program would have to be paid for from government money and that would mean more taxes for everybody to pay for a staff of employees and even Democrats and Republicans now concede that we have too many bureaucrats in Washington now. This is not all either. The Kansas City Star reports that there is a "Potato Promotion and Research Act" now before the Congress. We know that the potato grower does not get enough for his crop but the price is jacked way up when it reaches the customers. What is to be done to correct that? You need not tell an Irishman that he should eat more potatoes but we may need to tell the middlemen something. If we pass a bill to promote honey and another to promote potatoes, then why not get out bills to promote corn, rye, oats, beans, broilers, beef, prunes, or even spaghetti? Then draw on your imagination to compute the number of additional bureaucrats required to administer the Acts.

Enabling legislation means just what it says. It enables the government to write a set of regulations that may and often does become as all-inclusive as Webster's Dictionary. Then when a staff becomes entrenched in a Washington office, you cannot get to them and even if you could, you could not pry them out with a twenty-five foot telephone pole. The sponsors of this Honey Promotion and Research Act have indicated that the program would be governed by a Board elected by the honey producers themselves. But if you take the time to analyze the wording, you discover that this Board is only nominated and the Secretary may choose from the list. It seems to me that this Board might carry some weight, but could, under some circumstances become as ineffective as the teats on a boar hog. Yet, you beekeepers would have your operation more and more under federal guidance. I mean under guidance of a staff who might or might not know anything about honey production problems.

In my opinion, the Promotion and Research Act will have difficulty in getting through the Congress, and if it does, the honey producers will turn it down later.

Look at this one feature: If the bill passes and you pay your tax, you can get it back by making the request. Imagine what a headache this will be for the Department of Agriculture in making thousands of refunds. There are too many things wrong with the bill in the first place and what is more important, it will not accomplish what is intended unless and until we restrict free access to foreign imports. Importers are human beings and they are not likely to buy domestic honey at the higher prices they purport to promote as long as they can buy imported honey for less. Even if they do patronize the local producers, they will insist on buying their supply at prices comparable to prices they have to pay for the imported product. The mink breeders tried it and according to the Congressional Record of 1968, several millions were spent on promoting mink furs while Norway supplied 48 percent of the market.

Last year the Kansas State Beekeepers' Association in cooperation with some local producers co-sponsored football broadcasts for advertising of honey. I now challenge every state association in the United States to take the bull by the horns and sponsor football and basketball broadcasts in your own state. Advertise as you see fit and desirable from the grass roots up rather than advertising from the top down. In either case you are paying the bill.

I am sorry that a split came about in the ranks of the Federation over this straw in the wind called "Enabling Legislation" but it did come about, and there is only one direction to look and that is toward the future. We need and are getting great support from the thousands of producers who now have their backs to the wall. The new organization of honey producers, American Honey Producers Association will be the coming organization to watch. The first convention will be held in Oklahoma City next January and we are expecting to see a great many there from Kansas in attendance. Surrounding states have set their goal to beat us. I do not think they will. Every Kansan will be wearing a Kansas Sunflower and all you need to do to get your flower is to write to me and ask for it. It will be mailed to you free of any charge.

I have received a letter from Mr. Earl Robinson of Olwein, Iowa in which he lists seventeen states and the membership chairman for each. His chairmen are well known names of people who have been working at honey production for many years. It is believed that honey producers can come together with a common background of experience and give a much better sense of direction.

Under date of April 23rd, I addressed a letter to Senator Robert "Bob" Dole in which I outlined in detail objections to the proposed legislation, and sent copies to Senator James B. Pearson and several Congressmen and received replies from each. I stated that approximately 100 percent of the honey producers in Kansas, Oklahoma, Nebraska and Missouri were opposed to H.R. 9655, *as written*. I am quite sure that I did not exaggerate that estimate. I quote below just one of the replies:

"DEAR MR. SPERRY: Thank you very much for your recent letter, expressing your concern and opposition to H.R. 9655, the Honey Promotion and Research Act. Your letter was most candid and refreshing.

"I have already had the opportunity of meeting with several sponsors of H.R. 9655 who indicated full support of this legislation within the Kansas-Oklahoma area. I have taken the liberty of placing your letter within my legislative reference file on this important subject and will be more than happy to talk to my colleagues in committee with regard to your thinking in this matter.

"I also appreciate the enclosed resolution passed by the Kansas State Beekeepers' Association.

"Your concern and interest are most appreciated.

"Sincerely yours,

"KEITH G. SEBELIUS."

Congressman Sebelius did not name the sponsors, but I am quite sure they were not informed by honey producers of the Middle West. They did not tell it like it is.

In conclusion, may I suggest to all Kansas Beekeepers that if you feel that I did not state the case properly to Honorable Keith G. Sebelius and others, then it is your duty and privilege to write him direct and call my hand. If you do think I stated the facts as they are and need further proof direct from you, then I suggest that you write to your Congressman and tell him so—now, I am informed that the hearing on H.R. 9655 will be on June 10th and 11th. Write to him today and tell him how you think he should vote. He is a member of the House Committee on Agriculture. Use a typewriter or write longhand one line, two lines or

ten and tell him you oppose H.R. 9655 and he should vote No. If you favor, say Yes.

Toynbee said, "Out of 21 civilizations preceding this one, 19 of them have been destroyed by a mixture of atheism, materialism, and socialism, and alcoholism." Gladstone said to the Parliament, "Gentlemen, you need not give yourselves any trouble about revenue. The question of revenue must never, never stand in the way of needed reforms; but give me a sober population, not wasting their earnings in strong drink, and I shall know where to obtain the revenue." Lincoln said, "The legalization of liquor is morally, socially and politically wrong." The cry for open drinking in every state is Revenue! Revenue! Revenue!

STATEMENT OF JOE R. STEWART, PHOENIX, ARIZ.

I am Joe R. Stewart, 1880 E. Buchanan, Phoenix, Arizona 85034. I own and operate the Crockett Honey Company and own over 1000 hives of bees. We process and pack all of our honey, and buy and process approximately one million pounds of honey from the Arizona Beekeepers. We are the largest packers of honey in the State of Arizona.

I am opposed to H.R. 9655 and S. 1851, The Honey Promotion and Research Act of 1969, and related bills.

There will be no carryover of the 1968 Honey Crop into 69, in this area. Some sixty days ago several California packing firms began running out of honey and I was informed that they were going to have to rely on imported honey. This honey did come in and it was cheap enough and they purchased enough of it to put it on the market quite a bit under the present market price. Until something is done to prevent the packers from dumping this cheap honey and further depressing the domestic price, I feel it is idiotically silly to tax the overburdened producer in our area at this time, as he is doing all he can to stay in business. The pink bollworm eradication programs are just about to put him out of business. He doesn't have a surplus of honey in the first place, or money either. Fifteen years ago honey was selling for 12 to 13 cents a pound and that is where the average price is today. Even with the shortage of honey he can't hope to receive more for his honey as long as foreign honey is allowed to come into the United States at around 11 cents a pound.

I am all for promotion of honey because I am fully convinced from past experience and knowledge that it pays to promote your products, but not some one else's, as it would be in this case. The year of 1968 ends with the United States exporting 8 million pounds of honey, but had imported 16 million pounds. I am convinced that before any funds collected for promotion of honey from the producer there should be 3 cents or more per pound levied against the importation of honey into the United States.

I cannot find anyplace in H.R. 9655 and S. 1851, where the packer is to pay any portion of this promotion program. He would surely benefit because the honey passes through his hands too, before it is sold.

I am strongly opposed to the board members having access to the information obtained by collecting funds from honey producers and the amount of honey bought and the names of the producers. With the largest honey packers in the United States, and Co-op Officials on the board this information would be very valuable to these companies. I would not object to turning this information over to the Secretary of Agriculture if it was kept confidential by him, but I would not want my private business transactions made available to the packer board members who do business in competition to me.

I urge you to vote against H.R. 9655 and S. 1851.

STATEMENT OF OTTO STEWART, COMMERCIAL BEEKEEPER, SPANISH FORK, UTAH

I am Otto Stewart, 61 East 600 North, Spanish Fork, Utah. I own and operate a commercial bee outfit. We sell our honey to cash-buying honey packers.

I am definitely opposed to H.R. 9655, The Honey Promotion and Research Act of 1969.

As one of the larger commercial beekeepers and honey producers in the state of Utah, it is my opinion that H.R. 9655 is a very poor bill for our industry.

The cost of cans, trucks, lumber used in our equipment, interest on borrowed money, and everything connected with our industry increases progressively every year, and any increase in the price of honey is very nominal, if any at all, especially for the commercial beekeeper. We are faced with severe losses from insecticides, and the heavy importation of honey sold in the U.S. for less than our cost of production. The honey imported is sold here with no indication whatsoever that it is foreign honey, and the housewife is unaware that she is buying it as such.

Our industry is a depressed one, and while we do need help, and need it badly, or the bee industry which contributes freely in the form of pollination to every segment of agriculture, will of necessity be a thing of the past, certainly this bill will not give us the help we need. It would take away our free agency, and would add to our cost of production, which we can ill afford, and if it did create additional markets, which is doubtful, it could be supplied by cheaper produced foreign honey.

We very much appreciate the price support for honey, but it is far too low considering our production costs, and we can see no reason whatsoever for the differentiation in price between the east and the west. We realize the farmers could not continue to raise sugar beets without the government subsidy paid to them, but the low price of sugar on the retail market contributes to the depression of the honey market.

We need any constructive help you can give our industry, but believe H.R. 9655 bill would merely take away our free agency and be an added expense.

ARIVACA, ARIZ., June 3, 1969.

HON. TOM FOLEY,
*Chairman, Special Subcommittee on Domestic Marketing and Consumer Relations,
House Office Building, Washington, D.C.*

DEAR SIR: In regard to the hearings for H.R. 9655, The Honey Promotion and Research Act of 1969 which will soon be held, we would like to inform you of our complete opposition to this bill. We are beekeepers in southern Arizona, and beekeeping is our livelihood. We own about 600 colonies and operate more than twice that amount. At the present time we see no need at all for a bill such as this one even though it is only an enabling act.

This bill H.R. 9655 does nothing at all to solve the basic problems with which we beekeepers must cope. In the first place one-third of the functioning board would be composed of honey packers and handlers although they would not be assessed in any way and would certainly benefit from increased promotion of honey. The primary fact remains that we already do not produce as much honey as is annually consumed in this country, and our honey production continues to decline.

In addition beekeepers would be paying again for research which as taxpayers we already support through the six U.S.D.A. Bee Research Laboratories. We feel that these laboratories are doing an excellent job in all areas. The Tucson laboratory has often been of assistance to us on technical matters in our struggle against insecticide annihilation and the mesquite eradication programs. (Mesquite honey provides the major part of our annual income, and the Forest Service and ranching interests are quite determined to eliminate this natural forage.)

The above legislation may be needed sometime in the distant future. We hope so. But at the present time rather than assessing ourselves for direct promotion, marketing or development research, and advertising, we beekeepers need to find some help for our declining production of honey. The increasingly heavy use of insecticides for agriculture contributes to our difficulties, yet honey bees are very important for pollination purposes. Many beekeepers have been completely eliminated from the economy because of insecticide kills. Bee forage is suffering in many areas due to government and local programs to eradicate non-agricultural plants such as mesquite and salt cedar. All in all it is a gloomy picture.

Just a week ago one of our most heavily producing bee yards unhappily found itself in the center of a large area which was sprayed with herbicides to kill the mesquite growth. These bees are located on public-owned state land, yet we were not notified of the project.

In summary, it seems that this legislation H.R. 9655 is very unnecessary and hardly worthy of your time. If the bill could be promptly defeated in your committee, we feel it would be best for all concerned. Then, hopefully, we can proceed to something more helpful.

Would you please make this letter a part of the record for the hearing on H.R. 9655. I feel very strongly about my opposition to this proposed legislation.
Truly yours,

EDWIN S. STOCKWELL.

STATEMENT OF ROBERT STRICKLER, COMMERCIAL BEEKEEPER, PASCAGOULA, MISS.

I am Robert Strickler, Route 2, Box 331, Pascagoula, Mississippi. I own and operate 1400 colonies of bees.

I am opposed to H.R. 9655, The Honey Promotion and Research Act of 1969.

This legislation offers no real solution to our several problems. Honey producers have no meaningful representation in the administration of said Honey Promotion and Research Act. The establishment of the honey board with its lack of authority is unnecessary. It's only a figurehead. The cost of such meaningless legislation is prohibitive.

There is simply no need to tax ourselves to promote our honey when we do not produce enough to fill the present demand.

The chief supporters of the bill seem to be those of our industry other than honey producers. Yet they desire to have the honey producer pay all of the tax even though they would reap as much or probably much more of the proposed benefit of the bill. I consider this very unfair. This is taxation through misrepresentation.

Please vote against this unfair legislation.

STATEMENT OF G. O. STROOPE, WAXAHACHIE, TEX.

I am G. O. Stroope, 204 Grand Avenue, Waxahachie, Texas. I own and operate a side-line bee outfit consisting of 300 colonies. I sell my honey to honey packers.

I am opposed to H.R. 9655. The Honey Promotion and Research Act of 1969.

H.R. 9655 should contain some provisions for the control of imported honey—either an increased tariff or a quota. If the consumption of honey is increased I feel like foreign honey will fill the demand. This certainly will not help our own domestic price.

The Texas Beekeepers Association passed a resolution at their last annual convention in November 1968 asking that the honey imports problem be resolved before taking any action on a Mandatory Check-off for honey. I agree with this resolution.

Please kill H.R. 9655.

STATEMENT OF ALBERT THOMAS, COMMERCIAL BEEKEEPER, INDIANAPOLIS, IND.

I am Albert J. Thomas, 2205 E. 99th St., Indianapolis, Indiana. I own and operate 175 colonies of bees. We sell our honey to consumers and industry for re-sale.

I am opposed to H.R. 9655, the Honey Promotion and Research Act of 1969.

It seems silly to me to tax us to promote honey sales while quantities of cheaper honey can be brought into this country to under-sell by under-pricing.

I urge you to vote against H.R. 9655.

TRAPHAGEN'S HONEY,
HUNTER, N.Y., June 4, 1969.

Hon. TOM FOLEY,
Chairman, Special Subcommittee on Marketing and Consumer Relations,
Washington, D.C.

DEAR CONGRESSMAN: Speaking as the official Delegate of the Empire State Honey Producers Ass'n. I herewith wish to file a protest against Bill # H.R. 9655, "The Honey Promotion and Research Act of 1969."

There is no doubt this bill will be absolutely useless and detrimental to the Honey Producers.

We absolutely do not care to have our product taxed for the benefit of the large packer or exporter. Also, we would like to have this statement filed as a part of the Official Hearing on Bill # H.R. 9655.

The Honey Promotion and Research Act of 1969.

Trust this will receive your earnest consideration.

Very truly yours,

M. P. TRAPHAGEN.

STATEMENT OF GEORGE VANDARSALL, COMMERCIAL BEEKEEPER, SIBLEY, MO.

I am George Vandarsall, Sibley, Missouri, 64088. I own and operate 950 colonies of bees. We sell our honey to packers, retail stores and bakeries. I am the immediate past president of the Missouri Beekeepers Association.

I am opposed to H.R. 9655, The Honey Promotion and Research Act of 1969.

In my opinion H.R. 9655 would delegate too much power in the hands of the Secretary of Agriculture. This means he would control an important part of our business—the sale of distribution of our honey. Each packer or beekeeper should promote his own individual brand without the assistance or interference of a government agency. If this bill will increase honey consumption as stated in the objectives, then imports, which are cheap will further depress our market prices.

Something must be done to curb imports before considering a mandatory assessment on my honey.

I urge you to vote against H.R. 9655.

SOUTHERN TIER BEEKEEPERS ASSOCIATION,
Owego, N.Y., June 6, 1969.

Hon. TOM FOLEY,
Chairman, Special Subcommittee on Domestic Marketing and Consumer Relations, House Office Building, Washington, D.C.

DEAR MR. FOLEY: I am writing to you in regard to the two bills: H.R. 9655 and S. 1851.

We the beekeepers of The Southern Tier Beekeepers Association, do not want to have these two bills passed.

It would do the beekeepers a great deal of harm if they were put into effect.

I would personally like to see the United States cut down on the amount of imported honey, so that the beekeeper will be able to get a better price both bulk and retail.

Please make this letter a part of the record on the hearing on H.R. 9655; the Honey Promotion and Research Act of 1969.

Sincerely yours,

JAMES A. VOLZ, *Secretary-Treasurer.*

STATEMENT OF HENRY WALLACE, SULLIVAN, WIS.

My name is Henry Wallace. I live and have my honey plant at Sullivan, Wisconsin. I have been connected with the bee and honey industry since 1945 when I began helping my grandfather. In 1947 I got 2 colonies of my own and have since built up until I now operate 1000 colonies. In 1952 I began working with the State of Wisconsin Apiary Inspection Service. I am still working with them on a part time basis. For eleven seasons I also worked in Louisiana as an apiary inspector for package bee shippers.

I have made many contacts with beekeepers throughout these years and believe I speak for many of them when I say we should strongly oppose H.R. 9655 and S. 1851, the Honey Promotion and Research Act of 1969.

I believe we are putting the wrong horse in front of the cart!! This assessment or tax added to our already saturated costs could mean another \$300-\$400 per year to a producer like myself and with absolutely no guarantee that we will benefit from this added burden. It may make more sales but the benefits will be long absorbed before they reach me as a producer. Last season, for instance, in my area here in Wisconsin we had a complete honey failure. The surrounding three county areas had been declared a disaster area by the A.S.C.S. The entire state of Wisconsin was almost the same. Judging from this the demand for honey should be high and price increase accordingly—I sold my honey for the same price I received eight years ago!! The reason . . . We have by the boat load honey from Argentina and Mexico being unloaded at the Milwaukee docks to satisfy any demand we cannot fill. I contend the H.R. 9655 and S. 1851, The Honey Promotion and Research Act of 1969 will have little effect on improving our honey industry until we can control imports.

In addition I would like to inject this thought. In 1947 when I first sold bulk honey I received 12¢ per pound. In the stores honey in the one pound jars was selling for 22¢-25¢. Last season, 1969, I sold bulk honey for 14¢ per pound. The same one pound jar is now selling for 39¢-45¢. Is this a fair proportion? H.R. 9655 and S. 1851 will tend to widen this gap further. If we need more taxation and

controls let's forget H.R. 9655 and S. 1851 and work on 90% or full parity for the honey producer.

I urge you to defeat H.R. 9655.

PLANO, ILL., June 3, 1969.

HON. TOM FOLEY,
Chairman, Special Subcommittee on Domestic Marketing and Consumer Relations, House Office Building, Washington, D.C.

DEAR REPRESENTATIVE FOLEY: I am writing this letter of protest to you so that it may become a part of the record of the hearing on H.R. 9655, The Honey Promotion and Research Act of 1969.

My son and I operate some 450 colonies of bees in Illinois. I have been actively involved in the beekeeping business for many years, which includes having been a deputy apiary inspector for over 40 years in northern Illinois. I, and my son, are strongly opposed to the passage of H.R. 9655 for the following reasons:

This bill gives no guarantees whatever, or even a likelihood, that the domestic honey producer will profit in the least as a result of its passage. Merely to increase public demand for and consumption of honey is meaningless if prices paid the American producer on the wholesale level remains the same. And, as long as foreign honeys are allowed to enter this country with nearly no restrictions how can one expect an appreciable rise in domestic prices? You can be sure that all the "Research" and "Promotion" in the world will mean nothing to the American beekeeper to alleviate his financially depressed condition without a definite increase in the price paid for his product. It would be, not only unjust, but foolhardy for the domestic producer to financially support a program which, indirectly would encourage the importation from foreign lands of the same product he is already producing in abundance. While this is my major objection to this bill, I also feel it is much too vague and ambiguous in relation to its means and methods of bringing about this "Research and Promotion". Without a doubt, control of this program, and, particularly, control of money spent, will not be in the hands of the producer but in the hands of a small group of men, most notably, the Secretary of Agriculture.

It seems to me that a much more effective and relatively simple bill which Congress should pass first is one that would strictly limit the ever-increasing flow of foreign honey into our country. Without a doubt, this importation is the primary cause for the current sadly depressed state of the American honey producer. And, unless steps are not first taken to alleviate this situation, no well-informed beekeeper in America will support such proposed legislation as H.R. 9655.

Sincerely yours,

WILLIAM J. WALLANCHES.
JOHN W. WALLANCHES.

STATEMENT OF PAUL WILSON, LAKE CITY, ARK.

I am Paul Wilson, Rt. 2, Lake City, Arkansas 72437. I own and operate 290 colonies of bees. We sell our honey to large packers in the U.S.

I am opposed to H.R. 9655, The Honey Promotion and Research Act of 1969.

I feel that these bills are not for the beekeepers of the U.S.A. who do not import or export honey.

I feel that this bill should be voted down.

MICHIGAN APPLE COMMITTEE,
East Lansing, Mich., May 29, 1969.

HON. W. R. POAGE,
*Chairman, Agriculture Committee,
House of Representatives,
Washington, D.C.*

DEAR MR. POAGE: The Michigan Apple Committee, representing 2,300 commercial apple growers in Michigan, strongly urges your passage of H.R. 9655. The usefulness of bees for the pollination of our fruit, needless to say, is a vital component in our production. It is of deep interest to the apple producer that the bee keeping industry be maintained on a sound economic basis.

This bill (H.R. 9655), we believe, may enable the bee keeper to strengthen his position and to operate at a profitable level.

We urge your cooperation in this matter of legislation.

Sincerely yours,

FREDERIC G. HASLER, *Secretary-Manager.*

NATIONAL COUNCIL OF FARMER COOPERATIVES,
Washington, D.C., June 19, 1969.

HON. THOMAS S. FOLEY,
Chairman, Special Subcommittee on Domestic Marketing and Consumer Relations, Committee on Agriculture, House of Representatives, Washington, D.C.

DEAR MR. FOLEY: The National Council of Farmer Cooperatives supports the principle of farmers' self-help programs to strengthen and expand markets, as intended by H.R. 9655, H.R. 9948, H.R. 11049 and H.R. 11790, the proposed Honey Promotion and Research Act of 1969.

The National Council position on such marketing order types of programs is expressed in part in the following policy statement: "The National Council favors legislation for the continuation and liberalization of the marketing agreement and order type authority to provide for inclusion of additional commodities under the marketing agreement and order authority; . . . (to) enlarge and clarify the authorization for agencies established under marketing orders to engage in or finance, within reasonable limits, research and/or market promotion activities, including any aspects of production which are pertinent to improved marketing, from funds collected pursuant to the marketing order . . . (and to) provide for the expansion of this type of authority to encompass such geographic areas as are most desirable to carry out the intent of the order."

We recognize that the efforts of the honey producers to carry out such programs without legislative framework and authority have been hampered by lack of continuity in programming. This bill would provide the opportunity for farmers to devise a more equitable and effective program to inform the public of the merits of their products.

I would appreciate it if this letter is included as a part of your Committee record of hearings on H.R. 9655 and similar bills.

Sincerely,

ROBERT N. HAMPTON,
Director of Marketing and International Trade.

BELEN N. MEX., June 20, 1969.

HON. TOM FOLEY,
Chairman, Special Subcommittee on Domestic Marketing and Consumers Relation, House Office Building, Washington, D.C.

SIR: The New Mexico Beekeepers Association has taken a firm stand against H.R. 9655 and related bills, until such a time when our production costs are reduced to those of foreign countries or until we have some protection from imported honey. We are opposed to being taxed to build a market for foreign honey. We would like if possible for our opposition to be made part of the record of the hearing on H.R. 9655 the Honey Promotion and Research Act of 1969.

Sincerely,

BERNA JOHNSTON,
President of NMBA.

(Resolutions opposing the legislation, copies of which may be found in the files of the committee, were received from the following organizations:)

Indiana State Beekeepers Association
Nebraska Honey Producers Association
South Dakota Beekeepers Association
Arizona Beekeepers Association
Kansas State Beekeepers Association
Midwest Beekeepers Association
Arkansas Beekeepers Association
Oklahoma Beekeepers Association
Iowa Beekeepers Association

(Also received by the committee were resolutions in favor of the legislation, copies of which may be found in the files of the committee, from the following organizations:)

Beekeepers of Central California
 Georgia Beekeepers Association
 Idaho Honey Industry Association
 Montana State Beekeeping Association
 Colorado Beekeepers Association
 Pennsylvania State Beekeepers Association
 Minnesota Beekeepers Association
 Florida State Beekeepers Association
 Wisconsin Honey Producers Association
 North Dakota Beekeepers Association
 Alabama Bee Keepers Association

Mr. FOLEY. Again, the Chair wishes to express its thanks to the witnesses and to the members for their attendance and cooperation. Accordingly, the Subcommittee on Domestic Marketing and Consumer Relations will stand adjourned, at the call of the Chair.

(Whereupon, at 12:10 p.m., the subcommittee was adjourned, subject to the call of the Chair.)



