

WHEAT AND WHEAT FOODS RESEARCH, EDUCATION,
AND PROMOTION ACT

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HEARING

BEFORE THE

SUBCOMMITTEE ON
AGRICULTURAL RESEARCH AND GENERAL
LEGISLATION

OF THE

COMMITTEE ON
AGRICULTURE AND FORESTRY
UNITED STATES SENATE

NINETY-SECOND CONGRESS

SECOND SESSION

ON

S. 3276

BILL TO ENABLE WHEAT PRODUCERS, PROCESSORS, AND
END-PRODUCT MANUFACTURERS OF WHEAT FOODS TO WORK
TOGETHER TO ESTABLISH, FINANCE, AND ADMINISTER A
COORDINATED PROGRAM OF RESEARCH, EDUCATION, AND
PROMOTION TO MAINTAIN AND EXPAND MARKETS FOR
WHEAT AND WHEAT PRODUCTS FOR USE AS HUMAN FOODS
WITHIN THE UNITED STATES

MAY 4, 1972

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WHEAT AND WHEAT FOODS RESEARCH, EDUCATION, AND PROMOTION ACT

THURSDAY, MAY 4, 1972

U.S. SENATE
SUBCOMMITTEE ON AGRICULTURAL RESEARCH
AND GENERAL LEGISLATION OF THE
COMMITTEE ON AGRICULTURE AND FORESTRY,

Washington, D.C.

The subcommittee met, pursuant to notice, at 10:00 a.m., in room 324, Old Senate Office Building, the Hon. James B. Allen (chairman of the subcommittee) presiding.

Present: Senator Allen (presiding).

Also present: Senator Bellmon.

Senator ALLEN. The subcommittee will please come to order.

There is a quorum of the subcommittee present, so we will proceed with the hearing.

This hearing is held for the purpose of hearing testimony with regard to Senate bill 3276.

The purpose of this bill would be to finance a wheat-oriented program of research, education, and promotion. Research would mainly concern human nutrition and motivation and how specific types of products—i.e., commercial bread, family flour, macaroni, cookies and crackers, mixes, and any other products identifiable by groups—fulfill modern dietary, health, and social requirements. Education would communicate such scientific data as well as deal with the practical aspects of how consumers can use wheat foods to better advantage economically and nutritionally, with such information channeled to teachers, students, writers, researchers, leader groups, and general consumers. Promotion would employ the same information in advertising and merchandising to stimulate increased consumption for consumer benefit.

Funds for the program would be collected from processors and for the first year the rate of assessment under the bill would be 1 cent per hundredweight of processed wheat. In succeeding years, the bill provides the rate of assessment may be increased in relation to approved budget needs, but not in excess of 2½ cents per hundredweight of processed wheat.

The bill would establish a Wheat Industry Council of 22 members including 15 voting members and alternates nominated by the Wheat and Wheat Foods Foundation. The voting members would include five wheat producers, five processors, and five end-product manufacturers. The Secretary of Agriculture or his designate would also

serve, and the Secretary would appoint an additional six nonvoting members, two each from the three designated groups.

The Council would be responsible for implementing the program of research, education, and promotion to maintain and expand markets for wheat and wheat products for use as human foods in the United States. It could contract with other agencies, including the Wheat and Wheat Foods Foundation, for the execution of the program. Council members could also serve as members of the executive committee or board of directors of the foundation.

I wish to place in the record at this point a copy of the bill, S. 3276. (A copy of S. 3276 follows:)

[S. 3276, 92d Congress, 2d Session]

A bill to enable wheat producers, processors, and end product manufacturers of wheat foods to work together to establish, finance, and administer a coordinated program of research, education, and promotion to maintain and expand markets for wheat and wheat products for use as human foods within the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the Wheat and Wheat Foods Research, Education, and Promotion Act.

LEGISLATIVE FINDINGS

SEC. 2. (a) Wheat and its products are a basic source of the Nation's total supply of human foods. They are sold on the countrywide market, as wheat or wheat products. Substantial quantities thereof move in interstate commerce from producers to consumers. Recurring periodic surpluses impair purchasing power and financial stability of wheat producers, adversely affect farm credit, disorganize and disrupt the agricultural and general economy of the United States, create uncertainty for consumers, impinge on the general welfare, and burden interstate commerce. The production, processing, manufacturing, and marketing of wheat and its products within the United States directly affect the welfare and security of the Nation.

(b) It has long been found to be in the public interest to have a reasonable balance between the supply and demand for wheat and wheat products produced and sold in this country for use as human foods. Increasing need for food adds a humanitarian dimension and a note of urgency. The distribution, manufacture, and sale of wheat and wheat foods have become major instruments of national policy as well as important factors in the nutrition of consumers.

(c) In order to increase demand for wheat and wheat foods, and to advance the public interest, it is necessary to establish a research, education, and promotion program which will provide:

(1) Research: coordinated and programed to amplify and to extend, without duplication, existing research programs for the purpose of exploring in the public interest such areas as: the nutritional values of wheat and wheat foods and the possibility of new and improved wheat foods which by the nature of research will contribute to knowledge of nutrition in general and understanding of all wheat foods in particular, or increase their value; improved techniques of production and distribution of wheat and wheat foods; and market research, including consumer attitudes.

(2) Education: to communicate existing and new product knowledge, uses, and values in nutrition; nutrition education; in the establishment of school or community nutrition programs; in the preparation and distribution of materials for food editors and writers in all media, leaders of government, and school authorities.

(3) Promotion: including public relations, advertising, trade advertising, merchandising projects, and events and programs for special market areas and market research to determine the most effective methods of presentation of the consumer benefits to be derived from wheat and wheat foods as human foods.

(d) The implementation of such research, education, and promotion will, among other things, (1) contribute to professional and public knowledge, under-

standing, and appreciation of wheat foods and their relationship to other human foods in approved diet; (2) improve the market for wheat and wheat foods; (3) stimulate appreciation of the need for, and greater use of, wheat and wheat foods as an essential part of a balanced diet; (4) reduce and strive to eliminate the need for regulatory controls on the production and marketing of wheat; (5) help improve the effectiveness of world food programs through better utilization of wheat foods; and (6) contribute to those sectors of the National and State economies dependent in whole or part on the industrial vitality of those associated with the production, processing, and end product manufacture of wheat and wheat foods.

DECLARATION OF POLICY

SEC. 3. It is therefore declared to be the policy of the Congress and the purpose of this Act (1) to authorize and provide for the establishment of an orderly procedure for the development, financing, and carrying out of an effective continuous, and coordinated program of research, education, and promotion designed to maintain and expand markets for wheat and wheat products for use as human foods within the United States, and (2) to require the Secretary of Agriculture to utilize the services and counsel of industry organizations and groups to the maximum extent in the development and administration of programs of research, education, and promotion under this Act.

DEFINITIONS

SEC. 4. For the purposes of this Act—

(a) The term "council" means the Wheat Industry Council established pursuant to section 5 of this Act.

(b) The term "Department" means the United States Department of Agriculture.

(c) The term "end product" means any product in which processed wheat or wheat grown within the United States is a material or ingredient, and which is intended for use as human food within the United States without further processing other than final preparation thereof for consumption by the ultimate consumer on the premises where sold or final preparation by the ultimate consumer for personal, family or household use.

(d) The term "end product manufacturer" means any person who produces a end product.

(e) The term "person" means any individual or any partnership, corporation, association, or other business entity.

(f) The term "processed wheat" means any substance produced for use as an end product, or as a component of an end product, by changing wheat grown within the United States in form or character by any mechanical, chemical, or other means.

(g) The term "processor" means any person who during the period of twelve months immediately preceding the date as of which the determination is made (1) produced processed wheat from five thousand bushels or more of wheat or from the equivalent thereof in previously processed wheat, or (2) bought for resale to other processors or to end product manufacturers without further processing processed wheat produced from five thousand bushels or more of wheat.

(h) The term "Secretary" means the Secretary of Agriculture, or any officer or employee of the United States Department of Agriculture who is authorized to exercise the powers and perform the duties of the Secretary.

(i) The term "United States" means the several States and the District of Columbia, but does not include any territory or possession.

(j) The term "wheat producer" means any person who grows wheat within the United States for market.

(k) The term "year" or "fiscal year" means the period from the effective date of this Act to the beginning of the next fiscal year of the United States Government and each fiscal year of the United States Government thereafter.

ESTABLISHMENT OF WHEAT INDUSTRY COUNCIL

SEC. 5. (a) There is hereby established a nonprofit organization to be known as the Wheat Industry Council (hereinafter referred to as the "council") which shall not be an agency or establishment of the United States Government.

(b) No part of the net earnings of the council shall inure to the benefit of any private person, and it shall be treated as an organization described in section 170(c)(2)(B) of the Internal Revenue Act of 1954 and as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code.

(c) The council shall be composed of fifteen voting members and seven additional members. One of the additional members shall be the Secretary or an official of the Department designated by him. The fifteen voting members and alternates therefor shall be appointed by the Secretary from nominees submitted for his consideration as hereinafter provided. The additional members shall meet and confer with the voting members of the council but shall not be entitled to vote or hold any council office.

PROCEDURES FOR THE NOMINATION AND APPOINTMENT OF MEMBERS AND ALTERNATE MEMBERS TO THE WHEAT INDUSTRY COUNCIL

SEC. 6. (a) Within thirty days after the date of enactment of this Act, and not less than thirty days prior to the beginning of each fiscal year which begins after the fiscal year in which this Act becomes effective, the Secretary shall request the Wheat and Wheat Foods Foundation, nonprofit corporation organized and existing under the laws of the State of Illinois, the membership of which is limited to persons who are or who represent producers, processors, or end product manufacturers, to submit the names of fifteen persons for consideration by the Secretary as nominees for appointment to the council as voting members, and the names of fifteen additional persons, each for consideration by the Secretary as a nominee for appointment as an alternate to a designated voting member of the council. Each of said nominees for appointment as voting members or alternates shall be a member of, or an officer, director, or employee of a member of, the Wheat and Wheat Foods Foundation, selected to represent the views and interests of that segment of the industry on whose behalf he was designated, namely producer, processor, or end product manufacturer. Five of the persons so selected as nominees for appointment as voting members of the council and the five persons so selected as nominees for appointment as their alternates shall qualify on the basis of membership in the producer segment, a like number of each on the basis of membership in the processor segment, and a like number of each on the basis of membership in the end product manufacturer segment. Any one or more of said nominees, voting members, and alternates may be a director, officer, or executive committee member of the Wheat and Wheat Foods Foundation.

(b) The additional members, other than the Secretary or his designate, shall be selected at large by the Secretary, two from each of the three segments of the industry referred to in subsection (a) of this section.

APPOINTMENT OF NOMINEES BY THE SECRETARY

SEC. 7. (a) (1) Upon receipt of the request of the Secretary for nominees as provided in section 6, the board of directors of the Wheat and Wheat Foods Foundation is requested to choose fifteen nominees and a like number of alternates for consideration by the Secretary for appointment as members or alternates, as the case may be, to the Wheat Industry Council. If any such nominee or alternate nominee is rejected by the Secretary in his discretion, the Secretary shall request the board of directors of the Wheat and Wheat Foods Foundation to submit the name of another nominee or alternate nominee in lieu of the one rejected, which nominee or alternate nominee, as the case may be, shall be subject to the same eligibility requirements, and shall represent the same segment of the wheat industry (producer, processor, or end product manufacturer), as the nominee or alternate nominee rejected by the Secretary.

(2) An alternate voting member of the council shall act in the place of the member for whom he is an alternate during such member's absence or when designated to do so by the member for whom he is an alternate. In the event both a member and his alternate are unable to attend a council meeting, the voting members of the council present may designate another alternate of the same classification (producer, processor, or end product manufacturer) to serve in such member's place for that meeting. In the event of the death, removal, resignation, or disqualification of a member, his alternate shall act for him until a successor for such member is selected and has qualified.

(b) A council member shall be appointed to serve for one fiscal year and his term shall expire on the last day of the fiscal year for which he was appointed, except that each member shall hold office until his successor shall have been appointed and shall have taken office. Council members may be removed for cause by the Secretary. Vacancies for unexpired terms on the council shall be filled by the Secretary in the manner herein prescribed for the appointment of members for a regular term. A member shall be eligible for reappointment if again selected for nomination pursuant to subsection (a) of this section.

(c) Members of the council, and their alternates, shall serve without compensation but shall be paid their necessary travel, subsistence, and other expenses incurred in the discharge of their official duties. The Secretary or other officer or employee of the United States appointed to the council shall serve without compensation in addition to that received by him as an officer or employee of the United States, subject, however, to the provisions of section 18 of this Act relating to reimbursement by the council to the Department for actual administrative expenses incurred by the Department.

GENERAL POWERS AND DUTIES

SEC. 8. (a) The council shall meet at least annually and at other times upon call of the chairman. Special meetings of the council may be called at any time upon reasonable notice, as required by its rules and regulations, by a quorum of the members of the council or by the Secretary.

(b) The chairman of the council shall be selected by the voting members of the council and shall hold office at the pleasure of the council or until his membership on the council expires.

VOTING REQUIREMENTS FOR COUNCIL ACTIONS

SEC. 9. A majority of the voting members of each of the three groups represented on the council shall constitute a quorum. All decisions, recommendations, or other actions of the council shall require a majority vote of the voting members present from each of the three groups represented on the council (producers, processors, and end product manufacturers). All such decisions, recommendations, and actions of the council shall be subject to approval by the Secretary. The Secretary shall not take any action with respect to any matter concerning which the council is authorized to act unless and until such action receives the requisite approval by the voting members of the council as provided in this section.

AUTHORITY OF COUNCIL TO ISSUE RULES AND REGULATIONS

SEC. 10. The council may adopt rules and regulations governing the manner in which its business may be conducted and its powers exercised.

AUTHORITY OF COUNCIL TO SUE AND BE SUED

SEC. 11. The council may sue and be sued in the same manner, in the same courts, and to the same extent that a private corporation may sue and be sued. Notwithstanding other provisions of law, for jurisdictional and venue purposes the city in which the principal office of the council is located will be considered its official residence.

AUTHORITY TO CONTRACT; LIABILITY OF UNITED STATE :

SEC. 12. The council may enter into and carry out such contracts or agreements as are necessary or desirable in the conduct of its business, including the borrowing of money for administrative expenses pending the collection of assessments as herein provided. The council shall have no authority to obligate the United States, and none of its notes or obligations shall be guaranteed by or collectible from the United States. Claims against the council shall be enforced only against the assets of the council, and no liability for the debts or actions of the council shall exist against either the United States, or any agency or agent thereof, or any member, officer, employee, or agent of the council in his individual capacity.

OBLIGATIONS AND EXPENDITURES ; SETTLEMENT OF CLAIMS

SEC. 13. The council shall determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid. It may make final and conclusive settlement and adjustments of any claims by or against the council or of the accounts of its officers, employees, agents, and contractors.

EMPLOYMENT OF PERSONNEL ; REQUIREMENT OF PERSONAL BONDS

SEC. 14. (a) The council may appoint such committees and officers and employ such personnel as it may deem necessary for the conduct of its business: establish condition of employment, discharge, and leave: fix the amount of and pay their compensation: and define their authorities and Duties. All such committees, officers, and employees shall be subject to the general supervision and control of the council and its rules and regulations adopted pursuant to section 10 of this Act, and shall be subject to reimbursements for expenses as prescribed in section 7(c) of this Act. The council may require and pay for bonds for employees, officers, agents, or contractors.

(b) Members of the council, other than the Secretary or his designee, and employees of the council shall not be deemed to be Federal employees for any purpose and shall not be subject to the provisions of laws relating to Federal employment.

UTILIZATION OF FEDERAL AND STATE FACILITIES AND SERVICE

SEC. 15. The council may, with the consent of the department or agency concerned, accept and utilize, on a reimbursable or nonreimbursable basis, the officers, employees, facilities, services, and information of any department or agency of the United States or of any State or of any political subdivision of any State.

GENERAL POWERS OF COUNCIL

SEC. 16. The council shall have such other powers as may be necessary or appropriate for the exercise of the powers vested in it and the effective performance of the duties imposed on it by this Act.

RESEARCH, EDUCATION, AND PROMOTION PROGRAM

SEC. 17. The council shall, subject to the provisions of section 9, develop, and submit to the Secretary for his approval, research, education, and promotion (including paid advertising) plans or projects for wheat and wheat foods, to encourage and make more efficient the growing, distribution, and marketing of wheat and wheat foods, and to stimulate expanded sales and uses thereof in present or new forms for use as human food within the United States. Any such plan or project shall be directed toward increasing the general demand for wheat and wheat foods without reference to private brands or trade names and without specific benefit to any individual or restricted group of producers, processors, or end product manufacturers to the exclusion of other individuals or groups within the industry. Funds collected to finance said plans or projects shall be expended on behalf of, and in proportion to, the assessment on the end products represented by such assessment. No research, educational, or promotional effort shall employ false or unwarranted claims in behalf of wheat and wheat foods nor against competing foods and products. Any such plan or project must be approved by the Secretary before becoming effective.

COUNCIL BUDGET

SEC. 18. The council shall submit to the Secretary for his approval a budget for each fiscal year showing the anticipated expenses and disbursements of the council in the administration of this Act, including the probable costs of research, education, and promotion plans or projects within the scope of section 17 of this Act. The council will include in such budgets only the actual administrative expenses, as determined by the Secretary, which may be incurred in the performance of assigned, necessary services within the Department in connection with the administration of this Act.

AUTHORITY TO INCUR EXPENSES

SEC. 19. The council is authorized to incur such expenses as the Secretary finds are reasonable and necessary to carry out the functions of the council under this Act during any fiscal year. The payment of such budgeted expenses, as well as the costs of the administration of this Act within the Department as provided in section 18, shall be made from funds collected as prescribed in section 20.

ASSESSMENTS

SEC. 20. Not less than ninety days prior to the beginning of each fiscal year, the council shall recommend to the Secretary the amount of a pro rata assessment it determines will be necessary to cover the estimated expenses of the council and the Department in administering the provisions of this Act during such fiscal year. In determining the amount of such assessment the council shall take into consideration the total volume of wheat it estimates will be processed during such year for use as human food in the United States. Subject to the approval of the Secretary, such pro rata assessment shall become effective for such fiscal year on the first day of such fiscal year. Such pro rata assessment shall be imposed on persons designated in section 21 with respect to each hundredweight of processed wheat intended for use, or for end product manufacture for use, as human food within the United States. For the first year of council operations the rate of such assessment shall be 1 cent per hundredweight of processed wheat; and in each succeeding year the rate of assessment may be increased in relation to approved budget needs, but the rate of assessment shall at no time exceed $2\frac{1}{2}$ cents per hundredweight of processed wheat. Subject to such regulations as may be adopted by the council as provided in section 21, the amount of the assessment shall be added by the processor as a separate item, so identified, to his invoice for the processed wheat at the time of its sale to another processor or to an end product manufacturer, and any processor to whom it is sold shall likewise add the amount of such assessment as a separate item, so identified, to his invoice at the time of its sale to another processor or to an end product manufacturer. A processor may accept and rely upon a certificate received by him in good faith from a person to whom he sells processed wheat, certifying in accordance with applicable regulations promulgated as hereinafter authorized, that such processed wheat is not being purchased for use, or for resale for use, or for end product manufacture for use, as human food within the United States, and upon receipt of such certificate said processor shall be excused from invoicing to said purchaser an assessment with respect to such processed wheat and from paying any assessment with respect thereto.

COLLECTION AND RECORD OF ASSESSMENTS

SEC. 21. The pro rata assessment to be imposed pursuant to section 20 with respect to any hundredweight of processed wheat shall be imposed upon and payable by one of the following persons:

- (1) the initial processor or a subsequent processor thereof if the same constitutes, or is a material or ingredient in, an end product produced by said processor; or
- (2) the end product manufacturer who purchases the same from a processor for use as a material or ingredient in producing an end product; or
- (3) the processor who purchases the same from a processor if he does not resell it to another processor, or to an end product manufacturer, or for use other than as human food within the United States.

The amount of an assessment imposed on an initial processor as provided in clause (1) above shall be due and payable to the council within such time, not to exceed sixty days after the sale by him of the end product produced by him, as shall be prescribed by regulation. The amount of an assessment imposed on an end product manufacturer as provided in clause (2) above or on a subsequent processor as provided in clause (1) or (3) above shall be due and payable to the preceding processor from whom the manufacturer or subsequent processor purchased the processed wheat in respect of which the assessment is imposed, within such time, not to exceed sixty days after such purchase, as shall be prescribed by regulation. The amount of an assessment added by a processor as a separate item to his invoice for processed wheat pursuant to section 20

shall not become due and payable by said processor to the council, or, as the case may be, to the processor from whom he purchased the processed wheat, until after receipt thereof by him from the purchaser to whom it is so invoiced by him. Processors shall serve without compensation as collection agents for the council. Each processor who collects an assessment from a purchaser of processed wheat shall be obligated to remit the same to the council, or, as the case may be, to the processor from whom he purchased the processed wheat. The collection and remittance of the assessment in all cases shall be made, reported, and recorded at such times and in such manner as shall be established by rule and regulations adopted by the council and approved by the Secretary.

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FAILURE TO PAY ASSESSMENT

SEC. 22. (a) The council may maintain in its own name a civil action against—

(1) any processor who (A) fails or refuses to invoice any subsequent processor or end product manufacturer for the assessment imposed as provided in sections 20 and 21 of this Act; or (B) fails or refuses to record, report, or remit to the council any assessment as provided in sections 20 and 21 of this Act, or

(2) any subsequent processor or end product manufacturer who fails or refuses to pay the amount of any assessment pursuant to the provisions of this Act,

to recover the amount of any such assessment, and shall be entitled to recover court costs and reasonable attorney's fees in any such action in which the council prevails.

(b) A processor shall promptly notify the council of the failure or refusal of any person to pay to such processor the amount of any assessment made against such person under this Act.

AUTHORITY TO CARRY OUT PROJECTS

SEC. 23. Any approved research, education, or promotion plan or project may be carried out by the council directly or under a contract with an agent or other organization, public or private, including an agent or organization whose officers, directors, employees, or agents are also members, employees, or agents of the council. Any such contracting agent or organization shall be required to maintain accurate financial and other records which will be subject to regular audit and review by the council and the Secretary.

COUNCIL RESPONSIBILITIES

SEC. 24. The council shall be responsible to the Secretary for the efficient and effective performance of its duties and functions, including, but not limited to, the collection, handling, safekeeping, disbursement, and accounting of funds, subject to good accounting practice and regular audit of records by the Secretary; the recording of processing statistics that serve as a basis for collections; contracting for necessary services to carry out the approved program; the employment of qualified personnel; the policing of collections; processing information and disbursements and other responsibilities of good management.

REPORTS AND RECORDS

SEC. 25. (a) Whenever a program becomes effective as provided herein, each processor shall, at such times as may be prescribed in regulations promulgated by the Secretary, report to the council, in such detail and on such forms as shall be provided by the council, the total hundredweight of processed wheat intended for use, or end product manufacture for use, as human food within the United States in the immediately preceding month, by types designated by the council. Upon request of the council, made with the approval of the Secretary, each processor shall also furnish to the council, in such manner and at such times as it may prescribe, such other information as may be necessary to enable the council to perform its duties under this Act.

(b) Whenever a program becomes effective as provided herein, each processor shall establish books, records, and other information necessary to the orderly and accurate collection of any assessment duly prescribed, and shall thereafter maintain such books, records, and information for a period of three years, the

same to be made available for examination by the Secretary or duly authorized persons on request.

(c) All reports and records submitted by processors to the council and received by it pursuant to the provisions of this section shall at all times be in custody of one or more confidential employees designated by the council. No member of the council, nor any employee thereof, nor any employee of the Department, shall disclose to any person, other than the Secretary upon request therefor, any data or information obtained or extracted from such reports and records which might affect the trade, position, financial condition, or business operation of a particular producer, processor, or end product manufacturer, except that such data and information may be combined, and made available to any person, in the form of general reports in which the identities of individual producers, processors, or end product manufacturers are not disclosed. Such data and information may also be disclosed to any extent necessary to effect compliance with the provisions of this Act and the regulations issued thereunder, including publication of the name of the processor or his customer who has refused to comply with the requirements of this Act.

ACCOUNTING AND CARE OF FUNDS

SEC. 26. (a) Moneys collected, handled, or disbursed by the council shall be handled only by persons under bond, and similar bonds shall be required of all persons or agents, accepting council funds on contracts to carry out council activities, programs, or projects approved by the Secretary. Monthly statements of cash account, quarterly analyses of expenditures, and annual financial statements, the latter in the form of an audited report certified to by a firm of certified public accountants, shall be made to the Secretary by the council. Any periodic statement of audit by the Secretary shall be made available to the council.

(b) The confidential employees of the council referred to in section 25(c) of this Act or any other confidential employee appointed by the council shall serve as treasurer thereof and shall receive all moneys and shall countersign, together with one or more members of the council designated by it for such purpose, all checks in disbursement of moneys. Income in excess of expenditures shall be held in United States Government or federally approved depositories for Government funds, or may be invested for the account of the council in short-term United States Government securities as directed by the council. A working reserve of funds may thus be accumulated but it shall not exceed at any time more than the following year's total estimated expenditures of the council. Should such moneys exceed the annual estimated expenditures of the council, the rate of assessment shall be lowered to maintain the amount held in reserve at a level equal to not more than one full year's annual estimated expenditures. Except as provided in section 23 of this Act, no part of such moneys or the net earnings thereon shall inure to the benefit of any member or employee of the council or private person or individual.

PROHIBITION ON USE OF FUNDS TO INFLUENCE GOVERNMENT POLICY OR ACTIONS

SEC. 27. No funds collected by the council under authority of this Act shall be used for the purpose of influencing governmental policy or action.

REGULATIONS AND ENFORCEMENT

SEC. 28. The Secretary is authorized to issue such orders, rules, and regulations as may be necessary to carry out the provisions of this Act and the powers vested in him by this Act.

COURT JURISDICTION

SEC. 29. The several district courts of the United States are vested with exclusive jurisdiction to entertain suits in the name of the United States or the council, without regard to jurisdictional amount, to enforce, and to prevent and restrain any person from violating, this Act, or any order, rule, regulation, or agreement made or issued pursuant thereto. Such action may be brought in any district in which such person may be found. A civil action authorized to be brought under this Act in the name of the United States shall be referred by the Secretary to the Attorney General for appropriate action.

ENFORCEMENT AUTHORITY

SEC. 30. Whenever the Secretary has reason to believe that any processor, or his customer, council member, officer, or employee, or a contracting person or contracting agent, or any employee of any of the aforementioned, or any other person or entity subject to this Act, has violated or is violating the provisions of this Act, or any order, regulation, rule, or agreement issued pursuant to this Act, the Secretary shall have the power to institute an investigation. If the Secretary determines therefrom that there is probable cause for institution of a civil action, he shall refer the matter to the Attorney General for appropriate action. For the purpose of any investigation instituted by the Secretary, he is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents the Secretary believes relevant to the inquiry; and, if necessary, to invoke the aid of any district court of the United States, within the jurisdiction of which such investigation or proceeding is carried on, to enforce compliance. Any failure to obey an order of any such court may be punished by such court as a contempt thereof.

PERSONAL LIABILITY

SEC. 31. No member of the council, or any member serving as trustee as provided in section 32 below, or any employee, representative, or agent thereof shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any person, for errors in judgment, mistakes, or other acts, either of commission or omission, as a member, trustee, employee, representative, or agent, except for acts of dishonesty.

TERMINATION OF ACT

SEC. 32. (a) Within one hundred and twenty days following the end of five years from the date of enactment of this Act, and, within one hundred and twenty days following the end of each five-year period thereafter (so long as the Act continues in effect), the council shall review the progress made toward attaining the objectives of this Act whereupon the voting members thereof shall prepare a report of such progress for the Secretary. If the council's report to the Secretary by the voting members thereof does not unanimously recommend the continuation of this Act it shall automatically terminate at the end of such one hundred and twenty days.

(b) Notwithstanding the provisions of subsection (a) of this section, or the amendment or repeal of this Act, in the event of the termination, at any time, of all programs under this Act, the members of the council shall, for the purpose of liquidating the affairs of the council, continue as trustees of all the funds and property then in its possession, or under its control, including claims for any funds unpaid or property not delivered at time of such termination. Any funds collected from assessments and not yet remitted to the council at the time of such termination shall be remitted to the council.

(c) The trustees shall (1) continue in such capacity until discharged by the Secretary; (2) from time to time account for all receipts and disbursements and deliver all property on hand, together with all books and records of the council and of the trustees, to such person as the Secretary may direct; and (3) upon request of the Secretary execute such assignments or other instruments necessary or appropriate to vest in such person, full title and right to all the funds, property, and claims vested in the council or the trustees pursuant thereto.

(d) Any person to whom funds, property, or claims have been transferred or delivered, pursuant to this section, shall be subject to the same obligation imposed upon the council and upon the trustees.

(e) Any funds collected from assessments hereunder and remaining unexpended in the possession of the council or the trustees at or after the termination of all programs, shall be distributed in such manner as the Secretary may direct: *Provided*, That such funds shall be returned on a pro rata basis to the processors who remitted funds to the council, and such processors shall return the funds on a pro rata basis to the other processors or end product manufacturers from whom collected, except that each processor may retain therefrom an amount which will reimburse him for applicable accounting expenses as determined by the Secretary.

PRESERVATION OF RIGHTS

SEC. 33. The termination of all programs under this Act or of any regulation issued thereunder shall not (1) affect or waive any right, duty, obligation, or liability which shall have arisen or which may thereafter arise in connection with any provision of this Act or any regulation issued thereunder, or (2) release or extinguish any violation of this Act or any regulation issued thereunder, or (3) affect or impair any rights or remedies of the Secretary, or of any other person, with respect to such violation.

SEPARABILITY CLAUSE

SEC. 34. 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 provision to other persons or circumstances shall not be affected thereby.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 35. There are hereby authorized to be appropriated such funds as are necessary to carry out the provisions of this Act. The funds so appropriated shall not be available for payment of the expenses or expenditures of the council in administering any provisions of this Act.

LIST OF SPONSORS S. 3276

Messrs. Dole, Allott, Bennett, Bentsen, Burdick, Church, Curtis, Eastland, Goldwater, Hansen, Harris, Hatfield, Humphrey, Jordan of Idaho, Mansfield, McGee, McGovern, Metcalf, Mondale, Muskie, Pearson, Tower, and Young.

Senator ALLEN. Senator Dole, one of the chief sponsors of the bill, is to testify. He is tied up in another meeting, and we will hear from him when he does come in. Senator Hatfield also is scheduled to testify, and when he comes we will hear from him.

The first witness will be Mr. John C. Blum, the Deputy Administrator, Regulatory Programs, Agricultural Marketing Service, U.S. Department of Agriculture. He may proceed.

STATEMENT OF JOHN C. BLUM, DEPUTY ADMINISTRATOR, REGULATORY PROGRAMS, AGRICULTURAL MARKETING SERVICE, U.S. DEPARTMENT OF AGRICULTURE

MR. BLUM. Thank you, Mr. Chairman. I am pleased to have this opportunity to present the Department's views on S. 3276, known as the Wheat and Wheat Foods Research, Education, and Promotion Act.

The Department has submitted a report to the committee on this bill, indicating its support of the bill with modifications.

The bill would provide for a program of research, education, and promotion to maintain and expand markets for wheat and wheat products for use as human foods within the United States. It would provide a mechanism whereby wheat producers, processors, and end-product manufacturers can, with Government assistance, work together to develop and implement programs to maintain and expand domestic markets for wheat based products as human foods.

The maintenance and expansion of domestic markets for wheat based products is important to the national economy. Last year farmers in the United States produced over 1.6 billion bushels of wheat with a gross farm value of over \$3 billion. This record 1971 harvest pushed the wheat supply in this country to almost 2.4 billion bushels—the highest level in 9 years.

Total consumption of wheat for food in the United States has remained fairly steady at about 520 million bushels for the past several years. However, per capita consumption continues to decline.

The prospect for wheat exports is clouded by rising world wheat production, keen competition in world markets, and the effect of domestic dock strikes. Exports in 1971-72 at about 575 million bushels will be more than a fifth below the level of a year earlier.

Thus there is a need for programs to strengthen the demand for wheat in order to achieve a better supply-demand balance and strengthen returns to wheat producers.

Wheat producers, processors, and end-product manufacturers have worked together for a number of years to develop the program set forth in this bill. We commend these efforts and will continue to do what we can to assist them in achieving their goals.

In our report on the bill, we pointed out a number of respects in which the proposed bill differs from existing legislative authorization for other commodity research and promotion programs. We also raised questions about a number of features of the bill, particularly those relating to the respective roles of the Department and private industry organizations in administration of the program.

We shall be glad to assist the committee in any way we can in its further consideration of this bill.

This concludes my statement, Mr. Chairman. I shall be glad to respond to any questions and some colleagues from the Department who will help me.

Senator ALLEN. Thank you very much, Mr. Blum. We appreciate your coming before the committee and giving us the Department's views on this bill.

Do you have any idea how much money would be produced by this assessment?

Mr. BLUM. As I understand it, this would depend on the actual level of the program. There is a range provided for in the bill, but I understand it would run between \$2 million and \$6 million a year.

Senator ALLEN. Would that be on the 1 cent per hundredweight?

Mr. BLUM. The 1 cent per hundredweight figure would be near the bottom of that range—\$2.3 million.

Senator ALLEN. And this money could be effectively used for the purpose of promoting the consumption of wheat and wheat products?

Mr. BLUM. Well, the bill would authorize promotion, research, or education, and I believe it could be effectively used in those areas, yes, sir.

Senator ALLEN. The research would be for the purpose of ascertaining more, and different and, hopefully, better ways to use wheat, would it not?

Mr. BLUM. Yes, sir.

Senator ALLEN. As in food and food products?

Mr. BLUM. Yes, sir.

Senator ALLEN. Well, this is a case then of the people involved putting an assessment, in effect, on themselves to promote the product from which they earn their livelihood, is that correct?

Mr. BLUM. That is right.

Senator ALLEN. And it would be without expense to the Government?

Mr. BLUM. Essentially so. There is a provision that start-up costs, for example, could be paid by the Government, but these would be relatively small. Once the program was in operation it would be self-supporting.

Senator ALLEN. Now, the modifications that you speak of, are they contained in the report you are submitting to the subcommittee?

Mr. BLUM. Yes sir, they are. The report was submitted this morning, I believe. I did not repeat the modifications in my testimony.

Senator ALLEN. Well then, this letter from Mr. J. Phil Campbell, dated May 3, Assistant Secretary of the Department of Agriculture, will be placed in the record and made part of the record.

(The letter referred to follows:)

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., May 3, 1972.

HON. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate.

DEAR MR. CHAIRMAN: This is in reply to the request from your Committee, dated March 3, 1972, for a report on S. 3276, known as the Wheat and Wheat Foods Research, Education, and Promotion Act. This bill would provide for a program of research, education, and promotion to maintain and expand markets for wheat and wheat products for use as human foods within the United States.

The Department favors enactment of the bill with modifications.

Wheat producers, processors, and end-product manufacturers have worked together for a number of years to develop the program set forth in this bill. It provides a mechanism whereby they can, with Government assistance, develop and implement programs to maintain and expand domestic markets for wheat-based products as human food.

Our principal concern with the bill relates to the roles of the Secretary and the Wheat and Wheat Foods Foundation in the administration of the program.

Under the bill, a Wheat Industry Council is to be established to administer the program and collect assessments. It, therefore, will be exercising substantial governmental authority and powers. However, section 5(a) of the bill states that the Council is not to be an agency or establishment of the United States Government. This raises a question concerning the delegation of governmental powers, and the exercise thereof, to an organization which is not an agency or establishment of the United States.

The bill provides that the Secretary shall appoint the members of the Wheat Industry Council—the agency designated to administer the program—and that he shall be responsible for the program only to the extent of approving or disapproving matters decided upon by the Council (see section 9). It further provides that in appointing voting members of the Council, the Secretary shall be limited to persons nominated by the Wheat and Wheat Foods Foundation, a private industry organization representing wheat producers, processors, and end-product manufacturers. He may reject nominees and ask for additional nominees, but he cannot appoint a person who has not been nominated by the Foundation. This raises a question as to whether this is an improper limitation on the Executive Branch's responsibility for the appointment of executive officials.

There also is a question as to whether the proposed delegation to the Foundation adequately recognizes the interests of non-members of the Foundation who might now or in the future be directly affected by the program. Authorizing legislation for other commodity research and promotion programs contains provisions for public hearings, referenda and assessment refunds. This bill does not contain such provisions. All of these may not be practical for this program, in view of the complex structure and organization of industry participation in the program. Even without specific provisions in the bill we believe the Secretary could use rule-making or public hearing procedures in the promulgation of orders, rules and regulations to implement the program, in order to provide an

opportunity for interested and affected persons outside the Wheat and Wheat Foods Foundation to have their views heard and considered.

It seems clear that the intent of the bill is not to provide for anticompetitive effects, but instead envision a government-sponsored research, education, and promotion program in the marketing of wheat and related products.

There are a number of other items which we believe could be modified for technical improvement of the bill. We stand ready to assist the Committee in developing appropriate modifications or in providing additional information for the Committee's use in considering the bill.

S. 3276 would not have a significant impact on the quality of the environment.

Costs of administration by the Department would approximate \$55,000 for fiscal year 1973 and for each of the next five subsequent fiscal years. Sections 19 and 20 of the bill provide that the Department's costs of administration will be defrayed by assessments. Section 35 authorizes the appropriation of funds to carry out the provisions of the Act, but excludes the payment of expenditures of the Council in administering the Act. It is our understanding that the intent of section 35 is to provide funds for the operation of the program only until such time that the Department will be reimbursed by the Council from funds collected by assessment.

Time has not permitted securing advice from the Office of Management and Budget as to the relationship of this report to the program of the President.

Sincerely,

J. PHIL CAMPBELL,
Under Secretary.

Senator ALLEN. Now, the assessment would be collected at the processor level?

Mr. BLUM. Yes, sir.

Senator ALLEN. It would be impractical to put it anywhere else, would it not?

Mr. BLUM. It would be collected at the processor level, but as I understand the bill, it could be passed on, and ultimately would fall on the end-product manufacturers.

Senator ALLEN. Of course, ultimately it would be on the consumer, of course, if you trace it out far enough?

Mr. BLUM. In the market sense, yes; but I was speaking in the legal sense.

Senator ALLEN. Yes. I remember a number of years ago seeing the advertisements urging the public to eat another slice of bread at a meal saying that that would probably solve the over supply of wheat. Would advertisements of that sort be made to encourage your consumption of wheat products in that way?

Mr. BLUM. That is a possible way that it could be used.

Senator ALLEN. Well, would you point out other possible promotion activities and research activities for which this fund could be used?

Mr. BLUM. Well, of course, Mr. Chairman, the Department does not have the initiative role in this, and we have not developed a program, and do not have anything that we would be suggesting to the proponents of this bill. But, based on my knowledge of what is done under other programs, and what I understand to be the goal of this bill, I would make some conjectures, and that is all they would be.

Senator ALLEN. Yes.

Mr. BLUM. Certainly in the research area you have mentioned the nutritional types of research, and as I understand, again, the proponents' desires are that this will be a major thrust, although as I read the bill it is not limited to that type of research. It could be anything from production, marketing, nutrition on through, that would make

wheat products more acceptable to consumers and, therefore, result in greater sales.

On the promotion side, it could run the gamut from newspaper, television, point of sale advertising, working with food editors, the whole range of trying to let consumers know the advantages of using wheat products.

On the education side, it could buttress promotional efforts by working through educational groups and the media to get the message to consumers and users of wheat products as to the value and the benefits of these products.

To pinpoint more specifically than that at this time, I do not know that I could.

Senator ALLEN. Well, that is a real fine statement.

What other agricultural commodities or products are promoted or supported by legally imposed but industry-supported assessments of this sort?

Mr. BLUM. Well, for quite a number of years there has been a wool promotion program. In more recent years there is a national cotton research and promotion program. There was enacted a year or so ago an authorization for a national potato research and promotion program which is now being geared up. There were amendments made to the Agricultural Marketing Agreement Act to authorize research and promotion under Federal milk marketing orders. There is a one-time research and promotion program for wheat authorized under an earlier bill, which made available the remaining funds of the so-called inverse subsidy program for this type of program. And, under individual marketing orders for a number of fruits and vegetables, we have local market-oriented types of advertising, research and promotion programs. I can not list them all.

Senator ALLEN. Well, that is a real good catalog. How are these programs working, to the satisfaction of the producers and processors?

Mr. BLUM. Well, apparently so. Of the ones that I have mentioned, the wool program has been in effect for a number of years, and it continues. Questions are raised periodically, but apparently it is supported by the producers that are affected. The cotton program, as far as I can tell, continues to have the support of producers. The potato and milk programs are just getting underway; we do not have experience yet. And the local market programs—the fruit and vegetable marketing order programs—usually where we have put them in they have continued. And these are the kinds of programs which can be terminated at any time producers become disenchanted with them. So, I would say that generally they seem to have the support of producers.

Senator ALLEN. Well now, the assessment provided by the bill, that would not be charged back against the farmer, would it? It would be from the processor forward rather than backward, would it not?

Mr. BLUM. That is what the mechanics of the bill provide for; yes, sir.

Senator ALLEN. Yes.

Senator Bellmon.

Senator BELLMON. Thank you, Mr. Chairman.

Mr. Blum, you say there is a program for wool like this?

Mr. BLUM. Yes, sir.

Senator BELLMON. Do you think—

Mr. BLUM. "Like this" is what caused me to hesitate. There is a promotion program for wool.

Senator BELLMON. Do you think this will do as much for the price of wheat as it has done for the price of wool?

Mr. BLUM. I would not have a judgment on this.

Senator BELLMON. What is the price of wool now compared to what it was 5 years ago?

Mr. BLUM. I could provide that.

Senator BELLMON. It is about a third I would imagine.

Mr. BLUM. It is lower than it was.

Senator BELLMON. Very much lower. It has caused me to wonder about these programs. When I was Governor of the State of Oklahoma we set up the Oklahoma Wheat Commission, and that law required them to report to me every year what they had done with their money. And it is amazing how much money went for overhead. Is there a limit in this bill of how much can be used for overhead, or secretarial help, entertainment and all these nice little things people think are essential for education and research?

Mr. BLUM. I am not aware that there is.

Senator BELLMON. Do you think there ought to be something in it that limits the administrator on how much of the money he can use for this kind of activity?

Mr. BLUM. Well, we do not have that in other bills, and my experience would suggest that it is so difficult to define what is overhead, and what is not overhead, that it would produce some real problems.

Senator BELLMON. Well, do you have provisions for auditing the funds for cotton and wool and research?

Mr. BLUM. Yes, sir.

Senator BELLMON. Could you furnish us copies of those audits so that we could see how much of that money is being used for overhead?

Mr. BLUM. Yes, sir, I will provide you with what I can to give an insight on that question.

(The information is as follows:)

Administrative or overhead expenses under the Cotton Research and Promotion Program for Fiscal Year 1972 are estimated at \$2,660,000 for Cotton, Incorporated (which is derived from CCC funds pursuant to Section 610 of the Agriculture Act of 1970 and \$1-bale producer assessments collected under authority of the Cotton Research and Promotion Act); \$330,000 for the Cotton Board (derived from \$1-bale producer assessments); and \$60,000 for USDA for monitoring and surveillance activities (derived from annual appropriations), for a total of \$3,050,000. Based on a projected budget of \$20,000,000 for cotton research and promotion for FY 1972, administrative expenses approximate 15.2 percent of total program expenditures. Cotton, Incorporated is responsible for developing and carrying out the research and promotion projects pursuant to the Act, while the Cotton Board is responsible for collecting assessments and making refunds upon request.

For wool promotion activities, pursuant to the National Wool Act of 1954, estimated administrative or overhead expenses for fiscal year 1972 are \$670,000 for the American Sheep Producers Council and \$135,000 for the Mohair Council. USDA's administrative expenses for the two programs for FY 1972 are estimated at \$50,000 for a total of \$855,000. This approximates 25.1 percent of the total

program for wool and mohair promotion activities of \$3,395,000. Both the American Sheep Producers Council and the Mohair Council carry on some promotional programs themselves. The overhead expenses of both Councils include all personnel costs, travel, rent, etc., both for in-house and contracted promotion activities.

Senator BELLMON. Also, do you know how much money the Congress presently appropriates to the Department to be used in wheat research, or for the same purposes as this bill would provide the funds for?

Mr. BLUM. I do not, Senator, but I can get that for you, for the record. Would you like that?

Senator BELLMON. Yes, I would.
(The information is as follows:)

USDA funding for cotton research, fiscal year 1965 through fiscal year 1972

	[In thousands]	
1972	-----	\$23, 978
1971	-----	20, 944
1970	-----	19, 312
1969	-----	17, 871
1968	-----	17, 159
1967	-----	16, 443
1966	-----	15, 951
1965	-----	14, 491

USDA funding for wheat research, fiscal year 1965 through fiscal year 1972

	[In thousands]	
1972	-----	\$9, 829
1971	-----	9, 587
1970	-----	9, 151
1969	-----	8, 967
1968	-----	9, 035
1967	-----	9, 090
1966	-----	8, 117
1965	-----	7, 733

Senator BELLMON. And to me the danger here is that we start taking money, and you may say it comes out of the processor, but from my experience most of these things come out of the hide of the growers. If we do this is this likely to cause the Department to start asking for less funds for research? In other words, if the growers start paying for their own research directly, is the Department going to reduce its support for research? What has happened in the cotton and the wool and these other areas?

Mr. BLUM. The cotton program is one that I am responsible for that I can speak better to. There has been an increasing effort on the part of the research people in the Department to work with the research people in the industry-financed program to coordinate efforts. I am not aware that there has been any corresponding decrease of USDA effort.

Senator BELLMON. Well, could you provide us that information, the level of funding for cotton research before the program began, and the present level?

Mr. BLUM. Yes, sir.

Senator BELLMON. And the same, if possible, with wool. I notice in your statement you refer to the Government assistance of this bill,

and your statement says it would provide a mechanism whereby wheat producers, processors, and end-product manufacturers can, with Government assistance, work together to develop and implement programs. What is the Government role in this bill?

Mr. BLUM. Well, essentially it is the use of the authority of the Government to enforce the administration of the bill.

Senator BELLMON. But, there is no actual Government supervision on the way the funds are used?

Mr. BLUM. Yes, sir; there would be. The bill provides that the secretary must approve budgets and projects under the bill. Now, the initiative would not be with us. The initiative would be with the council or the administrative organization, but all expenditures and all budgets, and all projects must be approved by the secretary.

Senator BELLMON. Well, it does not call for the use of USDA matching funds, or anything of this kind?

Mr. BLUM. No, sir.

Senator BELLMON. So the Government assistance then amounts to a degree of supervision?

Mr. BLUM. That is right—which would be reimbursed from the funds generated from the program.

Senator BELLMON. I did not get to hear your whole statement, and I have not had time to read it. Did you recommend changes in the bill?

Mr. BLUM. In our report, Senator, we did not recommend specific changes, but we raised some questions which were a matter of concern to us, and noted respects in which this bill differs from other commodity research and promotion bills, if the committee wants to pursue them further.

Senator BELLMON. I notice that you say the secretary would have the authority to pass judgment on various programs that are undertaken with these funds. What about the budget for the operation of the organization. Does the Secretary have oversight on the budget?

Mr. BLUM. Yes, sir.

Senator BELLMON. He does? That is all, Mr. Chairman.

Senator ALLEN. Thank you very much, Mr. Blum.

Mr. Weldon Barton, please.

You may proceed.

STATEMENT OF DR. WELDON V. BARTON, ASSISTANT DIRECTOR, LEGISLATIVE SERVICES, NATIONAL FARMERS UNION

Mr. BARTON. Mr. Chairman and Senator Bellmon, I am very pleased to have the opportunity to appear before the committee this morning and give testimony for the National Farmers Union.

Let me say in the beginning that our president, Tony Dechant, would have liked to have been here to give our statement. He has been tied up during the last couple of days in a meeting in St. Paul, Minn., with wheat producers—representatives of wheat producers in Canada and in the United States. Before I present his statement to the committee on this bill, it may be of interest to the subcommittee that the meeting yesterday in St. Paul did produce agreement among 11 major organizations, five from the United States—wheat producer and general farm organizations from the United States—and six

from Canada, to press strongly at the earliest possible time for minimum pricing provisions in the international wheat agreement. This was among other things that were agreed upon at that meeting. So, we are very happy with the outcome of that meeting, and we are looking forward to some further results along that line.

Mr. Chairman, President Dechant did write to the committee, to the committee chairman, and other members of this committee on April 26 of this year, and he outlined some objections to the pending bill. I would like to begin by reading the letter that he wrote to this committee. President Dechant said:

First, the bill purports to establish the source of funds as the manufacturing segment of the wheat industry. However, those who are familiar with the practice of the wheat milling industry should understand that the cost of the program will either be passed back to farmers—the most likely manner of raising funds—or be passed on to consumers.

Second, the legislation fails to provide any referendum through which producers would decide whether such a program is needed; and

Third, the National Wheat Institute, financed by inverse subsidies on wheat exports, is a functioning agency charged with the same objectives as the agency to be created in the proposed legislation. This group is totally under the control of producers. If there is need for any additional research and promotion, it would be preferable to expand the funds available to the National Wheat Institute rather than to create a rival competing administrative structure with identical objectives.

In order for Farmers Union to support any such legislation we would require that it conform to the following basic principles:

1. No program should be instigated unless approved by two-thirds of the producers voting in a referendum;

2. Voting members of the Board should be elected by producers;

3. Voting members of the Board of Directors, “—I think it is called the Wheat Industry Council; in any event, the governing group—”, voting members of the Board of Directors should be made up of wheat producers with provision for additional non-voting membership on the Board from the manufacturing and end-user sector of the industry as may be needed for consultation on matters related to those sectors of the industry;

4. Periodic referenda should be held to allow wheat producers to decide whether they want to continue the program.

Producers of raw agricultural products are spending more than \$120 million for various forms of promotion. Very frankly, we find the effectiveness of advertising and promotion questionable where only the raw product is involved, such as would be the case for wheat in this proposed legislation. On the other hand, such producer concerns as more effective marketing techniques, including bargaining, are ignored in the objectives set forth in the legislation.

This ends the letter that President Dechant wrote to the committee. I have a few additional comments.

Wheat, as pointed out in President Dechant's letter, is now covered by a promotional program. Under the Wheat Research and Promotion Act of 1970 (P.L. 91-430), a National Wheat Institute has been established and is now functioning with the purpose of promoting wheat and wheat product sales. The National Wheat Institute has available for research and development that portion, not reimbursed to producers of the \$4.2 million of inverse subsidies collected on wheat exports during the 1968-69 marketing year—an amount in excess of \$2 million, something between \$2 million and \$3 million, we understand.

At this time, when the National Wheat Institute has been operational for only a short time, there is no rationale whatsoever for creating a new organization with precisely the same function. Common sense dictates that the existing organization be allowed to

function until such time that its efforts can be evaluated as to their effectiveness in expanding sales of wheat and wheat products.

After the results are known, and if there is a real payoff—including greater net returns to the wheat producer, then the 1970 act can be amended to provide additional funding with the proper safeguards.

By going this route, Mr. Chairman, and by refraining from enacting overlapping and competing legislation at this time, you on this committee and in the Congress will retain for yourselves an opportunity to take another careful look at the wheat promotion program before giving it any additional funds beyond the inverse subsidy monies.

We in the Farmers Union would urge you not to forego this opportunity, particularly since as we have indicated a wheat research and promotion program already exists, and there is, therefore, no reason to enact new legislation at this time.

Mr. Chairman, this concludes my prepared statement, and I will be pleased to respond to questions.

Senator ALLEN. Thank you very much, Mr. Barton.

I note one of the comments of President Dechant was that the effectiveness of advertising and promotion would be questionable where only the raw product is involved. Well, this measure would go far beyond just saying use wheat. I mean, it would have research, promotion, promoting the use of wheat products rather than the raw products.

Mr. BARTON. We recognize this, Mr. Chairman. We are saying, however, that it would not go so far as to advertise brand names, and this would be wheat and wheat products generally rather than a specific brand name. Our experience has been that advertising campaigns have been most effective when an advertisement uses specific brand names. Now, in addition to that, we would simply emphasize again that we already have this kind of program in operation with several million dollars of money. We think we have enough of a program going now to test it. We would simply like to see an opportunity for the National Wheat Institute to operate, to get their programs going. They are now in the process of negotiating contracts with universities and others for this kind of research. Then a careful look can be taken at this. If this kind of research is effective, then the Congress can add on additional money, and we would go from there.

Senator ALLEN. Well now, the National Wheat Institute though, was that not more or less a one shot affair? I mean, is there any guarantee that that program is going to be continued?

Mr. BARTON. No guarantee whatsoever, Mr. Chairman. But, again, there is an amount of money already allocated to the National Wheat Institute which is roughly the same as that in this bill for the first year—some \$2½ million. So, we think that even though this is a one shot situation, it is enough money to get the program going. It is enough money to carry out enough research and promotion to truly test the program. Then it would seem to us to be an easy matter for the law to be amended, if it proves out, and add additional monies from whatever source, perhaps as outlined in the pending bill. But, we would like to see this given a chance before we leap into a continuing and essentially permanent program.

Senator ALLEN. Well now, you think that there should be a referendum throughout the wheat producing areas of the country before this measure is put into effect?

Mr. BARTON. Yes, Mr. Chairman.

Senator ALLEN. Now, would there not be high costs involved, and where would that money come from, by the way?

Mr. BARTON. It would, it would cost some money to conduct the referendum. The Department of Agriculture has conducted, as you know, a lot of referenda in the past. If the bill should be enacted, it could be provided through departmental funds, or it could be folded into the existing scheme of finance that is in the bill. But if we do go with a duplicating agency at this point, and a duplicating program, then let us at least turn it back directly to the producer and allow him to vote and decide whether he wants it or not.

Senator ALLEN. Well now, it is not a tax on the producer, it is not an assessment on him, is it? Would it be fair to let him determine whether an assessment is placed on another segment of the economy?

Mr. BARTON. Senator Allen, our President Tony Dechant indicated, as Senator Bellmon pointed out this morning, that the experience has been that the cost of this kind of program generally winds up on the back of the producer. We certainly think it is not going to stay with the millers, or as it is technically focused in the bill, with the bakers. They are going to pass it either forward or backward, either forward to the consumers or backward in the final analysis to the farmer. So, we certainly think that the producer ought to have a direct say as to whether he wants the program, and whether he thinks it would be worthwhile. We think this justifies a referendum.

Senator ALLEN. Well, would we have a referendum then in the other two segments of the wheat economy?

Mr. BARTON. Well, again, we are representing producers. We are convinced that either producers or consumers are going to be paying the bill in the final analysis. So, we think the crucial thing is to have a referendum among producers.

Senator ALLEN. What about the other two, the other two segments?

Mr. BARTON. If there are additional sales under this program, then the millers, the bakers, are going to get some benefit out of it. They are going to take advantage of the expanded sales. Again, I want to come back to the question of finance, of who is going to have to pay for this. We do not talk in our statement about consumers, but I think if we raise the other two segments, perhaps we ought to raise the fourth segment. That is, what is going to happen to consumers under this bill? Perhaps there ought to be, if not a referendum, at least a representation of consumers on whatever council is set up to administer the bill.

Senator ALLEN. Everybody on there is a consumer, I reckon, is that not so, if he is on this council?

Mr. BARTON. It is a question of priorities I suppose, Mr. Chairman.

Senator ALLEN. Well now, I believe the bill provides five members from the producers, and then the processors and the millers and the bakers, or the processors, and the millers and the producers. It would be five from each segment, voting members. Are you suggesting that all be producers or only a majority be producers?

Mr. BARTON. I would go back to our letter to the committee. Voting members of the board of directors should be made up of wheat producers.

Senator ALLEN. They would have all of the votes then?

Mr. BARTON. Yes, the other aspects of the industry, the millers and the bakers, would be represented on the council, but with nonvoting membership. And again, we simply feel that in the final analysis this is a program that the producer is going to have to carry, or the consumer. So, we think the producer ought to have control over the program.

Senator ALLEN. Isn't this board set up kind of like the U.N. Security Council, where each segment has the right to veto a suggested program, and would not the producers be able to control what was done under that veto power?

Mr. BARTON. Well, it is in a sense, Mr. Chairman. As I understand it you could not have any specific projects undertaken without a majority of each of the groups approving it. I do not think we ought to go into how the tripartite arrangement would work in the U.N. If the U.N. did have it, let us say in the Secretary Generalship of the U.N., I doubt that it would work very well.

Again, I would go back to the idea that the producer members of the board—and we think all of them ought to be producers as far as voting members are concerned—ought to be selected directly by producers. There is a secondary step in the bill now, whereby the producer members on the Wheat Industry Council would be selected by the Wheat and Wheat Foods Foundation, on which the millers and the bakers are represented about 7½ to 1 as compared to producers. That is, there are about 7½ bakers and millers to every one supposed producer member of the Wheat and Wheat Food Foundation. Why not at least go back and allow producers directly to select the producers on the governing council of the wheat promotion program?

Senator ALLEN. Now, would not this board of necessity have the interests of the producer at heart? No matter what steps they took, what programs they advocated or implemented, there is no way that a processor could be preferred over a miller or vice versa? In other words, anything that was done would protect and would help all three segments of the wheat economy would it not? I mean, it is not a case of one fighting the other?

Mr. BARTON. Well, we have—

Senator ALLEN. We would have a common front.

Mr. BARTON. We would hope not, Mr. Chairman. It has been the case in the past that in some instances the interests of producers, processors, and end-product manufacturers have coincided, and we always like to see that situation. In other cases they do not coincide, unfortunately. So we are simply trying to structure this council, this board, so that if it operates it will have to operate to the producer's interest, since the producer is going to be, in the final analysis, the person who will finance the operation. One can always hope that it will, but we are interested in trying to structure it just as we, let us say, try to structure our national legislature so that it will be representative. We are proposing a method of selection so that we can have some assurance that it will be representative of producers.

Senator ALLEN. Well now, your organization's position was arrived at through action at an annual convention, or based on action back in the States by the State conventions, or just how did it come about?

Mr. BARTON. Mr. Chairman, we did not have this bill in its form as it is now. It was put in after our convention. We did not have an opportunity to go through the actual convention process nationally. Our position has been arrived at through extensive consultation and talking it out among our State organizations, with producers, so that there has been a tremendous number of telephone calls, and a tremendous number of personal contacts that have been carried out to arrive at this position.

Senator ALLEN. How many State organizations have taken a position against it? This should be in the record, I think.

Mr. BARTON. The Texas Farmers Union Board of Directors met on April 22 of this year and passed a resolution opposing the bill unless it has the changes, the referendum and so on that we are recommending.

(The resolution is as follows:)

WHEAT RESEARCH AND PROMOTION

Whereas, a Wheat Research and Promotion Bill known as the Wheat Foods Research, Education, and Promotion Act has been introduced into both the Senate and House, and

Whereas, the actual administration of the act will be provided by a board of 15 directors of the Wheat and Wheat Foods Foundation composed of 5 producers, 5 processors, and 5 end product manufacturers, and

Whereas, the wheat producer will be consistently out voted and will have little say in the administration of the act, and

Whereas, the research and promotion assessment will be in all likelihood paid by the farmer through lower prices for his wheat rather than by the consumer in higher bread prices, and

Whereas, research and promotion programs for farm commodities have consistently proven that little if any effect is felt by the farmer through higher prices for his particular product, and

Whereas, research and promotion programs for food commodities merely compete against each other without creating an appreciable demand for the product, and

Whereas, no provision has been made in the proposed bill for subsequent regular referendum to determine whether the research and promotion program should be continued,

THEREFORE BE IT RESOLVED that the full Board of Directors of the Texas Farmers Union meeting in Waco, Texas on April 22, 1972 go on record opposing H.R. 13514 and S. 3276 known as the Wheat and Wheat Foods Research, Education, and Promotion Act in their present form, and

BE IT FURTHER RESOLVED that should the said act be amended to provide for a two-thirds wheat producer membership on the Council with provision for a referendum each two years for effective producer control that the Texas Farmers Union Board of Directors will support the Wheat and Wheat Foods Research, Education, and Promotion Act as amended.

Mr. BARTON. The organizing committee of the Kansas Farmers Union has taken essentially the same kind of a position. The Nebraska Farmers Union has communicated with members of this Committee in urging these amendments. The North Dakota Farmers Union has communicated to Senators their opposition to the bill in this form. Rocky Mountain Farmers Union, representing New Mexico, Colorado, and Wyoming, has sent a night letter to Senators in opposition to the bill in the present form. These are some that I am aware of that have communicated. There may be other organiza-

tions that have communicated for which I have not been made aware of their wires or letters.

(Telegram filed for the record is as follows:)

LINCOLN, NEBR., May 3, 1972.

Senator CARL T. CURTIS,

*Member of Subcommittee on Agricultural Research and General Legislation of
the Senate Committee on Agriculture and Forestry, Senate Office Bldg.,
Washington, D.C.*

On behalf of the Farmers Union of Nebraska we wish to associate our organization with the position established by the National Farmers Union regarding S-3276 which proposes enactment of the Wheat and Wheat Foods Research Education and Promotion Act.

We support the passage of this measure in principle but feel that producer referenda should be used in order to establish producer acceptance before initiation.

We also feel that a producer majority should be provided on the wheat industry council proposed under the act and that periodic review of expenditures and operations should be arranged.

Respectfully,

ELTON L. BERCK,
State President,

Farmers Union of Nebraska.

Senator ALLEN. Well, would you say that the bill as drawn would be inimical to the best interests of the wheat farmers?

Mr. BARTON. Actually, Mr. Chairman, what we are saying is if this bill is to be enacted, let us find out. Let us go back directly to the wheat farmer and conduct a referendum, and find out exactly whether the majority of the wheat farmers want this kind of program. And then if they do, then let us have it on top of the other one, but before it is instituted, and particularly since we have the other program in operation, we ought to go back and give the producers an opportunity directly to vote up or down on the program.

Senator ALLEN. But, I do not believe you answered my question. Do you believe it is inimical to the best interests of the producers?

Mr. BARTON. We think overall it is in the form that it is now, and this is the reason that we are recommending these changes.

Senator ALLEN. Thank you very much. I appreciate your testimony.

Senator Bellmon.

Senator BELLMON. Mr. Barton, for the record, can you tell us what the National Wheat Institute is?

Mr. BARTON. The National Wheat Institute is an organization, a legal corporation chartered in the District of Columbia. It was established under the Wheat Research and Promotion Act of 1970 to carry out the program of research and development financed by the inverse subsidy system. The members of the National Wheat Institute represent wheat or general farm organizations, and are in each case themselves wheat producers. It is, as we say, directly controlled by producers. There is representation of the National Farmers Union, the National Farmers Organization, the Grange, the National Association of Wheat Growers, and the National Federation of Grain Cooperatives. I believe. I might have missed one or two.

Senator BELLMON. I noticed you missed the Farm Bureau.

Mr. BARTON. Is the Farm Bureau represented? I am sure someone could tell me whether the Farm Bureau has representation or not. It

is not represented. The bill was passed, as you know, Senator in 1970, in September I think. And the organization got organized, and was approved by the Department of Agriculture during the past year. It is now in the process of considering specific contracts, with the money available. It is, therefore, basically at the take-off stage in terms of carrying out actual research and promotion programs.

Senator BELLMON. How much money does it have available?

Mr. BARTON. It has something between \$2 million and \$3 million. There was \$4.2 million of inverse subsidy money. However, there was an opportunity for producers to request that that money be returned to them rather than to go into the research program. And there is a question, at least in my mind, as to the exact amount that was returned to the producers as opposed to going into the program.

Senator BELLMON. But, this is a one-shot effort? Once the \$2 million is gone, that is the end of it?

Mr. BARTON. As I understand it is. The bill is written so it is based on the inverse subsidy money of 68-69, but again, it could be, of course, amended to add additional sources of money when that money is gone.

Senator BELLMON. How many State and regional wheat commissions do we have that perform generally the same function as is intended by this bill, do you know?

Mr. BARTON. I do not have an exact figure. But they include the Kansas Wheat Commission, Nebraska Wheat Commission, Washington Wheat Commission, Oregon Wheat Growers League, and Oregon Wheat Commission. Then you have some overlapping organizations including Western Wheat Associates and Great Plains Wheat, Inc., which perform research functions. So, there are, as you indicate, a number of commissions throughout the States and, of course, research is being conducted by the State Departments of Agriculture. And substantial research along this line is being conducted by the U.S. Department of Agriculture.

Senator BELLMON. I notice on our witness list that we have witnesses from the National Association of Wheat Growers, Great Plains Wheat, Oregon Wheat, Texas Wheat, Washington Association of Wheat Growers, and Montana Grain Growers. This does not cover Oklahoma, Kansas, Nebraska, or that area. Could you give us a list, or do you have available a list, of the wheat associations that are in existence? I think it might help the committee in deciding whether or not we need another one.

Mr. BARTON. I do not have a complete list, Senator.

Senator BELLMON. Do you know where we could get one?

Mr. BARTON. I do not think that would be any particular problem. I would certainly be willing to request this information and forward it to you, but you may want to request that directly from the Department. If you would prefer that I do this, I would be more than happy to do it.

Senator BELLMON. I would appreciate it if you would try. I am not sure that the Department keeps a list of all of the associations. Perhaps they do.

Mr. BARTON. I will be happy to do that, sir.

Senator BELLMON. Does your organization put forth any effort in this general field of research and education, or do other farm organizations like the Farm Bureau or Grange?

Mr. BARTON. Primarily our involvement now is, as I indicated before, as a member of the National Wheat Institute. We do have a wheat producer on the National Wheat Institute, and in that capacity there is involvement of Farmers Union as there is of other organizations.

Senator BELLMON. Mr. Chairman, could I ask the staff to furnish the committee with a list of the organizations that are performing functions generally in the area of research, education, and promotion, and if possible the amount of money each has available to them for this purpose?

Senator ALLEN. We will have the staff make that request to the Department.

Senator BELLMON. If you would, also find out whether there is any coordinating effort or system between the work of these different groups.

Mr. BARTON. Senator Bellmon, are you relieving me of that responsibility?

Senator BELLMON. Yes. I think it might be better if we ask our own staff to do that.

(The information is as follows:)

JUNE 13, 1972.

MEMORANDUM

To: Senator James B. Allen, Chairman, Subcommittee on Agricultural Research and General Legislation.

From: Jim Thornton, Staff Consultant, Senate Committee on Agriculture and Forestry.

Pursuant to your request, you will find below a listing of State Wheat Commissioners and State Wheat Grower Associations for the major wheat states in the United States. Generally, the funds expended by State Wheat Commissions are utilized for the following purposes: (1) market promotion; (2) market research; and (3) foreign market promotion.

The annual revenues for each Commission listed below are estimated annual averages. Only "research" expenditures are singled out below. Therefore, it may be assumed that the bulk of each Commission's yearly expenditures are utilized for domestic and foreign market promotion activities. Most of the Commissions listed below are members of either Great Plains Wheat Inc. or Western Wheat Associates which are regional organizations that contract with the Foreign Agricultural Service of USDA to promote the sale of U.S. wheat in foreign countries.

Each Commission contributes a percentage of its annual revenue (based upon its total wheat production) to these regional organizations which are then used along with funds generated by the sale of U.S. wheat through P.L. 480 in foreign countries, for promoting foreign sales of U.S. wheat generally.

To the best of my knowledge there is no existing organization or system for coordinating what individual Commissions finance or sponsor with respect to wheat research or promotion activities domestically. However, the Commissions holding membership in Great Plains Wheat, Inc. and Western Wheat Associates do work together (through Committees) on common domestic marketing problems that affect foreign sales, such as transportation problems (rail rates, etc.).

As indicated in the footnote of the table listed below, the State Wheat Grower Associations rely solely upon individual membership dues as their source of revenue. All of the state grower associations are members of the National Association of Wheat Growers. In fact, much, if not most, of the monies collected by the individual state associations are used to finance the National Association, whose main purpose is to enhance price and income opportunities for wheat producers through political lobbying activities.

STATE WHEAT COMMISSIONS AND GROWER ASSOCIATIONS

State and organization	Source of revenue	Estimated annual average revenue	Percentage of expenditures going to research
Colorado:			
Colorado Wheat Administrative Committee, Denver, Colo.....	(1)	\$225,000	7-10
Colorado Association of Wheat Growers, Denver, Colo.....	(2)	(2)	(2)
Idaho:			
Idaho Wheat Commission, Boise, Idaho.....	(1)	185,000	20
Idaho State Wheat Growers Association, Boise, Idaho.....	(2)	(2)	(2)
Kansas:			
Kansas Wheat Commission, Hutchinson, Kan.....	(1)	380,000	20
Kansas Association of Wheat Growers, Dodge City, Kan.....	(2)	(2)	(2)
Montana:			
Montana Wheat Research and Marketing Committee, Montana Department of Agriculture, Great Falls, Mont.....	(1)	137,000	-----
Montana Grain Growers Association, Carter, Mont.....	(2)	(2)	(2)
Nebraska:			
Division of Wheat Development, Utilization and Marketing, Nebraska State Department of Agriculture, Lincoln, Neb.....	(1)	215,000	15-17
Nebraska Wheat Growers Association, McCook, Nebr.....	(2)	(2)	(2)
North Dakota:			
North Dakota Wheat Commission, Bismarck, N. Dak.....	(1)	300,000	13-14
North Dakota Wheat Producers Association, Trenton, N. Dak.....	(2)	(2)	(2)
Durum Growers Association of the United States, Edmore, N. Dak.....	(2)	(2)	(2)
Oklahoma:			
Oklahoma Wheat Commission, Oklahoma City, Okla.....	(1)	90,000	20
Oklahoma Wheat Growers Association, Enid, Okla.....	(2)	(2)	(2)
Oregon:			
Oregon Wheat Commission, Pendleton, Ore.....	(1)	100,000	5
Oregon Wheat Growers League, Pendleton, Ore.....	(2)	(2)	(2)
South Dakota:			
South Dakota Wheat Commission, Pierre, S. Dak.....	(1)	136,000	14
South Dakota Wheat Producers, Inc., Presho, S. Dak.....	(2)	(2)	(2)
Texas:			
Texas Wheat Producer Board, Amarillo, Tex.....	(1)	135,000	25
Texas Wheat Producer Association, Amarillo, Tex.....	(2)	(2)	(2)
Washington:			
Washington Wheat Commission, Spokane, Wash.....	(1)	290,000	4
Washington Association of Wheat Growers, Ritzville, Wash.....	(2)	(2)	(2)
Wyoming: Wyoming Wheat Growers Association, Cheyenne, Wyo.....	(2)	(2)	(2)

¹ Funds are collected through a per bushel checkoff assessment system at the point of first sale.

² Funds are collected from members in the form of membership dues.

³ No figures are available. Annual collections for most State grower associations are relatively small, usually not exceeding 5 figures. Practically all moneys collected are utilized to support political lobbying activities with few or no dollars expended for financing wheat research or promotion activities.

(The bylaws and financial statement of the Wheat and Wheat Foods Foundation are as follows:)

BYLAWS OF WHEAT AND WHEAT FOODS FOUNDATION, AS AMENDED
FEBRUARY 20, 1969

ARTICLE ONE

MEMBERSHIP

Section 1. Individual Members.—Any person, firm, corporation or other entity concerned directly or indirectly with any phase of the growing, marketing, handling, processing, end-product manufacturing, or in the promotion for sale of wheat or wheat food end-products, for profit, may become an Individual Member of this Corporation.

Section 2. Association Members.—Any trade association or corporation not-for-profit, or any similar entity, concerned either directly or indirectly with any phase of growing, marketing, handling, processing, end-product manufacturing, or in the promotion for sale of wheat or wheat food end-products, shall be eligible to apply to the Board of Directors for membership as an Association Member of this Corporation.

Section 3. Classification of Association Members.—The Association Membership shall be divided into three classes: Wheat Producers, Wheat Processors, and Wheat Foods End-Product Manufacturers. "Wheat Producer" is hereby defined to mean any person, firm, corporation or other entity engaged directly in the

growing of wheat for market in the United States. "Wheat Processor" is hereby defined to mean any such entity engaged in the processing of at least 5,000 bushels of wheat annually for home or commercial use as human food in the United States; or, any such entity serving in a capacity either as a broker or as a principal in the sale annually of a similar or larger wheat-equivalent quantity of product for use as human food. "Wheat Foods End-Product Manufacturer" is hereby defined to mean any such entity using wheat or a processed product of wheat as a material or ingredient in the production or manufacture of a product for commercial sale as human food in the United States.

Section 4. Voting by Association Members.—Each class of Association Member is entitled to one vote on Corporation matters, which vote may only be cast by a representative of such class certified to the Corporation therefor, which representative must also be an Individual Member as described in this Article One, Section 1. Alternate voting members may be certified to the Corporation by each class, so as to assure the presence of a voting member for that class whenever required. The unanimous vote of the three certified representatives or their alternates of the respective classes is required to empower the Corporation to act on any matter submitted for a vote.

Section 5. Limitations and Acceptance.—Membership shall be open to all who qualify for membership under Article One, Sections 1 and 2 and are approved for such membership by the Board of Directors.

Section 6. Membership Fees.—The Board of Directors shall establish a schedule of annual Membership fees, and the due date for payment thereof, subject to ratification by Association Members authorized to vote as provided in Article One, Section 4. The Board of Directors may from time to time submit changes in such schedule, subject as aforesaid, at such times as it deems advisable. Non-payment of an annual fee by the due date shall result in immediate and automatic termination of membership rights. A member may be reinstated upon payment of the balance of all annual fees due and unpaid. The members of this Association shall not be subject to special assessments except as the membership shall approve them as described in Section 4 above.

Section 7. Withdrawal.—Any member may withdraw from membership by giving written notice to the Corporation. There shall be no refund of any portion of fees paid prior to withdrawal.

Section 8. Members' Meetings.—The members of this Corporation shall hold an annual meeting at a time and place to be designated by the Board of Directors at which officers and Directors shall report this Corporation's activities during the preceding fiscal year and propose and project the program and plans for the succeeding fiscal year. At least 20 days' written notice of the time and place fixed for any such meeting shall be sent by United States Mail to all members. Special meetings of the membership may also be called when the occasion warrants after similar, written, advance notice by the Board of Directors, the Executive Committee elected as provided by Article Two, Section 10, hereof, or upon the written request to the Corporation therefor from any one of the certified representatives of each class of Association Members authorized to vote as provided in Article One, Section 4, hereof. The presence of at least the three persons or their certified alternates, of the respective classes, authorized to vote on matters presented to the meeting shall constitute a quorum for Members' Meetings.

ARTICLE TWO

BOARD OF DIRECTORS

Section 1. Directors' Powers.—All Corporate powers of this Corporation shall be vested in the Board of Directors.

Section 2. Number and Election of Directors.—Initially the Board of Directors shall consist of the three Directors named in the Articles of Incorporation. As soon as practicable after incorporation of the Corporation the number of Directors shall be increased to 75, of whom not to exceed 25 at any one time in office shall be elected by Association Members of each class (including in each group of 25 one of the three initial Directors during his first term in office). Directors to be elected from time to time by each of the Wheat Producer and Wheat Foods End-Product Manufacturer classes shall be selected in accordance with procedures therefor adopted by the Association Members of said class, and certification to the Corporation of the persons so selected shall constitute their election as Directors. Association Members of the Wheat Processor class shall elect Directors in the manner provided in Section 2A of this Article Two.

Section 2A. Voting by Association Members of the Wheat Processor Class.—

(a) Directors to be elected by Association Members of the Wheat Processor class to increase the number of Directors initially on the Board, and thereafter to succeed to Directors whose terms expire, shall be elected in accordance with the following procedure: the Corporation shall mail notice to each Association Member of said class setting forth the number of Directors to be elected by them, and shall enclose therewith an appropriate ballot for their use in voting in such election. Each Association Member of said class may within twenty-one days after the mailing of said notice by the Corporation cast its ballot for the person or persons therein designated by it for the office of Director, not to exceed in number the number of Directors then to be elected by said class, which ballot shall not be valid unless received by the Corporation by mail or otherwise within said twenty-one day period. Each Association Member of said class shall be entitled to one vote for each unit of 5,000 bushels of wheat processed by its members in the United States for domestic human consumption during the then last preceding calendar year ended at least six (6) months prior to the mailing of such notice by the Corporation, multiplied by the number of Directors then to be elected, and shall have the right to accumulate its votes and give one candidate **all of its votes or distribute its votes among as many candidates as it shall see fit.** Those persons, equal in number to the number of Directors then to be elected by said class, receiving the highest number of votes so cast shall be elected to the office of Director and shall be so certified by the Corporation. The foregoing formalities may be omitted if and when all Association Members of said class shall join in a unanimous ballot.

(b) On any matter other than the election of Directors which shall be submitted to a vote of Association Members of the Wheat Processor class, each Association Member of said class shall have one vote for each unit of production described in the preceding paragraph (a).

(c) Each Association Member of the Wheat Processor class shall certify to the Corporation within 30 days after becoming a member and within 120 days after the end of each calendar year thereafter the aggregate number of bushels of wheat processed by its members in the United States during the then preceding calendar year, based on the best information available to it, excluding, however, the quantity processed by any such member who shall have notified the Corporation that the quantity processed by it is to be voted by another Association Member of the Wheat Processor class of which it is also a member.

(d) Each Association Member of the Wheat Processor class shall annually certify to the Corporation the names and addresses of its members. If any Wheat Processor is listed as a member of more than one Association Member of said class, the Corporation shall request said Wheat Processor to inform it promptly in writing which such Association Member shall be authorized to vote units based on its production and such units may be voted only by the Association Member so designated, *provided* that if it fails to comply with such request no Association Member may vote such units.

Section 3. Qualification of Directors.— To qualify as a Director, such person must be an Individual Member and a designated representative of only one class of Association Membership.

*Section 4. Vacancies.—*A vacancy in any one of the three classes of Directors shall be filled for the unexpired term of such vacancy by the remaining Directors of that class.

*Section 5. Tenure of Directors.—*The term of office of the 3 initial Directors shall continue to the end of the third fiscal year of the Corporation on June 30, 1971. The term of office of their respective successors and of each other Director from time to time elected shall be a period of three years ending with the end of a fiscal year of the Corporation, except that of the 24 additional Directors to be initially elected by each class of Association Members, the first 8 shall be elected for a term ending June 30, 1971, the next 8 for a term ending June 30, 1970, and the remaining 8 for a term ending June 30, 1969. No person shall be elected to more than two consecutive three-year terms, but a person shall again be eligible for the office after the passage of three years from the end of two consecutive terms as Director. Each Director shall be eligible to serve during the term for which he is elected and until his successor is elected and shall have qualified.

*Section 6. Chairman and Vice-Chairman of the Board of Directors.—*A Chairman and a Vice-Chairman shall be nominated and elected from among the members of the Board of Directors, to serve without compensation for a period of not more than one fiscal year of the Corporation. Each may be re-elected. The Chair-

man and the Vice-Chairman shall each represent, with voting powers, one of the respective classes of the three classes of membership, and each shall by his election become a member of the Executive Committee, constituted according to Article Two, Section 10.

Section 7. Meetings of Directors.—Regular meetings of the Board of Directors shall be held twice annually, or special meetings as the Directors shall require, after 20 days' written, advance note of date, time and place by United States Mail, for the primary purpose of considering the financing and budget of the ensuing year, for reports on progress in program according to budget and for other matters deemed important. The meetings shall be called by the Chairman, or in his absence or incapacity, by the Vice-Chairman; or by any nine Directors providing three are from each of the three classes described in Article One, Section 3. Members of the Board of Directors need not attend meetings in person but may name alternates of the same class to vote by proxy. A quorum shall be a majority of Directors elected in each of the three classes of Association Membership whether present in person or by proxy.

Section 8. Voting.—Each of the three classes described in Article One, Section 3, shall cast one vote in accordance with the wishes of the majority of the elected Directors of the respective classes. The votes of the respective classes must be unanimous in order to empower the Corporation to act, through its Directors, on any matter submitted for a vote.

Section 9. Charter Association Members.—The organizations hereinafter named in this Section are hereby established as the Charter Members among the Association Members, unless any thereof request in writing that it not be included as a Charter Association Member:

GROWERS

1. National Association of Wheat Growers
2. Western Wheat Associates, Incorporated
3. Great Plains Wheat, Incorporated
4. U.S. Durum Growers Association
5. Kansas Association of Wheat Growers
6. Montana Grain Growers Association
7. Nebraska Wheat Growers Association
8. Oklahoma Wheat Growers Association
9. South Dakota Wheat Producers, Incorporated
10. Texas Association of Wheat Growers
11. Wyoming Wheat Growers Association
12. Oregon Wheat Growers League
13. Washington Association of Wheat Growers
14. Idaho State Wheat Growers Association
15. Kansas Wheat Commission
16. Nebraska Wheat Commission
17. North Dakota State Wheat Commission
18. South Dakota Wheat Commission
19. Colorado Association of Wheat Growers
20. Colorado Wheat Administrative Committee
21. Oregon Wheat Commission
22. Washington Wheat Commission
23. Idaho Wheat Commission

PROCESSORS

1. Bulgur Associates
2. Millers' National Federation
3. National Association of Flour Distributors
4. National Soft Wheat Millers Association

END-PRODUCT MANUFACTURERS

1. Associated Retail Bakers of America
2. American Bakers Association
3. Biscuit and Cracker Manufacturers' Association
4. National Macaroni Manufacturers Association

Section 10. The Executive Committee.—The Board of Directors shall annually elect 15 of their number, five from each of the three classes of Association Membership, and 15 alternates on the same basis, to serve as members and the alternates of members of the Executive Committee for terms of one fiscal year with all the powers of the Board of Directors, subject, however, to the provi-

sions of Chapter 32, Section 163a20, Illinois Revised Statutes, as amended, and except that all actions of the Executive Committee shall be submitted in minute form to the Board of Directors for final approval. The Chairman, Vice-Chairman and other officers representing Association Members on the Board of Directors shall be included as voting members of the Executive Committee, each as one of the above 15 and each as a representative of one of the three classes described in Article One, Section 3. The unanimous vote of the majorities of the Members within each class, or their alternates of that class, shall be required for action by the Executive Committee. Election of Directors and their alternates to the Executive Committee shall constitute a slate of Corporate members and their alternates to comprise a Wheat Industry Council or similar body of wheat producers, processors and end-product manufacturers formed by the U.S. Department of Agriculture, and their names shall be submitted as nominees for subsequent appointment by the U.S. Secretary of Agriculture, if such nominees are acceptable to him. The Wheat Industry Council or such similar organization may, in turn, contract with the Wheat and Wheat Foods Foundation for the planning, organization and administration of work designed to further its stated objectives.

Section 11. Executive Committee Meetings.—The members of the Executive Committee, shall be convened upon call by the Chairman, or in event of his absence or incapacity, by the Vice-Chairman, whenever problems of policy or operation are deemed important enough for Executive Committee consideration. A quorum for any such meeting shall consist of a majority of members or their alternates, elected within each of the classes described in Article One, Section 3. At their discretion, members of the Executive Committee may vote by telephone or mail on written questions, submitted in advance.

Section 12. Honorary Directors.—The Board of Directors may designate, from time to time, persons or representatives or organizations to serve as associate, honorary or life-time members of the Board of Directors, or by whatever other name or designation may be deemed appropriate. Such members shall serve for whatever period may be designated by the Board of Directors, and those so named shall be entitled to all the rights and privileges of members of the Board of Directors, except the right to vote.

ARTICLE THREE

OFFICERS

Section 1. Officers.—The officers of the Wheat and Wheat Foods Foundation shall be the Chairman and Vice-Chairman and other officers representing Association Members, and personnel elected by the Board of Directors including a President, Secretary, Treasurer, and any other such officers including Vice-Presidents and assistant officers as the Board may deem necessary, to assure efficient functioning of the organization, reporting of member attitudes within the organization, and reporting to the organizations within the three classes of membership on staff work accomplished on their behalf.

Section 2. The President.—The President shall be the chief executive officer of this Corporation, and shall serve ex-officio as a non-voting member of the Board of Directors and of the Executive Committee. The President shall also serve ex-officio as a non-voting member of all other lesser committees where he may delegate his representation to some other staff member. The President and other officers shall be elected annually by the Board of Directors to serve for periods of one year at reasonable rates of compensation established by the Executive Committee and approved by the Board of Directors. The President shall be responsible for the Corporate organization; the hiring, direction and replacement of all staff personnel; the diligent prosecution of authorized projects and program; the direction or counsel of other officers as appropriate; and the performance of all duties assigned to the President, and in turn shall be responsible to the Executive Committee and the Board of Directors.

Section 3. Other Officers.—The Secretary shall be responsible for the keeping of Corporate records, the Seal of the Corporation, and the keeping and publication of minutes of all regular or special sessions of the Board of Directors, the Executive Committee, and, either personally or by delegation, the minutes of all other authorized Committee meetings. The Treasurer shall be responsible, personally and by delegation, for the management of the Corporation's financial

affairs, the accounting and reporting of receipts and disbursements, income and expenditure against budgets reviewed and approved by the Executive Committee and the Board of Directors.

ARTICLE FOUR

FINANCES

Section 1. Fiscal Year.—The fiscal year of this Corporation shall begin on July 1 of each year and end on June 30 of the following year.

Section 2. Use of Fees.—The annual fees collected pursuant to Article One, Section 6, shall be used primarily to maintain channels and methods of communication whereby members may be informed of the work in progress and accomplished and can express their tangible interest in this Corporation, as well as to maintain the enthusiasm and support of the members.

Section 3. Source of Additional Funds.—Funds to finance the approved program of the Wheat and Wheat Foods Foundation shall be derived from sources developed by the Board of Directors, the Executive Committee, and the membership to provide resources ample to budget and pay for the cost of programs approved by the Board of Directors and the Executive Committee. The Board of Directors and the Executive Committee shall also be empowered to accept contributions from individuals, groups, or companies to help serve and implement the purposes of the Corporation.

Section 4. Application of Funds.—Surplus funds in excess of expenditures shall be held as a general fund, but may be invested in short-term interest-bearing securities, at the discretion of the Treasurer responsible for the accounting therefor. Such securities, as well as any other Corporate assets, shall not be purchased for more than nor sold for less than adequate consideration in money or money's worth. No part of such general fund or the net earnings thereon shall inure to the benefit of any member, officer, or private person or individual, or in any way be diverted from the Corporate purposes, it being this Corporation's specific intention to qualify as a tax-exempt organization under Section 501 (c) (6) of the Internal Revenue Code of 1954, as amended.

Section 5. Bonding of Officers and Employees.—Annually, the Board of Directors, at their discretion, shall fix the amount of and provide for such fidelity bonds on the officers and employees of this Corporation as the Board shall deem necessary.

Section 6. Financial Statements.—The Treasurer shall prepare and deliver or cause to be prepared and delivered to the Directors, monthly statements of cash receipts and disbursements, and quarterly analyses of expenditures. Annual financial statements, consisting of at least a Balance Sheet and a Statement of Income and Expenditures according to budget, shall be audited by a firm of Certified Public Accountants who shall deliver their written report and opinion to the Board of Directors.

Section 7. Receipts and Disbursements.—The Treasurer or an Assistant Treasurer shall receive all monies and shall sign all checks in disbursement of monies, which checks shall require the countersignature of any one of the other officers so designated by the Board of Directors.

ARTICLE FIVE

COMMITTEES

Section 1. Appointment.—The Chairman of the Board of Directors, with the approval of the Executive Committee, shall appoint annually Chairman and Members of Standing Committees and may appoint Chairmen and Members of Special Committees whenever warranted in the opinion of the Board of Directors or the Executive Committee. Each of said Committees shall consist of at least two Directors of the Corporation. All Chairmen and members of Standing Committees shall be appointed for terms of one year; Chairmen and Members of Special Committees shall be appointed for terms consistent with the purpose, function and goals of the Committee. The Committee shall examine the specific areas of interest, and shall report or recommend regularly to the Board through the Executive Committee. Insofar as possible, the Membership of all Committees shall represent the balance of interest between the three classes of Association Membership described in Article One, Section 3

Section 2. Committee Changes.—The Board of Directors may add to or subtract from the duties, activities and responsibilities of the Standing Committees or any Special Committee at any time, and make such assignments as will best serve the interest of this Corporation. The Executive Committee may remove or transfer, at any time, a Chairman or Member of a Standing or Special Committee.

ARTICLE SIX

REPORTS AND STANDING COMMITTEE MEETINGS

Section 1. Reports to Association Members.—The President, Secretary, Treasurer, Committee Chairmen or staff officers and personnel shall be prepared to make reports to the Annual Meetings or Conventions of each Association Member whose representatives are members of the Board of Directors, if so invited by said Association Member.

Section 2. Committee Meetings.—Chairmen of Standing and Special Committees may call meetings of their Committees as the occasion warrants. A majority of the Committee Members shall constitute a quorum at any Committee Meeting. In the event of the absence of a Member of any such Committee, a substitute may be named by the Committee Chairman to act in the Member's stead.

Section 3. Committee Meeting Reports. Reports of all Committee Meetings shall be made to the Members of the Committee, the Executive Committee, the officers, and when deemed appropriate, to the Board of Directors.

ARTICLE SEVEN

CORPORATE POWERS

Section 1. Contracts.—This Corporation is empowered to prepare and enter into contracts for the expenditure of monies available for the promotion or the purposes for which this Corporation was organized, as set forth in the Articles of Incorporation.

Section 2. Governmental Agency.—This Corporation is empowered to act in conjunction or in cooperation with any agency of the Federal, any State or any Local Governments or any other Committee created for or acting in furtherance of the purposes of this Corporation.

Section 3. Additional Powers.—The above powers shall be construed to be in addition to all other powers granted by law.

Section 4. Indemnification of Directors, Officers and Employees.—The Corporation shall indemnify any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, by reason of the fact that he is or was a Director or officer of the Corporation or serves or served in any capacity at the request of the Corporation. Such rights of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled. The Corporation may also indemnify other employees of the Corporation, to the extent that the Board of Directors may determine.

ARTICLE EIGHT

AMENDMENTS

Section 1. General.—These By-Laws may be amended at any Regular or Special Meeting of the Board of Directors by vote in accordance with the provision and requirements of Article Two, Section 8; provided, however, that copies of the proposed amendment shall have been circulated for review by the members of the Board of Directors, at least seven days prior to said Meeting.

Section 2. Exceptions.—Any amendment which, in the opinion of counsel to this Corporation, would endanger this Corporation's qualifications, or continued qualifications, for designation as a tax-exempt organization under Section 501 (c) (6) of the Internal Revenue Code of 1954, as amended, shall require the unanimous approval of each of the members described in Article One, Section 3, authorized to vote in behalf of each of the respective classes.

WHEAT AND WHEAT FOODS FOUNDATION

Statement of cash account—as of May 31, 1972

1967-68: Contributions received in behalf of 60 members of board of directors—Interim organization-----	\$11, 800. 00
1968-69:	
Dues received from 61 director designates—Representative of association members-----	6, 100. 00
Dues received from 60 individual members-----	300. 00
1969-70:	
Dues received from 52 director designates—Representative of association members-----	5, 200. 00
Dues received from 69 individual members-----	345. 00
1970-71:	
Dues received from 50 director designates—Representative of association members-----	5, 000. 00
Dues received from 172 individual members-----	860. 00
1971-72:	
Dues received from 36 director designates—Representative of association members-----	3, 600. 00
Dues from 202 individual members-----	1, 010. 00
1972-73:	
Advance dues received from 2 director designates-----	200. 00
Advance dues received from 4 individual members-----	20. 00
Other receipts-----	1, 645. 10
Total receipts-----	36, 080. 10
Expenses to May 31, 1972 (see summary below)-----	—30, 179. 50
Cash on hand, May 31, 1972-----	5, 900. 60

Summary of expenses

Office supplies, postage, etc-----	3, 060. 60
Telephone-telegraph-----	1, 255. 76
Travel and meetings-----	9, 501. 18
Foundation program-----	6, 364. 73
Foundation presentation-----	3, 614. 75
Legal fees-----	3, 690. 48
Outline of program, 1971-----	2, 692. 00
Total expenses-----	30, 179. 50

Senator BELLMON. Now, also for the record, I had not realized it until I read this bill that there was such a thing as the Wheat and Food Foundation. Do you know anything about this foundation?

Mr. BARTON. I know only what I have secured as general information. I have a membership list.

Senator BELLMON. Let me ask if we are going to have a witness today from the foundation?

Mr. THORNTON. We will have some witnesses later that will be very knowledgeable on the foundation, Senator.

Senator BELLMON. All right, I will not ask you unless you care to volunteer.

Mr. BARTON. I did indicate in response to one of Senator Allen's questions that the list I have of individual members, broken down by producer, by processor and by end-product manufacturer indicates there are 17 producers, 62 processors, and 67 end-product manufacturers, and in that sense I did indicate in response to Senator Allen's question that millers and end-product manufacturers have member-

ship on the Foundation in the ratio of about $7\frac{1}{2}$ of these "middlemen" to every one producer.

Senator BELLMON. Could you give the committee a list of these members for the record?

Mr. BARTON. I can do that.

(The information is as follows:)

The following have qualified as individual members of the Wheat and Wheat Foods Foundation, Inc., by payment of individual member dues, as required by article 2, section 3, of the by-law:¹

PRODUCERS (TOTAL, 17)

Edgar E. Ashton, Route 2, Nebraska City, Nebr.; Richard K. Baum, Western Wheat Associates, U.S.A., Inc., 804 American Bank Bldg., Portland, Ore.; R. A. Becker, Nebraska Wheat Growers Association, North Highway 83, Box 307, McCook, Nebr.; Creel Brock, Kansas Wheat Commission, 1021 North Main, Hutchinson, Kans.; Joseph Halow, Great Plains Wheat, Inc., 1030 Fifth Street N.W., Washington, D.C.; Robert Jepsen, Oregon Wheat Growers League, Box 284, Ione, Ore.;

Richard Juris, Washington Wheat Commission, 409 Great Western Bldg., Spokane, Wash.; Lawrence Lueking, Nebraska Wheat Division, 620 Terminal Bldg., Lincoln, Nebr.; George Meeker, National Association of Wheat Growers, 1401 East Hackberry, Garden City, Kans.; Warren Miller, South Dakota Wheat Commission, 423 South Pierre Street, Pierre, S. Dak.; Glenn Moore, Montana Wheat Research & Marketing Committee, Willard, Mont.;

Howard L. Morton, National Association of Wheat Growers, 8843 Morton Road, Longmont, Colo.; Kenneth W. Olson, Great Plains Wheat, Inc., 6663 Van Winkle Drive, Falls Church, Va.; W. Orebaugh, Two Buttes, Colo.; Floyd Root, Oregon Wheat Commission, Star Route, Wasco, Ore.; John D. Schmidt, Colorado Wheat Administrative Committee, Strasburg, Colo.; Chester B. Stonecipher, Stonecipher & Sons, R.R. 1, Box 80, Waitsburg, Wash.

ALLIED

John Gorman, Bakery Production & Marketing, 3460 John Hancock Center, Chicago, Ill.; Thomas Gorman, Bakery Production & Marketing, 3460 John Hancock Center, Chicago, Ill.; William L. Gorman, Bakery Production & Marketing, 3460 John Hancock Center, Chicago, Ill.; Billy Ray Gowdy, Oklahoma State Board of Agriculture, State Capitol Bldg., Oklahoma City, Okla.; Joseph Harlin, Patco Products, 3947 Broadway, Kansas City, Mo.;

Don King, The Baker Magazine, 1602 Harold Street, Houston, Tex.; James Kirkpatrick, Patco Products, 3947 Broadway, Kansas City, Mo.; H. H. Lampman, Box 209A, Braeburn Road, Barrington Hills, Algonquin, Ill.; Jerry Machalek, The Southwestern Miller, 4800 Main Street, Kansas City, Mo.;

Doug Mann, Mannco, 114 Duke of Gloucester Street, Annapolis, Md.; Frank A. Serio, Frank A. Serio & Sons, Inc., 250 Dickman Street, Baltimore, Md.; Morton I. Sosland, The Southwestern Miller, 4800 Main Street, Kansas City, Mo.

PROCESSORS (TOTAL, 62)

Eldon Addy, Ross Industries, P.O. Box 2696, Wichita, Kans.; D. L. Barber, ConAgra, 500 Kiewit Plaza, Omaha, Nebr.; L. C. Blackburn, Hawaiian Flour Mills, P.O. Box 855, Honolulu, Hawaii.; Gordon Boals, Millers' National Federation, 1114 National Press Bldg., Washington, D.C.; Ronald Boucek, Dixie Portland Flour Mills, P.O. Box 1259, Chattanooga, Tenn.;

Curtis H. Brooks, Hubbard Milling Co., 424 North Front Street, Mankato, Minn.; C. B. Capps, California Milling Corp., 1861 East 55th Street, Los Angeles, Calif.; Calvin H. Cobble, Dixie Portland Flour Mills, P.O. Box 1259, Chattanooga, Tenn.; Ogden P. Confer, Hubbard Milling Co., 424 North Front Street, Mankato, Minn.; Owen W. Cotton, ConAgra, 2201 East 7th Street, Oakland, Calif.;

A. L. DePasquale, International Multifoods Corp., 1200 Investors Bldg., Minneapolis, Minn.; W. P. Dolan, ConAgra, 500 Kiewit Plaza, Omaha, Nebr.;

¹ Information supplied to National Farmers Union by the Millers National Federation, 1114 National Press Building, Washington, D.C. 20004. The memberships list was dated July 30, 1971.

Hubert C. Edwards, Dixie Portland Flour Mills, 4800 Main Street, Kansas City, Mo.; R. R. Ferguson, Peavey Co. Flour Mills, 860 Grain Exchange, Minneapolis, Minn.; Leslie Ford, Shawnee Milling Co., P.O. Box 1567, Shawnee, Okla.;

John S. Gardiner, Jr., Interstate Milling Co., P.O. Box 1165, Charlotte, N.C.; Roger C. Greene, Colorado Milling & Elevator, 1200 Lincoln Street, Denver, Colo.; W. H. Hagenmeyer, International Multifoods Corp., 323 East Atwater Street, Detroit, Mich.; M. W. K. Heffelfinger, Peavey Co. Flour Mills, 860 Grain Exchange, Minneapolis, Minn.; Robert A. Henry, Bulgur Associates, 1114 National Press Bldg., Washington, D.C.;

Howard S. Holmes, Chelsea Milling Co., North Street, Chelsea, Mich.; Charles Hoyt, Tennant & Hoyt, P.O. Box 453, Lake City, Minn.; Dr. William R. Johnston, International Multifoods Corp., 1506 Holdridge Lane, Wayzata, Minn.; Charles Kiefer, Birkett Mills, 1 Main Street, Penn Yan, N.Y.; Thomas J. Knox, Jr., Cleveland Milling Co., 430 Central Avenue NE., Cleveland, Tenn.;

Wayne Lightfoot, Shawnee Milling Co., P.O. Box 1567, Shawnee, Okla.; John L. Locke; Fisher Flouring Mills, 3235 16th Avenue SW., Seattle, Wash.; L. L. Lundgaard, Seaboard Allied Milling Corp., 1550 West 29th Street, Kansas City, Mo.; John Lynch, International Multifoods Corp., 1200 Investors Bldg., Minneapolis, Minn.; J. Allan Maetier, ConAgra, 500 Kiewit Plaza, Omaha, Nebr.;

Dugald A. MacGregor, Centennial Mills, Inc., 1464 NW. Front Avenue, Portland, Ore.; C. L. Mast, Jr., Millers' National Federation, 14 East Jackson Boulevard, Chicago, Ill.; Fred Mewhinney, Millers' National Federation, 1114 National Press Bldg., Washington, D.C.; Walter Mikkelsen, Centennial Mills, P.O. Box 3773, Portland, Ore.; H. H. Moore, Tennant & Hoyt Co., P.O. Box 453, Lake City, Minn.;

Richard G. Myers, Seaboard Allied Milling Corp., 1550 West 29th Street, Kansas City, Mo.; Frank Oakes, Vanderbilt Flour, 4001 East 123d Street, Alsip, Ill.; Anthony C. Owens, The Pillsbury Co., 608 Second Avenue South, Minneapolis, Minn.; Harold M. Regier, Buhler Mills, Inc., 1835 Union Avenue, Memphis, Tenn.; Herbert H. Regier, Buhler Mills, Inc. 2263 Forest Grove Cove, Memphis, Tenn.;

R. F. Robertson, Dixie Portland Flour Mills, Box 1259, Chattanooga, Tenn.; Frank Ross, Ross Industries, Inc., P.O. Box 2696, Wichita, Kans.; Bernard Rothwell, II, Bay State Milling Co., 4700 Prudential Center, Boston, Mass.; Stanley C. Roy, Elam Mills, 2625 Gardner Road, Broadview, Ill.; Robert Schoedler, Vanderbilt Flour, 4001 East 123d Street, Alsip, Ill.;

Lyle Schuman, Lyon & Greenleaf Co., P.O. Box 31, Ligonier, Ind.; John Sherlock, Millers' National Federation, 14 East Jackson Boulevard, Chicago, Ill.; Carl Smith, The Pillsbury Co., 608 Second Avenue South, M/S 0820, Minneapolis, Minn.; John B. Stout, Dixie Portland Flour Mills, P.O. Box 1259, Chattanooga, Tenn.; Henry L. Sumpter, Seaboard Allied Milling Corp., 1550 West 29th Street, Kansas City, Mo.;

M. L. Swanson, Fisher Flouring Mills Co., 3235 16th Avenue SW., Seattle, Wash.; Wilson P. Tanner, National Association of Flour Distributors, 11 Broadway, New York, N.Y.; W. F. Toevs, The Great Western Foods Co., P.O. Box 871, Knoxville, Tenn.; Paul Uhlmann, Jr., Standard Milling Co., 1009 Central, Kansas City, Mo.; R. Hugh Uhlmann, Standard Milling Co., 1009 Central, Kansas City, Mo.;

George A. Utter, ADM Milling Co., P.O. Box 7007, Shawnee Mission, Kans.; E. A. Wall, Wall Rogalsky Milling Co., McPherson, Kans.; Owen Wimberly, Okeene Milling Co., Drawer D, Okeene, Okal.; D. J. Woodland, General Mills, Inc., 9200 Wayzata Boulevard, Minneapolis, Minn.; Frank A. Yost, Hopkinsville Milling Co., P.O. Box 669, Hopkinsville, Ky.;

Jules Zimmerman, Cahokia Flour Co., 6060 Manchester, St. Louis, Mo.; R. D. Zumwalt, Burrus Mills, Inc., P.O. Box 448, Dallas, Tex.

END-PRODUCT MANUFACTURERS (TOTAL, 67)

Howard R. Alton, Jr., Pan-O-Gold Baking Co., 643 North 5th Street, Minneapolis, Minn.; W. Hoyt Baird, Mrs. Baird's Bakeries, P.O. Box 937, Fort Worth, Tex.; Howard Beaty, Colonial Baking Co., P.O. Box 1806, Dothan, Ala.;

G. K. Betts, Betts Baking Co., 120 East Third, Hutchinson, Kans.; J. C. Bowman, Route 3, Box 482, Golden, Colo.; Willard Brown, Purity Baking Co., Decatur, Ill.; Jule Burny, Burny Bros., 300 West North Avenue, Northlake, Ill.; Richard W. Daspit, American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C.;

Alan C. Davis, ITT Continental Baking Co., P.O. Box 731, Rye, N.Y.; Louis J. Davis, Rainbo Baking Co., P.O. Box 12350, San Antonio, Tex.; William Devilbiss, Charles W. Cowan, Inc., 1528 York Road, Lutherville, Md.; John R. Dow, Interstate Brands Corp., P.O. Box 1627, Kansas City, Mo.; J. H. Esco, Colonial Baking Co., 2465 Winthrop Avenue, Indianapolis, Ind.;

L. D. Feuchtenberger, Betsy Ross Bakeries, P.O. Box 1070, Bluefield, W. Va.; L. D. Feuchtenberger, Jr., Betsy Ross Bakeries, P.O. Box 1070, Bluefield, W. Va.; R. L. Francis, Silver Loaf Baking Co., 1102 West Ide Avenue, Spokane, Wash.; A. J. Gittner, Rainbo Baking Co., 1655 Herald Avenue Cincinnati, Ohio; Louie Gradic, Colonial Baking Co., P.O. Box 1806, Dothan, Ala.;

Joseph Haas, Haas Baking Co., 9769 Reavis Park Drive, St. Louis, Mo.; Blair Hackney, Campbell-Taggart, Inc., P.O. Box 2640, Dallas, Tex.; George E. Hall, Chambersburg Baking Co., 533 South Main Street, Chambersburg, Pa.; John Hauswald, Hauswald Bakery, 2816 Edmondson Avenue, Baltimore, Md.; Albert K. Herling, Bakery and Confectionery Workers' International Union of America, 1828 L Street N.W., Washington, D.C.;

Robert J. Hilliard, American Bakeries Company, 10 South Riverside Plaza, Chicago, Ill.; J. M. Hilson, Colonial Baking Co., P.O. Box 61, Jackson, Miss.; James T. Holley, Colonial Baking Co., P.O. Box 548, Little Rock, Ark.; J. D. Huesing, Colonial Baking Co., 2465 Winthrop Avenue, Indianapolis, Ind.; R. J. Hug, Ward Foods, Inc., 2 Pennsylvania Plaza, New York, N.Y.;

Harold T. Hyde, Ideal Baking Co., P.O. Box 400, Paris, Tex.; R. H. Jennings, III, Palmetto Baking Co., 1037 Broughton SE., Orangeburg, S.C.; Isadore J. Kahn, Kahn's Bakery Co., Inc., 301 North Dallas Street, El Paso, Tex.; Russell Kirkland, Colonial Baking Co., P.O. Box 1806, Dothan, Ala.; R. E. Kisor, Schafer Bakeries, Inc., 2701 South Logan, Lansing, Mich.;

Alvin Klein, Vienna Baking Co., 2716 Bowman Avenue, McKeesport, Pa.; Kenneth Klostermann, Klostermann's French Baking Co., 1000 East Ross Avenue, Cincinnati, Ohio; W. N. Krauth, Colonial Baking Co., P.O. Box 1236, Nashville, Tenn.; T. K. Krug, Ward Foods, Inc., 2 Pennsylvania Plaza, New York, N.Y.; C. E. Lair, Nabisco, Inc., 425 Park Avenue, New York, N.Y.;

Ralph E. Lemmon, Rainbo Baking Co., P.O. Box 9277, El Paso, Tex.; R. J. Lewis, Lewis Bros. Bakery, Bunny Bread Lane, Anna, Ill.; Robert Maurer, Pennsylvania Bakers Association, 407 North Front Street, Harrisburg, Pa.; M. B. McClelland, Illinois Bakers Association, 142 East Prairie Avenue, Decatur, Ill.; James McGouirk, Colonial Baking Co., P.O. Box 1806, Dothan, Ala.;

Harry E. Meyn, ITT Continental Baking Co., P.O. Box 731, Rye, N.Y.; Donald Miller, Grocers Baking Co., 210 28th Street SE., Grand Rapids, Mich.; L. S. Parson, Grocers Baking Co., 210 28th Street SE., Grand Rapids, Mich.; Harry W. Penland, Interstate Brands Corp., P.O. Box 1627, Kansas City, Mo.; B. C. Reese, Gardner Baking Co., 3401 East Washington Avenue, Madison, Wis.;

Sam C. Rheney, Colonial Baking Co., P.O. Box 1544, Jackson, Tenn.; Albert Schmidt, Capital Bakers, Inc., 58 North 13th Street, Harrisburg, Pa.; Irving Schwebel, Schwebel Baking Co., 965 East Midlothian Boulevard, Youngstown, Ohio; R. F. See, 4627 Fairfax, Dallas, Tex.; J. Roy Smith, Smith's Bakery, Inc., P.O. Box 109, Mobile, Ala.;

Leonard Sneider, Silber's Bakery, Inc., 7002 Reisterstown Road, Baltimore, Md.; Bruce Stephens, Colonial Baking Co., P.O. Box 1806, Dothan, Ala.; William Strawn, Bedford Bakery Corp., P.O. Box 471, Bedford, Ind.; James Swanson, Colonial Baking Co., P.O. Box 5147, Ardmore Station, Huntsville, Ala.; John S. Vander Heide, Sr., Holland-American Wafer Co., 1823 Division Avenue South, Grand Rapids, Mich.;

L. Van Tracy, Rainbo Baking Co., P.O. Box 566, Waco, Tex.; Steve Vesecky, Campbell Taggart, Inc., P.O. Box 2640, Dallas, Tex.; Ole K. Waage, Mother's Cake & Cookie Co., 810 81st Avenue, Oakland, Calif.; Jerry Walsh, ITT Continental Baking Co., 9340 Santa Monica Boulevard, Beverly Hills, Calif.; John H. Way, Sr., Way Baking Co., 349 Carr Street, Jackson, Mich.;

Richard A. West, West Baking Co., 3843 North Meridian Street, Indianapolis, Ind.; Gerald L. Windsor, Colonial Baking Co., P.O. Box 1806, Dothan, Ala.; M. C. Woodward, Jr., ITT Continental Baking Co., P.O. Box 731, Rye, N.Y.; Steve Zdrofoeff, Egypt Star Bakery, 608 North Front Street, Allentown, Pa.

Senator BELLMON. How does one become a member of the Foundation then?

Mr. BARTON. Senator, I would prefer that you direct that question to the representative of the Foundation.

Senator BELLMON. OK. Our earlier witness, Mr. Blum, said—that the bill provided for the Secretary to have oversight of the use of these funds, and this, in hastily reading the bill, I see on page 23 on line 17 there is a provision, 16 and 17 for an auditing report certified to by a firm of certified public accountants shall be made to the Secretary by the council. Any periodic statement or audit by the Secretary shall be made available to the council. Now, my question is, just adding up the figures is far different from providing oversight. Is there in the bill any additional provision for secretarial oversight than this section I just referred to, or do you know?

Mr. BARTON. I do not know of any other section that would seem to cover it. This section would seem to say that the secretary would be relying upon the council to oversee itself and simply supply a copy of the audit.

Senator BELLMON. Under the terms of this if the foundation or council decided they wanted to use 80 percent of the money for oversight they could furnish the secretary with a balance sheet showing how many trips they had taken and how much money they spent for office, and how much for staff, and the secretary could total it up and see if the bank statement balanced. But, would he have any authority to say your overhead is overloaded here with staff, or you're doing too much travel?

Mr. BARTON. I am not aware of that kind of authority. But, I must say, Senator, that I have not gone through this section carefully enough that I would be able to indicate precisely to you whether there is any additional authority of that kind in the bill.

Mr. THORNTON. Page 11, lines 24 and 25.

Senator ALLEN. It shows decisions and actions would be submitted to the approval of the secretary.

Mr. BARTON. Now, as I understand it, this would be substantive decisions though primarily, that is, decisions on what research projects to carry out, what educational functions and so on.

Senator BELLMON. What line is that?

Mr. THORNTON. Line 23. It says all such decisions or actions of the council shall be subject to the approval of the secretary, including actions taken by the board.

Mr. BARTON. This would seem to cover the audit as well. Is that correct?

Mr. THORNTON. Yes, on page 16 reference is made to audits.

Senator BELLMON. But, this says all decisions, recommendations or actions of the council shall require a majority vote, and that all such decisions shall be subject to approval by the secretary. You are saying when the council sets up its budget the secretary would have authority to change it if he chose?

Mr. THORNTON. Yes, subject to the secretary, and then on page 16 reference is made to the expenses and functions of the council.

Senator BELLMON. Mr. Chairman, I will not pursue this line further. That is all I have.

Senator ALLEN. Thank you very much.

Mr. BARTON. Thank you, Mr. Chairman.

Senator ALLEN. I will state that the chairman certainly has gone pretty far afield in some of the questioning, and I have used up far too much time with the two witnesses who have testified, and we are

going to take the witnesses by groups in order to try to get through the list of witnesses. In our list of witnesses here the first group will be representing the producers. I will ask Mr. Howard Morton, Mr. Floyd Root, Mr. Leo Witkowski, Mr. Ellwood Brown and Mr. James Stephens if they would come around and give us their testimony. And then if Senator Bellmon has questions to ask of any of the witnesses he can direct them, and the chairman will do the same. Now, you all can handle it in any way you like. I would suggest that Mr. Morton start and then we will go down in the order that I called from the list.

**STATEMENT OF HOWARD L. MORTON, CHAIRMAN OF THE BOARD,
WHEAT AND WHEAT FOODS FOUNDATION, LONGMONT, COLO.,
ALSO REPRESENTING THE NATIONAL ASSOCIATION OF WHEAT
GROWERS AND GREAT PLAINS WHEAT**

Mr. MORTON. Mr. Chairman and members of the committee, for the sake of time, if it meets with your approval, I would read my statement, and then the statements of the other gentlemen would be submitted for the record.

Senator ALLEN. That sounds very good. Yes, sir.

Mr. MORTON. And we would all be available for any questions.

Senator ALLEN. Yes.

Mr. MORTON. My name is Howard L. Morton. My life has been chiefly devoted to the commercial production of wheat on acreage near Longmont, Colorado, where I was born and still reside. My purpose here today is to speak for wheat producers in support of the Wheat and Wheat Foods Research, Education, and Promotion Act (H.R. 13514; S. 3276). Thus my role is that of spokesman for the Wheat and Wheat Foods Foundation, in which I have been a producer representative, a director and chairman of the board since its incorporation; for the National Association of Wheat Growers which I have served in a number of capacities; for Great Plains Wheat, Inc., in which I have held several offices; and for the 25 or more State wheat groups associated in the Wheat and Wheat Foods Foundation. And with your permission, Mr. Chairman, I would like to read into the record at this time the names of the charter members of the Wheat and Wheat Foods Foundation.

Number one, the National Association of Wheat Growers; number two, the Western Wheat Associates, Incorporated; Great Plains Wheat, Incorporated; U.S. Durum Growers Association; Kansas Association of Wheat Growers; Montana Grain Growers Association; Nebraska Wheat Growers Association; Oklahoma Wheat Growers Association; South Dakota Wheat Producers, Incorporated; Texas Wheat Producers Association; Wyoming Wheat Growers Association; Oregon Wheat Growers League; Washington Association of Wheat Growers; Idaho State Wheat Growers Association; Kansas Wheat Commission; Division of Wheat Development, Utilization and Marketing, Nebraska State Dept. of Agriculture; North Dakota State Wheat Commission; South Dakota Wheat Commission; Colorado Association of Wheat Growers; Colorado Wheat Administrative Committee; Oregon Wheat Commission; Washington Wheat Com-

mission; and Idaho Wheat Commission. And just recently the newly formed Texas Wheat Producers Board.

Now, all these organizations representing men who grow millions of bushels of wheat each year have explicitly or implicitly, through various memberships, endorsed the Wheat and Wheat Foods Research, Education and Promotion Act.

Many of us have been involved for the past decade and more in cooperative work with the flour millers, bakers, macaroni manufacturers, the U.S. Department of Agriculture and leading research scientists to develop the concept embodied in the foundation and now the act, introduced March 1 with multiple, bipartisan sponsorship. The movement behind this bill started with the writing of a statement of urgent needs in human nutrition research as they relate to wheat in the early 1960's. It gained thrust and momentum in a series of meetings beginning February 9, 1965, held under the auspices of the Secretary of Agriculture. Step by step, the foundation organization was structured, bylaws and program approved, and finally after many compromises and scores of drafts were reviewed, the bill as you have it was approved.

In retrospect, such a course of action seems not only improbable but impossible. It would appear to be almost a minor miracle that wheat producers, the processors or millers, and the end-product manufacturers (which include millers, bakers, and macaroni manufacturers) were able to stay together that long. In the same sense, it is a major miracle they were finally able to agree.

Other witnesses will comment on certain details of the remarkable document finally accepted by the three groups. I would like to stress that in this day of financing moon shots, missiles and programs for model cities, the funds to be raised under the act cannot be considered large. We're talking about slightly more than \$2 million at the minimum and almost \$6 million at maximum. Perhaps more important, the act would raise these funds without cost either to Government or to taxpayers, which is indeed a refreshing note. Yet those moneys bring great promise, not only to wheatgrowers and others associated in the combined industry, but to the public as well. I quote from the Program of Proposed Research.

We know very little about what is perhaps the first and oldest of all foods * * * Yet wheat foods are rich in carbohydrates, protein and certain vitamins and minerals. Protein adequate in quality and quantity can be furnished in diets containing cereals in large amounts and protein from animal and other sources in small amounts. Further, there may be distinct advantages to such high cereal diet. It is known that heart disease and associated afflictions are less frequent in those areas of the world where wheat, rice and other cereal grains are consumed in greater quantity.

Perhaps the implied hope of that paragraph helped keep the foundation group together. Or, perhaps it was the increasing current attacks on the integrity and value of wheaten foods—which in the long run tend to depress their use or bar their consumption—even among those who would benefit most, those of lower income. After all, wheat producers, processors and end-product manufacturers are faced with the fact that per capita consumption of their products has dropped from more than 200 pounds per year in 1910 to less than 110 pounds today.

For such reasons and those to be presented by other witnesses, wheat producers earnestly solicit your approval of this proposed legislation and hope for favorable action and the vote of your colleagues and you when it comes to the floor of Congress.

This concludes my testimony, Mr. Chairman, and we will be available for any questions.

Senator ALLEN. Thank you, Mr. Morton. We appreciate your testimony. We also appreciate your shortening the testimony by asking that the statements of the other witnesses be placed in the record as if given in person.

(The statements are as follows:)

STATEMENT OF FLOYD ROOT, OREGON WHEAT COMMISSION AND OREGON WHEAT GROWERS LEAGUE, WASCO, OREG.

Mr. Root. Mr. Chairman and members of the subcommittee:

I am Floyd Root. I live and operate a wheat farm at Wasco, Sherman County, Oreg. I am appearing today on behalf of the Oregon Wheat Commission, which I served as chairman for 9 years, and the Oregon Wheat Growers League, of which I am past-president. I am also a past-president of the National Association of Wheat Growers and have been a member of the executive committee of the wheat and wheat foods foundation since it was first organized.

May I add my voice and those of hundreds like me—the producers of wheat in Oregon, Washington, Idaho and nearby areas—to that of Howard Morton in urging your support of the wheat and wheat foods research, education, and promotion act.

While some of our soft wheat varieties find their way into pastries, puddings and mixes, the bulk is shipped abroad in export to the Far East. In fact, seven out of every 12 bushels of wheat produced annually in the United States are exported. Yet we support this program of research, education and promotion for wheat used as domestic, human food within the United States for a number of reasons.

First, if the program is successful—and we believe it will be—it will result either in a greater per capita consumption or at least a leveling off of the present decline in per capita consumption. As a consequence, there can be nothing but less pressure on the price of our product which now competes not only with the wheat of other nations but with supplies at home so plentiful that they serve to depress the market, and require us to limit our production.

Second, the findings of research conducted in behalf of wheat used for food within the United States are just as useful to us overseas as they are to the end-product manufacturers at home. And finally, the techniques for promotion that we feel certain will be developed under this domestic program can be adapted with slight modification to our overseas markets.

We can see nothing but good in this proposed Act, for the national and our local economy, for human nutrition research, for our effort to see wheat abroad, and for the public. On this basis, we subscribe completely to Howard Morton's testimony and ask your support here and in the final vote on the wheat and wheat foods research, education, and promotion act.

Thank you for this opportunity to appear before you today.

**STATEMENT OF LEO WITKOWSKI, PRESIDENT, TEXAS WHEAT
PRODUCERS ASSOCIATION, HEREFORD, TEX.**

Mr. WITKOWSKI. Mr. Chairman and members of the subcommittee:

My name is Leo Witkowski. I am current president of the Texas Wheat Producers Association and wheat grower in my present location for the last 33 years.

As you know, our farmers must produce for highly competitive markets in an atmosphere of spiraling production costs and low market prices. We certainly hope that this situation will reverse itself sometime soon, but until it does we feel a crucial need to organize ourselves and support efforts such as the proposed wheat and wheat foods, research, education and promotion act, to increase the use of wheat and wheat foods.

Last year Texas producers voted by two-thirds majority to launch a self-help research and market development program for wheat in an effort to strengthen farmer income. We fully realize the value of such research programs for we have watched the progress made by other major wheat-producing States in the Great Plains area since the early 1950's.

Despite the worldwide and domestic needs for food and the extensive production of wheat in the United States, knowledge of the nutritional contributions of wheat products in the human diet is very small. The opportunity producers now have to work with millers and end-product manufacturers for research and to communicate the nutritional aspects of wheat is vital. Collectively, we can do a job that will benefit each segment of the wheat industry and make valuable contributions towards meeting the present and future nutritional requirements of our nation.

Wheat producers' boards and commissions have concerned themselves with foreign markets chiefly. Millers, bakers and end-product manufacturers have concerned themselves mostly with advertising. There is a distinct need for the three segments of the wheat industry to work for the basic concept of good nutrition, domestic and worldwide.

Texas farmers produced less than one-half of their normal wheat crop last year, and this year's crop doesn't look too good so far. Wheat producing counties in our State have been hard hit by these economic set-backs, and we recognize an important need to take advantage of all opportunities we have to improve our income and keep our farmers on the land. We need more promotion and research, and the bill this committee is considering today represents a step forward in the right direction.

I appreciate very much this chance I have had to indicate the support of the Texas Wheat Producers Association for the Wheat and Wheat Foods, Research, Education and Promotion Act. Thank you.

**STATEMENT OF ELLWOOD BROWN, PRESIDENT, WASHINGTON
ASSOCIATION OF WHEAT GROWERS, BICKLETON, WASH.**

Mr. BROWN. Mr. Chairman, members of the committee.

My name is Ellwood Brown. I am a farmer from Bickleton, Wash. and am here today representing the 3,300-plus members of the Wash-

ington Association of Wheat Growers, of which I am president. We appreciate this opportunity to appear before you.

I speak in support of the Wheat and Wheat Foods Education and Promotion Act. This appearance is merely a continuation of our many years of support for this legislation. We understand there is some farm group opposition to this act, which we find a little surprising and somewhat inconceivable.

The situation as we see it: For probably the first time in history producer representatives in the 10 commercial wheat-producing States, the wheat millers, and the wheat end-product bakers, are all aligned on the same side of the same issue. Amazing. These highly competitive people, who are usually trying to take advantage of each other in order to increase their individual share of the consumer dollar, have put other differences aside and stand together on this issue. Utterly amazing.

But well they might; per capita wheat consumption in the United States has been declining for years. It has been nutritionally maligned and, because it contains the magic calorie, has been excluded from many regulated diets. This exclusion has been on the flimsiest of evidence; no one really knows much about the nutritional qualities of wheat or its effect on the human body when used in conjunction with certain other foods or in a balanced diet or how really important it might be in diet balancing. Much Government and producer-financed research has been done on developing new uses for wheat—to small avail in increasing wheat consumption. But little research has been done on its nutritional value. And if wheat consumption trends are to be reversed it has to be done on the basis of nutritional value.

The reason for the previous lack of expensive research is economic. While results would be valuable, the results would do nothing to increase the competitive position of the company or companies doing the research. Since the total wheat and wheat foods industry is marginally profitable, with many single operations unprofitable, no single company, group of companies, or industry segment can afford to make expenditures that cannot be reasonably predicted to increase their competitive position within the industry. However, if all within the industry contribute equitably to the research then competitive positions are not altered and perhaps total consumption can be increased to the benefit of all.

Further, if all elements join in the financing of this effort it can be accomplished without financial detriment to the industry. Why? Because the cost can be passed on to the consumer. Lest this alarm you, let me remind you that at the greatest contemplated collection rate of 2.5¢ per cwt. of flour the cost added to a 1½ lb. loaf of bread would be .025¢—less than 3/100ths of a penny per loaf.

Gentlemen, in this legislation you see the realization by all segments of a chronically troubled total industry that they must join together in an attempt to pull themselves up by their own boot straps. We support it wholeheartedly and to us it is utterly inconceivable that anyone speaking for any portion of the industry, could oppose this legislation unless he was seeking some special and selfish immediate advantage for himself. We urge passage of this legislation.

STATEMENT OF JAMES E. STEPHENS, PRESIDENT, MONTANA GRAIN GROWERS ASSOCIATION, DUTTON, MONT., ALSO REPRESENTING THE MONTANA WHEAT RESEARCH AND MARKETING COMMITTEE

Mr. STEPHENS. I am James E. Stephens, Dutton, Mont., president of the Montana Grain Growers Association, and I appear before you today in support of the Wheat and Wheat Foods Research, Education and Promotion Act.

I am a dryland wheat farmer in Teton County, located in the heart of an area of Montana known as the Golden Triangle, so named because it is the principal breadbasket for our state's annual production of 100 million bushels of wheat.

I am also authorized to speak today on behalf of the Montana Wheat Research and Marketing Committee a division of the Montana Department of Agriculture.

Both the Montana Grain Growers Association and the Wheat Research and Marketing Committee, which is our wheat commission, are members of the Wheat and Wheat Foods Foundation, the national organization which formulated and caused this legislation to be introduced.

Our two Montana organizations are self-help associations, entirely funded by the State's wheat growers. This is true, also, of the Wheat Industry Council to be created by the legislation under consideration. The three basic components of the industry, producers, processors and end-product manufacturers would be helping themselves through an assessment on the product between the processing and manufacturing stages. We believe this self-help concept is of special significance to you in the U.S. Congress, so accustomed to proposals from interest groups which expect the Government to pay the costs.

Ours is a perennially troubled commodity, and one that poses annual problems to your legislative body. But, we are here today to try to effect at least a partial cure for our unhealthy condition by supporting this legislation, which would permit us to help ourselves.

With the assistance primarily of the Foreign Agricultural Service of the U.S. Department of Agriculture, the organized wheat growers of this country have proven their worth in the promotional and educational efforts undertaken for development of foreign markets for our wheat.

We have illustrated the nutritional value of wheat and wheat foods to citizens of many nations overseas. Our exports of wheat have grown, to the benefit of individual growers, the wheat industry and the economy of the nation.

However, here at home, our own citizens have not benefitted from similar research, promotion and education about wheat and wheat foods, because financing of such efforts has not been available.

As a result, our per capita consumption of wheat and wheat products has decreased 50 percent in the last 60 years and our total domestic consumption, despite tremendous population growth, has remained static year to year.

The legislation you are considering, if enacted, would permit research to be initiated in nutrition, product, market, production and

handling. Consumers would be informed by field representation, nutrition education, teaching, product information materials, product demonstrations, public speakers, exhibits and displays. Promotion would come through professional advertising, medical marketing, home economics marketing and school marketing.

We believe the evidence exists in the smaller scale programs of our individual wheat-growing States, that such efforts could lead to substantially increased domestic consumption of wheat and wheat foods.

We see in such a program an effective means of a partial reduction in the Nation's over-supply of wheat and an avenue of escape from the shadow of surplus which haunts the wheat growers of this country.

I hope you are impressed as I am with the cooperative nature of this legislative proposal. We have blended three diverse elements of the wheat industry into a workable plan for action to help all three.

This approach was not hastily drawn nor easily achieved. Our Montana groups have a total of 12 years of meetings, planning and debating into the structuring of this legislative proposal. We are satisfied as growers that the final plan before you is fair to all and holds great promise of success through the unification of producers, processors and end-product manufacturers.

Congress is justifiably concerned with safeguards in new legislation and this act is so constructed. Not only may the annual program of the Wheat Industry Council be vetoed by any of the three participating groups, but also the U.S. Secretary of Agriculture holds similar authority. Further, the act provides for a 5-year terminal date unless tenure is provided by Congress.

Our segment of the wheat industry, those of us who till the soil, ask you to approve this legislation and, in so doing, provide us with the means of doing something for and by ourselves to increase the domestic utilization of the wheat we plant, nurture and harvest each year.

Thank you for your consideration.

Senator ALLEN. Mr. Morton, you feel that this bill is in the interest of wheat producers of our nation?

Mr. MORTON. Yes, Mr. Chairman, I do. When I look at our declining per capita consumption, some of the statements that are levied against our wheat products in terms of nutritional value, I think it is very desirable from the standpoint of the wheat producers, and the program itself, although not a large amount of funds are being expended, will be expended in an area where research has never been accurate before, to any large degree, and it will take a concentrated effort, and will be beneficial to the total wheat industry, including the producers.

Senator ALLEN. Is the effort to obtain passage of this bill well known by wheat farmers throughout the wheat belt?

Mr. MORTON. We have done everything in our power through our various associations to distribute this message as much as possible down through the years, and the fact that—

Senator ALLEN. I am talking about this particular pending legislation. Is it generally known by wheat farmers that legislation of this sort is pending in the Congress?

Mr. MORTON. Well, we have tried to inform the growers through our various associations of the impending act as it relates to the

wheat and Wheat Foundation, through the Wheat and Wheat Foods Foundation, and as it relates here to this particular piece of legislation. Communications, of course, right back to every single individual farmer is almost impossible.

Senator ALLEN. What sort of reaction do you get when it is discussed with the farmers?

Mr. MORTON. When through a period of years, 9 years that we have discussed this off and on with the various farmers on an individual basis, and in associations it has evolved into a favorable type of program. Naturally there has been some serious questions that have arisen during the years, and compromises, and I think a real understanding of what we are trying to do here is something that has not been done before.

Senator ALLEN. You feel a referendum is necessary to ascertain the wishes of the wheat farmers?

Mr. MORTON. No, I do not believe a referendum is necessary. Number One, the collection is not coming from the producers. The actual payment is coming from the end-product manufacturer, with the processor acting also as the collection agency, and I see no way that this money can revert back as coming from the producers. Millers generally speaking purchase their wheat from some type of terminal position, and to attempt to do so, in fact, would be illegal.

Senator ALLEN. So, it could not be charged back to the farmer then? Is that correct?

Mr. MORTON. In my opinion it could not.

Senator ALLEN. I do not believe I have any further questions.

Senator Bellmon.

Senator BELLMON. Thank you, Mr. Chairman. I will try to be brief.

Let me ask you, Mr. Morton, you are a member of the Wheat Foods Foundation?

Mr. MORTON. I am the chairman of the board, yes, sir.

Senator BELLMON. Well, first let us talk about your membership. How are you selected as a member of the foundation board?

Mr. MORTON. I have been selected by the National Association of Wheat Growers to be a representative on the foundation and all of the other members are selected either from a State association or—

Senator BELLMON. Well, through the information we had from an earlier witness, Mr. Barton said the producers are outnumbered. He said it was about $7\frac{1}{2}$ to 1 by processors, is that the case?

Mr. MORTON. No, I believe that the record—I do not have the exact numbers of those in the processors group or the end-product group who are represented in the foundation, but the limit is 25 members from each of the organizations.

Senator BELLMON. Well, I believe you gave the committee a list of your charter members. Could you give us a list of the names of the current members and also the current makeup of the board of the foundation?

Mr. MORTON. I do not have that with me, but I could get that information for you.

Senator BELLMON. Can you tell us, and I would appreciate it if you would?

Senator ALLEN. Yes, that will be put in the record then when you send it in.

Senator BELLMON. Can you tell us from memory whether or not the board members are primarily producers or processors?

Mr. MORTON. Well, the board members on the producer level, of course, are all producers, and the processors level is all, of course, processors and—

Senator BELLMON. But the total, the total makeup.

Mr. MORTON. But the total membership at this time, I would—this is the amount that can be, but the actual membership at this time I would say would be probably in the neighborhood—I can get the information for you.

Senator BELLMON. What you are saying is that the foundation has the board made up or possibly made up of 25 representatives from producers, 25 from processors?

Mr. MORTON. Yes, and 25 from end-product manufacturers.

Senator BELLMON. So there is a possible total of 75?

Mr. MORTON. Yes.

Senator BELLMON. So it would be roughly 2 to 1, one-third producers, and one-third processors, one-third end-product manufacturers?

Mr. MORTON. Yes, but in voting, as far as the foundation is concerned any one segment of the industry has veto power over any program suggested in the foundation. It takes a majority vote, or a unanimous vote of the three groups, and a majority of approval of each segment of the industry, so what I am saying in effect is a majority vote of the producers could nullify any program that was proposed by the end-product manufacturers or the processors. The same would apply to the processor or the end-product manufacturer. It is a democratic process.

Senator BELLMON. Do you know how many organizations representing wheat producers with purposes similar to the purposes of this act already exist in this country? From what you have told me it sounds to me like this group is trying to coordinate the activities of all of the various wheat grower groups?

Mr. MORTON. Right.

Senator BELLMON. Well, do you have any idea how much money wheat growers are already putting into these various organizations?

Mr. MORTON. I could not answer this offhand. I know the various wheat commissions collect various assessments throughout their States to carry on specific projects, and, then, of course, these are reinforced in organizations such as Great Plains Wheat and Western Wheat Associates.

Senator BELLMON. Now, does this foundation have any coordinating influence over the research project of the local or the State organizations or the regional organizations?

Mr. MORTON. No, we have no influence over them. I think we are contacted rather frequently on what we would like to see done as research projects, but the research and promotion and education here that we are talking about, for all practical purposes, is somewhat different than what is normally carried on with respect to the various wheat commissions and associations. Their basic involvement, of course, has been in foreign marketing, and they do carry on some programs within States for domestic consumption.

But in the field of research as it pertains to human nutrition and these products, it is practically nil.

Senator BELLMON. Well, it seems to me—and I am a wheat grower and I am sure the rest of you know that—that we have gotten ourselves in a sort of a curious situation.

Everytime I sell wheat today they take out so many dollars to go into the Oklahoma Wheat Commission. That group then does as they please with that money. And then if this bill passes, there will be another deduction, and your group will do as it pleases with that money. And it seems to me that the research and education and promotion efforts, which I frankly favor, are so much of a shotgun proposition now that we are probably totally missing the mark.

Is it your thought that this bill will help to bring this whole thing into focus?

Mr. MORTON. Well, I am sure that there will not be any duplication of any research that was anticipated as far as this goes, and we are looking here in a field of promotion that really is not being worked on.

And I appreciate your comments, Mr. Senator, because I felt the same way, that sometimes we have not coordinated as well in some of our State wheat programs as maybe we should have.

However, when we look at this type of a program we have to differentiate here in the type of thing that we will be doing as opposed to this wheat commission thing.

Mr. ROOR. I am Floyd Root, from the Oregon Wheat Commission, and I might say, Senator, that the commission, as a rule, are supporting their farm marketing organizations, they are supporting transportation studies, they are supporting production research and many other types of research and are working with the Department of Agriculture on regulatory programs for wheat. And there is not very much money left for the type of nutritional research that we are speaking about here.

Senator BELLMON. How about universities? They get quite a bit of money.

Do they do nutrition research?

Mr. ROOR. They do a little bit. The home-ec, and 4-H, and things like that, but not to the extent that we are speaking here, and this has not been possible because of the funds that the universities have to work with.

Now, you are speaking about duplication of research. I am not familiar with the Great Plains, but in the Pacific Northwest and the commission of North Dakota, and so on, we have a meeting once a year to see whether or not there is any duplicating research in these things, and we try to work the research around so that each state is doing a particular type that is not duplicating research in another state.

Senator BELLMON. That is certainly a move in the right direction.

Mr. WITKOWSKI. Senator Bellmon, I would like to say something on that.

You know, our wheat commissions work on exports mostly, and our bakers and millers—

Senator BELLMON. That probably is true of the Pacific Northwest, but I do not believe it is true in Oklahoma anyway.

Mr. WITKOWSKI. The bakers and millers in the past worked on advertising to sell their products, and I know in our area we have done more research on livestock nutrition than we have on human nutrition, and this bill will tend to work towards human nutrition, you know. Wheat has been a food for over 6,000 years, and we have done very little work on it, as far as human nutrition, and that is a field that they will cover.

Mr. STEPHENS. Senator, I am James Stephens of the Montana Grain Growers Association, and I would like to read a short statement in regards to what Mr. Witkowski just said.

This goes along with the moneys you were talking about, to the Great Plains and Western wheat, that have been taken out as you sell your wheat to assist, primarily, in the Foreign Agricultural Service of the U.S. Department of Agriculture. The organized wheat growers of this country have proven their worth in the promotional and educational efforts undertaken for development of foreign markets for wheat.

We have illustrated the nutritional value of wheat and wheat foods to citizens of many nations overseas, and our exports of wheat have grown to the benefit of the individual growers, the wheat industry and the economy of the Nation.

However, here at home our own citizens have not benefited from similar research, promotion, and education about wheat and wheat foods because financing for such efforts has not been available.

Senator BELLMON. Mr. Chairman, I want to thank you very much—one additional question of Mr. Brown.

I take it you are Mr. Brown?

Mr. BROWN. Yes.

Senator BELLMON. In your statement, you say that this assessment would amount to less than 3/100ths of a penny to a loaf of bread.

Mr. BROWN. That is correct.

Senator BELLMON. You really feel that the millers are going to pass this on to the consumers?

Mr. BROWN. I believe it, yes, sir.

Senator BELLMON. Do you think it is fair for a consumer to pay for research that primarily benefit the producers?

Mr. BROWN. I think it will be of primary benefit to the consumer, because if we can find out the nutritional value of wheat and how it would relate to the betterment of products, I think they will end up with the better end-products. In other words, by this I mean we add iron to bread now, and certain vitamins, and I think there is testimony that will later be given by other people here that will indicate that they have really not looked into their research and it has not been covered as to whether, say, vitamin B₆ or some of these others should be added to it. I think, in the end-result the consumer will benefit as much as the producer will.

Senator BELLMON. I cannot imagine a milling company or a processing company reducing their profits in order to pay for this.

I think you are going to find that their profits will stay the same, and either the wheat producer is going to get \$2 million to \$6 million a year less for his wheat or the consumer is going to pay, I mean, \$2 million to \$6 million a year more for what he buys.

Mr. BROWN. I think your latter statement is correct.

Senator BELLMON. That is all, Mr. Chairman.

Mr. BROWN. Senator, I think it would be the same way with a light bill if it went up, in that you could not pass it on; it would be the same thing for transportation costs if they go up. It moves one way or another.

This is the one chance that the wheat industry has, as a whole, a chance to pull itself up by its bootstraps, so to speak.

Mr. MORTON. Mr. Senator, if I may? I do have the figures that you requested, in terms of directors of the foundation.

At the present time there are 23 directors who are producers, and this would be increased with the Texas producers, and 21 directors who are processors, and 15 directors who are end-product manufacturers.

Mr. BROWN. Mr. Chairman.

Senator ALLEN. Yes?

Mr. BROWN. At the urging of the president of the Kansas Wheat Growers Association, who is in the room—in the previous testimony given by the NFU representative, he indicated that they had support from Kansas.

Our president informs me that the NFU lost their charter to Kansas, and they no longer have a State association, and he questions whether they could have the support so indicated. And I would like to have that in the record—

Senator ALLEN. Well, it will go into the record for what—

Mr. BROWN. For what it is worth.

Senator ALLEN. For what it may be worth—we do not want to get into controversies of that sort.

Thank you very much, gentlemen, for coming before the committee and giving us the benefit of your testimony.

(Supplemental statement filed for the record is as follows:

WHEAT AND WHEAT FOODS FOUNDATION,
Chicago, Ill., May 12, 1972

HON. JAMES B. ALLEN,
Chairman, Subcommittee on Agricultural Research and General Legislation,
New Senate Office Building, Washington, D.C.

DEAR SENATOR ALLEN: This letter is written on behalf of wheat producers, processors and end-product manufacturers who struggled for at least 10 years to develop and refine the unique concept embodied in the "Wheat and Wheat Foods Research, Education and Promotion Act."

For the millions of Americans these people represent in their respective roles as spokesmen for everything from unions to corporate management, they wish to thank you and your colleagues for your earnest consideration of the measure. The many courtesies and fine reception accorded our witnesses supporting the measure are indeed appreciated. We feel the record of testimony speaks for itself.

Upon reflection, however, the officers of the Wheat and Wheat Foods Foundation feel that perhaps they might address themselves specifically to the statement of the National Farmers Union. The growers in particular feel the NFU stand to be almost incongruous, since the groups of 24 wheat producer organizations supporting the Act represent members who produce at a minimum at least 70 percent of the total annual yield of wheat in the United States.

Wheat producers have discussed the possibility of a referendum to decide whether farmers growing wheat were in favor of a program such as proposed in the Act. But the suggestion was dismissed for several reasons.

First, referenda involving 1,700,000 wheat growers would be costly and cumbersome—perhaps even more costly than the amount proposed to be raised under the Act. That some kind of research, education and promotion is urgently needed

is at the same time manifest in the continuing decline in per capita consumption and the increasing ferocity of attacks on the nutritional merit of wheat products. Thus it appeared a referendum would be self-defeating and a step that would consume the funds urgently needed to combat the problem itself.

Second, only a relatively small percentage of wheat growers produce the bulk of the crop each year. Reaching the many thousands of farmers who harvest 15 acres or more—both with the story of need and with a request to vote—again appeared frustrating. What would be the basis of a referendum and who would set the ground rules?

Third, the assessment as proposed under the "Wheat and Wheat Foods Research, Education and Promotion Act" was to be levied against end-products, collected by the processors. It appeared somewhat irrelevant to ask wheat producers to vote on the question of whether they wished an assessment to be imposed on materials delivered to end-product manufacturers.

Finally, the NFU asked that producers control whatever organization would be established by the Act and that non-voting membership be provided for "the manufacturing and end-user sector of the industry as may be needed for consultation on matters related to those sectors of the industry." Such a request hardly seems justified in view of the manifest interest of those who process and sell wheat products in research, education and promotion on behalf of those foods, nor does it take heed of the fact that the assessment would be imposed on materials delivered to the end-product manufacturer.

The organized wheat growers who have so long supported the Act have a one third interest in and veto power over the program, budget and assessment in acknowledgement of their stake in the industry. Under the by-laws of the Foundation, any wheat producer NFU member may become an "Individual Member" and the NFU itself may apply for "Association Membership."

No matter what the NFU states, the assessment cannot be "passed back" to wheat growers. The marketing system in which millers buy their wheat would prevent such action, or even make it illegal. Nor can the 1/150th of a cent per pound of end-product be passed on to consumers, as stated by the NFU, because it is an amount too small to affect prices. There may be a time when the 1/150th of a cent per pound of end-product becomes part of the total "cost mix," however—including labor, ingredients, transportation, packaging, advertising, promotion, overhead, etc.—so the very small amount may be passed on in the future.

Insofar as wheat is concerned, it seems, however, the NFU does have a point in questioning the expenditure of funds for advertising and promotion where only the raw product is involved, as quoted in the first paragraph of page three of Mr. Barton's statement. Wheat is never consumed in its raw, unprocessed state. But a careful reading of the Bill will demonstrate that in every case the kind of research, education and promotion contemplated refers to wheat grown for use as human food within the United States—or in other words, as breads, pastas, biscuits, crackers, cookies, mixes and the many other forms in which wheat is finally consumed. This concept does not deny, however, the mutual interest of producers, processors and end-product manufacturers in the development of new wheats of better milling quality, higher nutritive value or enlargement and wider geographic availability of commercial wheat varieties.

In a small way, wheat producers, millers and bakers have already demonstrated their capability to work together in an end-product promotion, August—National Sandwich Month. While the campaign sells all the many products of agriculture that go with, between or along side bread in a complete sandwich meal—dairy products, eggs, meats, milk, spreads and fillings in endless variety—Sandwich Month sells bread as well. Gains in bread sales over normal have been reported by retailers of from 15 to 35 percent during the promotion period. Furthermore, the National Menu Census reported on sandwiches made at home May 1962–June 1963 compared to the same months in 1967–68 and found consumption up from 120 million per day in 1962–63 to 158 million 650 thousand in 1967–68. But Sandwich Month, which would be a natural project under the Act's proposed Wheat Industry Council and the Foundation, suffers from insufficient funding.

The National Wheat Institute, mentioned by Mr. Barton as a producer-controlled alternative to the Council and the Foundation—a kind of feasibility study on the effectiveness of wheat food research, education and promotion—is just getting underway. The Institute has already received applications for \$13 million of grants from the fund of slightly more than \$2 million it holds—which is hardly enough to prove anything on a continuing basis. As you know,

the Institute expires when its funds are exhausted. Those who have worked so long for so many years to achieve agreement on the Act believe that in no sense would the National Wheat Institute duplicate the proposed Wheat Industry Council and the Foundation with their broad, democratically-based producer, processor and end-product manufacturer representation and control.

This letter was cleared with Mr. Jerry Rees, Executive Vice President, National Association of Wheat Growers.

May we thank you and your colleagues once again for your thoughtful consideration. We hope for your speedy approval of the measure and its recommendation for passage by the Congress.

Sincerely yours,

H. H. LAMPMAN, *President.*

Senator ALLEN. Dr. Hegsted?

Is Mr. Carpenter here?

All right, sir, you may proceed, please.

**STATEMENT OF DR. D. M. HEGSTED, PROFESSOR OF NUTRITION,
HARVARD SCHOOL OF PUBLIC HEALTH, BOSTON, MASS., AND
CHAIRMAN, FOOD AND NUTRITION BOARD, NATIONAL ACADEMY
OF SCIENCES—NATIONAL RESEARCH COUNCIL**

Dr. HEGSTED. Senator, since I have already submitted testimony, I think you would prefer if I just comment on it and try to save some time.

Senator ALLEN. Yes, sir; we would appreciate that.

Dr. HEGSTED. And I would like to make a couple of preliminary comments.

One is: First, I am testifying on the need of research in this area, not specifically on the bill.

Senator ALLEN. Yes.

Dr. HEGSTED. And, secondly, I think it ought to be clear to everyone that if we are going to undertake a research program in human nutrition, this is an expensive, long-term operation, and if you expect to evaluate it within 5 years, that is an unrealistic approach to the problem we are facing.

I would point to the population explosion, and that the world is primarily dependent on cereal products now, and almost certainly will be in the future. If we are going to know how to feed big populations we do have to know as much as possible about the limitations of cereals as human foods and their potential.

We know now that most of the populations that are largely cereal consumers are among the less well-nourished populations. This tends to give a negative view to cereals. But it should be recognized that these populations lack medical care; they are poor; they have a lot of limitations other than their nutrition. In our country cereal consumption has fallen, as has already been mentioned, and this represents largely two trends:

One is that total consumption of food continues to fall as people become less active physically, and, secondly, our replacement of cereals are by other foods, essentially those high in fat and sugar. Neither of these trends is advantageous as far as the nation's health is concerned.

The predominant evidence indicates that coronary artery disease is due to physical activity and the kind of diet we consume. There have

been many groups that have recommended the changing of the type of diet, reducing the amount of saturated fat in the diet, reducing total fat and cholesterol consumption, and increased consumption of cereals and other vegetable products would be advantageous for the American public.

Since cereals are almost universally consumed, although in varying amounts, they provide one of the most logical mechanisms for distributing nutrients to our population, when this is desirable. We have fortified cereals for the last 25 years with vitamins and iron, but, unfortunately, our record is not very good, because no one attempted, really, to find out whether this fortification program, particularly in regard to iron, was effective.

Now, 25 years later, we find that iron deficiency is still prevalent in the population and we find that some of the forms of iron that are added to food are not readily utilized. And we do not know much about the factors in food that influence iron utilization. This is one of the major nutritional deficiencies in the United States.

We simply have to find out whether the program is effective, and, if it is not effective, how to make it effective or find some other mechanism to combat iron deficiency. In this day and age, we simply cannot afford to make assumptions without some kind of followup study that demonstrates we are doing an effective job.

This is true with regard to various other vitamins such as vitamin B₆ and folic acid, and some minerals like magnesium and zinc. We have clinical records suggesting that substantial groups in the populations may be limited in these and other nutrients, but our information on the prevalence, our ability to make diagnosis of these deficiencies, our understanding about whether fortification with these nutrients would be desirable, is very limited.

And if we should decide to make changes in the fortification program, it certainly would have to be followed up by field studies to demonstrate that we were actually accomplishing what we think we should accomplish.

It has already been mentioned that the cereal products have been taking a beating repeatedly in the public press in regard to their nutrient content. Certainly, much of this criticism is invalid. Nevertheless, this has weakened the confidence of the public in cereal products in general. I think one of the primary problems has been that the cereal industry has had relatively little ammunition to combat these kinds of attacks.

I think they need an aggressive research program.

Everyone has heard a lot about protein deficiency and the so-called "protein gap" in the world today. There is, however, increasing evidence that in many parts of the world where we do have protein-calorie malnutrition in children, the problem is more than likely, or equally, a matter of total food. That is, these children, do not get enough food. This does not mean increased production will necessarily solve the problem, because we do not know why these children do not get enough to eat. It may be because they simply cannot eat enough of bulky high cereal diets; it may be because there is simply not enough food; it may be because the children are ill a lot of the time, etc., but it is a major problem that has to be combated, and

cereals are inevitably going to be a prominent feature of the diets in these areas.

Senator ALLEN. Well, what can be accomplished by research, Dr. Hegsted?

I am afraid we are getting a little far afield from the subject of the bill.

Since the assessment provided for in the bill would make research funds available, would you comment on the research possibility, or the possibility inherent in research that could be done?

Dr. HEGSTED. Well, I was about to say that there is evidence that we know that for very young infants a high cereal diet is inadequate. There is abundant evidence that some time later diets that are high in cereals become, or can be made, nutritionally adequate. We do not know when that transition occurs.

We can hardly define what we mean by "a high cereal diet," because that depends on whether it is in the Near East or Far East, or diets in Texas. And with all of the emphasis on protein, again, people forget that cereals provide the major part of "protein." We simply need definitive studies as to what the capabilities of diets such as these are in nutritional terms, and, unfortunately, we do not have that kind of information. We do not have well-controlled studies on children of different ages who consume 75 percent of their calories from bread with the other various foods that may be available. I would think that would certainly be one of the types of research that ought to be supported.

I would think studies on wheat or cereal products, and heart disease, would be a major area offering promise to our population.

There is suspicion that adding iron to wheat is unavailable because of things in wheat. If that is true, that obviously is a major limitation. If it is not true, there may be mechanisms of adding different forms of iron or different kinds of iron. But at least we are in trouble recommending iron supplementation without knowing whether the product is going to do the job.

The same thing will be true of zinc. If someone decides to supplement zinc, these are the kinds of problems—some of them—that I would think ought to be supported under the bill.

And, finally, I simply want to comment on the use of these kinds of funds if they should become available for research. There is some tendency for the setting up of research centers within the bureaucracy that I think should be resisted. The Government is a consumer of scientific manpower but not a producer, and in the universities they do their research in such a way that we produce scientists at the same time we are accomplishing research. So, I think it is a mistake to sequester scientists away in isolated research institutes. This is a particularly poor mechanism for studies in nutrition which ought to involve input from many different disciplines, such as economics, social anthropology, education, biochemistry, health sciences, and so forth. So, any long-term research program—which is the only thing I think is worth supporting—ought to be considered in terms of the long-term effects and the output of scientists as well as science.

So, Mr. Chairman, in summary, I would just say that increased cereal consumption in this country ought to be beneficial, but I would

have to point out that increased consumption of any food is going to replace some other food.

We are grossly unprepared to make many of the crucial decisions we have to make in terms of human nutrition, because we do not know enough about the role of high cereal diets, and most of the current research focuses on the negative aspects of cereal rather than probable benefits. This tendency to downgrade cereals will not be changed until there is an appropriate body of knowledge to combat it.

Thank you.

Senator ALLEN. Now, Dr. Hegsted, as I understand it, then, you are neither advocating the bill nor speaking against it, but that if the funds are made available for research there are certain suggestions you have made in your statement that you have amplified in your oral remarks as a guide.

Dr. HEGSTED. I would only change that to say that I think it is clear that there is need for research in this area in human nutrition.

Senator ALLEN. Whether it is provided by this bill or some other source?

Dr. HEGSTED. That is true. One of the problems is that research in human nutrition is sufficiently expensive, that it cannot really be supported by smaller groups such as were discussed previously.

Senator ALLEN. But you feel that some type of banding together by those involved in the wheat producing and marketing economy would be a proper approach, though the specifics you would not make a recommendation on?

Dr. HEGSTED. Every time you talk to any one group, they are always too poor to support the nutrition research. Nevertheless, this is a big industry as a whole, and, from a nutritional point of view, the problems are no different for the producer, or the miller, or the baker, or whatever.

Senator ALLEN. What would it take in terms of dollars and cents per year to implement an adequate research program on the use of wheat for human consumption?

Dr. HEGSTED. Well, that is almost an impossible question to answer, but I think funds of the order you are talking about—

Senator ALLEN. I am not talking about what we are taking about. What would be your thought about what it would take?

Dr. HEGSTED. Well, research, Senator, builds on research, and I guess I would request that I not be required to name a figure on this. But I think you could spend a million dollars a year without exhausting the possibilities or the people available in this area.

Senator ALLEN. Yes. That would provide for what might be called an adequate program?

Dr. HEGSTED. Well, nothing is ever adequate, Senator, but we have to be realistic about the possibilities, I think.

Senator ALLEN. An effective program, then?

Dr. HEGSTED. Well, it would certainly be much more effective than what we have now, and I would hope that it would build up so that it would increase. But I would emphasize that this is long-term research and that there is no point—

Senator ALLEN. It might be years in realizing any benefits from it?

Dr. HEGSTED. That is right; and there is no possibility of setting up a project in this area now and evaluating it 2 years from now.

Senator ALLEN. Henry?

Senator BELLMON. Thank you, Mr. Chairman.

Dr. Hegsted, you are a nutritionist, I take it?

Dr. HEGSTED. Yes.

Senator BELLMON. How would you rate wheat as a human food?

Dr. HEGSTED. Senator, that is a very difficult question. One can scarcely rate foods individually because there is no single food that is nutritionally adequate. But, obviously, wheat is certainly one of the more important foods. But I do not find it possible to, say, equate wheat with—I can rate wheat versus rice, or corn, in some respects, but I cannot rate it—you know—

Senator BELLMON. I notice you say the country would benefit from increased cereal consumption. You apparently think cereals, including wheat, are beneficial?

Dr. HEGSTED. I certainly do. I think one can quote statements from the American Heart Association, the New Zealand Heart Association, the Netherlands Heart Association, and right on down the line, who all have indicated modification of diets to try and combat heart disease, which is our major public health problem.

Senator BELLMON. Well, what do you think about the quality of cereals, including wheat, as food in the forms presently offered to consumers?

Dr. HEGSTED. Nutritionally, they are good products. They might be made better, but, again, I would like to stress that we cannot really discuss single foods. We cannot evaluate any food or fortification program alone, because none is designed to make bread an adequate food in itself. It is a program to distribute nutrients to make the total diet adequate. We would not recommend a diet only of wheat.

Senator BELLMON. It seems to me that the research and marketing efforts that are put forth now tend to try and make a product more appealing to the palate, perhaps, but, really, there is not much effort made to develop what we will say is a nutritionally good food but rather we try to get one that is attractive, even though it may be nutritionally very deficient.

My point is that I am not sure that research in nutrition that shows a company like, for instance, General Mills what is the most nutritional form of wheat is going to cause General Mills to sell that form of wheat. They are going to have to sell something that will compete with Pillsbury's products or somebody else's, and I am a little bit curious as to what the end result of this kind of nutritional program will be.

Dr. HEGSTED. You are certainly right that food, by definition, is something people will eat.

Senator BELLMON. Something they will buy.

Dr. HEGSTED. And we are told that you cannot sell food on a nutritional basis. It has to be acceptable. But I think that the food industry, by and large, has tried to take advantage of information when it was available to improve their nutritional value of their products.

I do not believe there are definite efforts opposed to that. If you decide one product is better than another but you cannot sell it, I

agree with you that that will have practically no effect on nutrition and the public.

Senator BELLMON. Do you feel that research, and promotion, and education as contemplated in this bill will genuinely be in the public interest?

Dr. HEGSTED. I do, sir.

Senator BELLMON. Well, my question is: "Who should pay the cost of this?"

Should we expect the wheat producers or the bread buyers or the wheat processors, or should the Congress put up the money for this kind of research out of the general treasury, general fund?

Dr. HEGSTED. The quality of the research would depend on who administers it and how the selections are made and the funds available. I think, however, that it is refreshing at least to have industry try to maintain its own research support.

I assume that the only person who essentially pays for research is the consumer.

Dr. HEGSTED. I mean, whether we do it by the National Institutes of Health or some other way, it comes down to the consumer.

Senator BELLMON. Here is my point: Let us assume this Foundation came to you as a research nutritionist at Harvard and offered you a sum of money, say, \$1 million, to undertake a research program, and if you, Doctor, undertook that program and found, 3 years from now, that wheat was only fit for hogs, would you tell the public what you found if you were working for this special interest?

Dr. HEGSTED. I think you would have to, Senator.

Senator BELLMON. You would lose your million-dollar-a-year stipend.

Dr. HEGSTED. I probably would.

Senator BELLMON. If I were a researcher I would much rather have a source that did not have a vested interest in my finding, for a result that would be to their benefit.

I do not see how you are going to get objective research done when the money comes from an industry that wants a certain answer.

Dr. HEGSTED. I suppose you can always raise that objection. Nevertheless, I think that it is a chance that you almost have to take. We continually criticize the food industry for not doing adequate research, and then as soon as they indicate an interest, we turn around and say that we do not believe that they will do honest research. And if you want to take an attitude like that, then the only source of funds would be Congress I assume.

Senator BELLMON. Well, let me say, Mr. Chairman, I am going to have to leave, and I do not want to leave the wrong impression.

First, I am a wheat grower, and I am interested in developing markets and uses for wheat, probably as much as anyone.

And, also, I believe very strongly in research activities. I have a degree in agriculture and have done some nutritional work on my own; but I am at a loss to know how to approach the problem.

Apparently, the Congress has not been interested.

I think our research funding, is very, very inadequate.

Dr. HEGSTED. Very uneven also.

Senator BELLMON. I do not know whether your university gets any support for research from the Federal Government or not.

Do you happen to know?

Dr. HEGSTED. We get a lot of support from the National Institutes of Health particularly. Very little from Agriculture.

Senator BELLMON. Could you use some of that money for nutrition research?

Dr. HEGSTED. We do use that money for nutrition research.

Senator BELLMON. But you feel that it is not adequate?

Dr. HEGSTED. Well, the research activities supported by the National Institutes of Health are categorized, and you have to have specific projects to be fundable by the agencies you are dealing with.

Senator BELLMON. Would you feel that this committee would be wise if we amended this bill to provide that the moneys that it produces go to the National Institutes of Health to be used for nutrition research?

Would this help sanitize the funds so that a researcher would have greater freedom and so his findings would have more credibility?

Dr. HEGSTED. I doubt if it would be acceptable to the wheat producers unless it were again earmarked for an area, because to put another \$2 million to \$4 million into the NIH budget without any specifics as to where they are going to spend it in nutrition would, I think, not be acceptable to this group, nor would it necessarily stimulate the kind of research we are talking about.

Senator BELLMON. As a researcher, you do not feel that it makes any difference, you would just as soon have your support from this Foundation as from any other source?

Dr. HEGSTED. Well, I would not say that I do not think it makes any difference. Every researcher would like to have his funds unencumbered and available, permanently available. But practically every university operation understands the difficulties in this area, and we do have to solicit our money. Obviously, there are dangers in this area. But I think this is well protected since it is fairly broadly based.

Senator BELLMON. Mr. Chairman, that is all. I am sorry that I have taken so long, and I apologize.

Senator ALLEN. Thank you very much.

Dr. Hegsted, your testimony has been very helpful, indeed. I appreciate your assistance.

(Dr. Hegsted's prepared statement is as follows:)

Dr. HEGSTED. I am D. M. Hegsted, Professor of Nutrition at the Harvard School of Public Health. I am currently the chairman of the Food and Nutrition Board of the National Academy of Sciences—National Research Council.

Of all of the food crops that are produced the cereals are among the most efficient crops we have available. They provide more food per acre than most crops, they are almost universally consumed in a variety of forms, and can be grown in, widely different areas of the world. As the world population continues to grow, cereal products will provide the greatest opportunity to produce enough food. This is already true in much of the world and may become increasingly true in our own country in the future.

However, if we are to feed populations largely upon cereal products, we must have enough knowledge to know how to use these

products most effectively. We must know their full potential and their limitations. We do not expect that populations can live upon wheat alone but we must know the maximum utilization that can be made of such products and still produce satisfactory nutrition.

It is well known that those populations which rely largely upon cereal products today are those that are least well fed. These are poor populations, with very limited resources, limited knowledge, poor medical care, etc. The studies to date have tended to emphasize the inadequacies of cereal products. However, these populations could not exist without cereal. They are the products which make survival possible and some families maintain good health even though they consume large amounts of cereals. We need studies which focus upon the advantage and potential of the cereals as human foods and how to make maximum utilization of them rather than how to replace them. We must determine how to maintain adequate nutrition with maximal utilization of cereal products. I assure you that this is much more than a semantic problem.

In our own country we have seen a gradual fall in cereal consumption over the past 50 years or so. This is due in part to the fact that we are becoming an increasingly physically inactive population and require less food, and also represents a replacement of cereals by other foods, especially those high in sugar and fat. Neither of these trends is advantageous as far as our national health is concerned. We believe that the increasing rates of coronary heart disease are largely attributable to the change in physical activity and the change in diet. The American people in general would be better off if they consumed more cereal and other vegetable products. If people would replace a substantial proportion of the meat, milk and eggs they consume with bread and unsaturated margarines, one would expect a general lowering of the serum cholesterol level and a decreased rate of coronary heart disease. However, one needs evidence to show that these expectations will be realized. There have been practically no studies which focus on the role that cereal products might play in ameliorating heart disease in this country. Rather, the studies have focused almost entirely upon the role of fat with the expectation that the cereals somehow take care of themselves. We need more aggressive research and action if we are to get a balance into the general view of the causal and preventive factors in this important area.

Since cereals are consumed almost universally, albeit in varying amounts, they provide one of the most logical mechanisms for distributing nutrients to the population when this is desirable. Unfortunately again, we do not have a good record even in this area where the advantages of the products seem clearly evident. The fortification of bread and other cereals with iron was begun over 25 years ago based upon evidence that there was a substantial amount of iron deficiency anemia in the United States. This seemed entirely logical. However, no attempt was made to determine whether, in fact, the fortification program was beneficial in combating iron deficiency. Now 25 years later we are confronted with the fact that iron deficiency is still prevalent in the United States and the whole concept of iron fortification is under attack. We do have reason to assume that the amount of iron deficiency is less than it would have been had we not used iron fortification, but it has been far from a complete success.

It is well known that the absorption or utilization of iron from foods depends upon many factors—some of which are known, some unknown. Different forms of iron added to different kinds of foods do have different utilities in combating iron deficiency. The fact is that many of the so-called iron fortified foods are practically without utility and that up until the last 5 years or so practically no one was even interested in the problem.

The responsibility for this unfortunate state of affairs is divided. Nutritional scientists, the medical and public health professions, the industry promoting the products, etc. have not been alert or sufficiently responsive to the public need. Nevertheless, the fortification of cereal products still appears to be one of the most logical ways of combating nutrient deficiencies in this country. We must determine whether these mechanisms are effective, how to make them effective, or find new approaches.

The fortification program has included not only iron but the addition of the vitamins, thiamine, riboflavin and niacin. Deficiencies of these vitamins have certainly decreased in the United States in the past few decades. However, again it is quite unfortunate that these programs were undertaken without any definitive plans to determine their effectiveness. Food habits have changed, the general economic level of much of the country has changed, we are uncertain why various deficiency diseases have decreased. The record is not distinguished.

At this time there is accumulating a substantial body of laboratory evidence which can be interpreted to mean that the fortification program might be extended to include such vitamins as vitamin B₆ and folic acid and perhaps minerals such as magnesium and zinc. However, the data upon which such decisions ought to be based are extremely limited. We do not have good methods for determining whether an individual is deficient in such nutrients, and we have little data upon the extent of deficiency in the United States. No adequate surveys to evaluate the nutritional status of the population with respect to these nutrients have yet been undertaken. We can no longer expect to make decisions upon important public health programs without adequate data and once the decision is made there must be appropriate followup studies to determine the effects of such programs.

As I am sure that most of you are aware, the cereal products have been a favorite whipping boy during the past few years among food products. Much of this criticism is based upon nonsensical and inappropriate comparisons and evaluations. There is no doubt, however, that these kinds of articles weaken the confidence of the public in the products and much of the public has a generally negative view of bread and many other cereal products. The primary difficulty is that the cereal industry has very little ammunition to combat these kinds of attacks. Without an aggressive research program, and this certainly does not exist today, they will continue to be vulnerable. Indeed, it often seems to me that many of the producers, millers and bakers have accepted these criticisms as fact. There is not enough research going on to even convince the people in the industry that their products have an important nutritional role to play.

Everyone has been told about the protein gap so often that most people apparently believe that this is the most important nutrient in the whole book. Without going into the technicalities, I would simply like to state that there is an increasing trend away from this point of view. The great majority of Americans consume much larger amounts of protein than they need. Most Americans would be better off if they ate more bread and less meat, milk and eggs. Even in the developing parts of the world where so-called protein-calorie malnutrition is prevalent in young children, there is an increasing body of evidence to indicate that the primary gap is calories—total food—rather than protein. The children do not get enough food. However, this does not mean that the problem will be solved by increased production. We do not know why these children appear to eat less than they should. Is it because they cannot eat enough of the bulky cereal diets? Is it because there is not enough food in the house? Is it because they are ill from other diseases a large proportion of the time? Is it because the mother does not know how to utilize the foods available?

Diets that are high in cereals are inadequate for young infants. Sometime later in life good nutrition apparently can be obtained from at least some of the diets high in cereals which are consumed in various parts of the world. However, the studies are few and until we have better data upon human requirements and field studies in different parts of the world we will continue to be in a difficult situation. Appropriate strategies for feeding the world's population must depend upon diets high in cereals but these cannot be developed with the information now available. Maximum utilization of wheat and other cereals depends upon knowledge of their limitations and nutritional capabilities under differing conditions.

I do want to comment upon the utilization of additional research funds should they become available. There is a disturbing tendency for the bureaucracy of this country to grow. Particularly in the USDA there has been a trend toward the establishment of research centers within the bureaucracy. There is no evidence to suggest that this is the best way to effectively utilize research funds and considerable evidence to show that it is relatively ineffective. I would call your attention to the report of the Committee on Research Advisory to the USDA of the National Academy of Sciences—National Research Council. The major limitations on good research are funds and people. The bureaucracy is a consumer of research people but does not produce researchers whereas the universities conduct research in such a manner that they train young people at the same time that they produce results. I do not believe that sequestering scientists away in isolated research establishments, without the stimulation of students or the ability to train students, is an effective way to do most research. This is a particularly poor mechanism for studies in nutrition which ought to involve inputs from many different disciplines—economics, social anthropology, education, biochemistry, and various medical and public health sciences. Research programs should only be undertaken with full consideration of the immediate and long-term aspects of the program.

In summary, Mr. Chairman, increased cereal consumption in this country would be beneficial and cereals provide the major hope for feeding the world now and in the future. Yet we are grossly unpre-

pared to make many crucial decisions because we simply do not know enough about human nutrition and the role cereal products can play in meeting nutritional needs. Most current research focuses on the negative aspects of cereals in human nutrition. This current tendency to downgrade cereals will not be changed unless an appropriate body of knowledge is developed. This body of knowledge will be obtained most efficiently by university-based research programs rather than by expanding the in-house government efforts in research.

Senator ALLEN. Senator Dole, if you please?

STATEMENT OF HON. ROBERT DOLE, A U.S. SENATOR FROM THE STATE OF KANSAS

Senator DOLE. Mr. Chairman, let me, first of all, thank you for having hearings on S. 3276, and as the prime sponsor of the legislation, I strongly favor it.

I would like to make as a part of the record at this point the names of the cosponsors, and also, if the chairman has not already done so— Senator ALLEN. The bill has been inserted with the list of the cosponsors.

Senator DOLE. And the letter from the Department of Agriculture, has that been made a part of the record?

Senator ALLEN. It has been made a part of the record.

Senator DOLE. And also, not to be inserted at this point in the record, but as part of the total record, I would like to insert the booklet, "PROGRAM of PROPOSED RESEARCH—Wheat Foods in Human Nutrition" which serves to provide substantial basic research for this legislation.

Senator ALLEN. Without objection it shall be included as part of the record following today's testimony.

(For the booklet, see page 85.)

Senator DOLE. I have with me today another booklet which outlines a comprehensive program of research, which was compiled by the Wheat and Wheat Foods Foundation. I would not want it reprinted in the record because it would cause considerable expense, but it does contain good material and recommendations to be considered in the implementation of this bill.

Also, Mr. Chairman, because of time limitations, I would ask that my statement be inserted in the Record in its entirety and I shall summarize my remarks.

Senator DOLE. Mr. Chairman, in my 8 years in the House working with Congressman Poage and other members of the House Agriculture Committee, we have long felt that perhaps one area that we have overlooked, not only in wheat but in other basic commodities, has been research and promotion.

And, we found that much of the research funds in USDA were for production, on increased production, and not on commodity utilization and promotion.

And for several years this idea has been floating around, that as far as wheat is concerned we should devote some money, not Federal money, but money that comes from the so-called end-product, to promotion, research and education.

That is the thrust of this legislation.

I recognize that perhaps some changes may be necessary.

The president of our Kansas Wheat Growers Association, Mr. Don Crane, is present. He does not intend to testify but he has assured me that the Kansas association supports the legislation, and I think Don does have some suggestions that I will be submitting for the record later.

But beyond that, I think the outline has probably been well presented to the committee. We are talking about \$2.3 million in the first year; and it could provide as much, in later years, as \$5.75 million. But there is a limit of 2.5 cents per hundredweight. It is a 5-year program. It would be reviewed by the Congress and by the segments of the industry at that time.

I share some of the reservations voiced by Senator Bellmon, but representing, of course, the largest wheat-producing State, perhaps I have selfish interest in the legislation. For the past 12 years, that I have served in Congress the consumption of wheat is not increasing. In fact, it has decreased, and we are talking about farm income, particularly wheat income, and we have got to find other ways of utilization in addition to exports and Public Law 480 programs.

So, if I will make my complete statement a part of the record and let my appearance here underscore my vital interest in the legislation.

Senator ALLEN. Thank you very much, Senator Dole.

Your full statement will be made a part of the record.

Now, at least two objections have been voiced on which I would like you to comment.

One is the suggestion that the bill should not go into effect, or that the program should not become effective, until it is approved by a referendum of producers.

What would be your thought on that?

Senator DOLE. The first thing that occurs to me would be the cost of such a referendum. The program has merit or it does not, and we are not trying to tax the producer. The ultimate cost goes to the consumer, but it is such a small cost per loaf of bread that it is hard to even calculate. I would have no quarrel with the referendum except that I think it would be robbery. It could cost more than the 5-year total of the program, and, so, from that standpoint, I would be opposed to the referendum.

We should have the people or the producers speak out, and I think that we will find that most producer groups support the legislation.

There is some opposition, but I am confident we can compromise the differences.

The referendum would really become unproductive because of its cost.

Senator ALLEN. Another objection—or rather suggestion that was made was that the voting members of the board be the producers—what would be your thought on that, as it is now five and five and five divided among the three primary segments of the wheat industry.

Senator DOLE. Right. If we are going to have a broad industrywide board where we represent not only the producers—and that is the basic interest—the processor and end-product manufacturer must be represented on the board.

If we had all producers; they are concerned about utilization, but they are also concerned about production, and there may be some changes we would make in the structure of the bill.

But it appears to me that if we are going to pass the legislation and if it is going to be implemented, and if it is going to serve its purpose, then, we have to have a broader based board than all producers. And I think, again, that most producer groups would share that view.

Otherwise, there is a possibility that we could take the wrong direction.

Maybe the makeup is not perfect now, but I think it is balanced with the 15 members, plus the other six, plus the secretary, each coming equally from the three segments.

Senator ALLEN. Well, this bill does provide further, does it not, that either group can veto a program if it so desires?

In other words, there would have to be a unanimity of opinion before you went forward with the research program?

Senator DOLE. Right. We have, in our State, our Kansas Wheat Commission. Its board is made up entirely of producers, however, wheat is the largest single crop in Kansas and of vital economic interest.

But we are not looking for the same thing in this board.

The way we have it drafted, in my view, is the best approach.

Senator ALLEN. Well, the producers of your State and of your section of the country, the wheat belt so to speak, do feel they are in favor of this legislation?

Senator DOLE. Our inquiries indicate they are, and, in fact, there are some who have been suggesting this legislation for as much as 7 or 8 years, and we are, finally, getting around to the hearing stage.

I would not want to say that everyone in Kansas who produces wheat is for it, but I think that those who represent producers are generally in accord with what we are trying to do.

Senator ALLEN. Thank you very much, Senator Dole.

We appreciate your taking time from your many duties to be here and present your statement. You made a splendid contribution.

(The prepared statement of Senator Dole is as follows:)

Senator DOLE. Mr. Chairman, it is an honor for me to appear before your subcommittee to testify in support of the wheat and wheat foods research, Education and Promotion Act (S. 3276). It was my privilege to see this legislation take form while I was a Member of the House of Representatives Agricultural Committee and I have participated in many discussions about the bill during the past 5 or 6 years. After considerable discussion, change, adaptation, and compromise that the various segments of the wheat industry have made, I am proud to have introduced this legislation—legislation that enjoys the support of the entire wheat industry from the farmer's field to the baker's shelf.

UNANIMOUS SUPPORT

Today, Mr. Chairman, you will hear witnesses from every segment of the wheat industry: the wheat grower, the miller, the baker, the retailer, the union representative—all in support of the bill. Of course, there are a few dissenters in the ranks of the organizations

represented, however, the support by the majorities of these groups is unanimous and very few objections have been heard.

I would also call your attention, Mr. Chairman, to the broad support I received with cosponsors of this legislation in the Senate—from both parties. This is a good bill and is receiving good support. Over 20 senators have cosponsored the bill.

GOAL TO IMPROVE DIET

The research the bill will provide would mainly concern human nutrition and motivation on how specific types of wheat foods fulfill modern dietary, health, and social requirements. By its very nature, the results of nutrition research cannot be confined to wheat, but rather applied to human dietary requirements in general. And since no food provides nourishment until it is consumed, information on how and why people eat wheat products or any other kinds of food is prerequisite to action toward the improvement of our national diet.

The educational side of the program would communicate the scientific findings of the proposed studies to teachers, writers, researchers, students, leader groups and general consumers, as well as broadcast information on how to use wheat foods and other nutritious products to better advantage. And finally, promotion would employ the same kind of factual information in paid advertising to stimulate consumption of wheat products for their positive values and consumer benefit.

CONSUMPTION DOWN

Because of our changing life style, per capita annual consumption of wheat flour—bread and other wheat-based foods—has dropped from 217 pounds in 1909 to less than 112 pounds today. But in the same period we have seen the incidence of heart disease climb until today it is the no. 1 cause of death. Yet there are studies at the university of Iowa that indicate a diet containing large amounts of breadstuffs helps reduce blood serum cholesterol—the commonly used index to a person's susceptibility to heart ailments. Is there a connection between declining per capita consumption of wheat foods and the rising incidence of heart ailments?

This is the type of question that would be researched under the provisions of this act. This will be pure research into the unknown additional benefits that can come from this vital grain.

A SELF-FINANCING PLAN

It is estimated that Americans consume about 230 million hundredweights of flour in the various forms of wheat products each year. Under the terms of the bill, first-year assessments at 1 cent per hundredweight would net \$2,300,000. In succeeding years, at the top limit of 2½ cents per hundredweight of flour, the bill would provide as much as \$5,750,000 for work such as I have described.

These are not large sums as such when we consider the huge amounts of money commonly handled almost every day in business and Government. Yet they are important sums for the reasons I have outlined. The money would be billed and collected by the processor from the end-product manufacturer. Hence, the measure is viewed as

an original and highly innovative attempt at industry self-help. Those who developed the concept not only do not wish to receive funds from the Government, they actually express fear of such involvement and the consequences of such action. The wheat producers, processors, and end-product manufacturers of wheat foods want to "do it by themselves."

It should be emphasized that under the provisions of this bill, the funds with which to conduct the research, education and promotion will be collected from the end-product manufacturer. It is reasonable to assume that this cost will be passed on to the retailer, and by him, on to the consumer. Estimates of this cost run from 1/100 to 1/500 of a cent per loaf of bread. This amount is so small that it cannot be passed on by itself. It is likely that this cost would be absorbed until such time as other costs may increase.

REQUIRES AGREEMENT

As proposed, the program is voluntary, in that a majority of each of the three groups I have named must first agree on what they want to do, a budget and a rate of assessment. But once they have agreed, then the assessment would be equitably and fairly imposed on all—with refunds available only upon the termination of the program. Yet, at the same time, any one of the three groups, or the Secretary of Agriculture, can veto the program or any aspect of it. With a veto, funds would be refunded to those from whom they were collected.

CONSUMERS BENEFIT

Thus, to me, the "wheat and wheat foods research, education and promotion act" represents a novel, interesting and highly democratic plan of great promise—not only as a self-help plan for wheat oriented industries, but as a proposal that should pay immense dividends to the consumer, with special benefit to those of lower income who must rely on inexpensive and commonly available products of wheat as the mainstay of their diet.

Mr. Chairman, I have enumerated only a few of the attractive features of this unusual piece of legislation, but I am sure the witnesses that will continue the testimony today will broaden these greatly.

I see many friends of the wheat farmer in the committee room today and I look forward to hearing their testimony.

Mr. Chairman, Mr. Don Crane, president of the Kansas Association of Wheat Growers is present today. He does not plan to testify, but I have discussed this legislation with him. He assures me that the Kansas Association of Wheat Growers supports this legislation. He plans to write me a letter to that effect along with some recommendations and suggested amendments which the Kansas Association of Wheat Growers feel will enhance the legislation. I ask that I may submit that letter in a few days for inclusion at this point in the Record.

Senator ALLEN. Now, we are going to take the next group of witnesses, three witnesses, jointly as we did before.

Mr. Howard Holmes, Mr. Anthony Owens, and Mr. Avery Jones.

In order to preserve time, I will ask you gentlemen to choose one of your members to present your testimony orally by reading his statement, and have the other statements inserted in the record. In that way, we should be able to conclude the hearing this morning; otherwise, I will have to ask that we come back later this afternoon.

Mr. HOLMES. That is certainly agreeable, and I will read mine if I may.

STATEMENT OF HOWARD S. HOLMES, PRESIDENT, CHELSEA MILLING CO., CHELSEA, MICH., REPRESENTING THE MILLERS' NATIONAL FEDERATION

Mr. HOLMES. Gentlemen. I am Howard S. Holmes, president of Chelsea Milling Co., Chelsea, Mich., and a director of the Wheat and Wheat Foods Foundation. Until last week I was also chairman of the board of the Millers' National Federation, trade association of the flour milling industry whose members maintain 85 percent of the production capacity in the United States in mills scattered throughout the country.

I appear before you today to record the support of the flour milling industry of the "Wheat and Wheat Foods Research, Education, and Promotion Act," identified as H.R. 13514 or S. 3276, and to urge your favorable action on this measure.

My position differs from some flour millers, since my total production goes into the manufacture of a line of mixes. In that sense, I am an end-product manufacturer under the definitions of the act as well as a flour miller and would serve as a payer of any assessment as well as the one who would be collecting it.

You will recall that the act would establish a Wheat Industry Council of 15 voting members, five from each of three groups: wheat producers, processors and end-product manufacturers. The Secretary of Agriculture would appoint another six nonvoting members on the same basis. The program would be voluntary in that a majority of the voting members of each of the three groups and the Secretary must first agree on what to do by way of research, education and promotion, establish a budget and a rate of assessment. But once everyone is agreed, then the assessment would become mandatory, with refunds available to those who paid the money only upon termination of the program.

This insures that the wishes of the entire industry—the growers, processors and end-product manufacturers—will be carried out pursuant to a democratic determination of all actions.

In my personal opinion, it is one of the most unusual yet most democratic plans for industry self-help ever devised. It was forged into a workable plan in what might be termed a crucible of conflicting opinions. But even those adamantly opposed to mandatory assessments admitted that thus far all voluntary programs had failed or had faltered because of dwindling support. Thus was developed the voluntary-mandatory concept.

Several other notable compromises were necessary before inter-agreement on the Act was reached. Millers insisted that the amount of the assessment, ranging from a minimum of 1 cent to a maximum of

2½ cents per hundredweight of processed product, and set at 1 cent for the first year, be separately set forth and identified on an invoice. This was accepted. Others expressed the fear that funds collected on soft-wheat products, for example, like the packaged mixes I make, would be spent on bread or something else.

At this point, those framing the Act were aided by the only question of constitutionality raised by legislative counsel in the House and Senate, namely, that those paying an assessment should be the primary beneficiaries of that assessment or it would be unconstitutional. Accordingly, the stipulation was written into the measure (section 17) that "Funds collected to finance said plans or projects shall be expended on behalf of, and in proportion to, the assessment on the end products represented by such assessment."

And one last compromise appeased those who feared they might be forever burdened with a program they did not relish. The Act provides—section 32(a)—that after 5 years all voting members of the Wheat Industry Council must unanimously agree—not just the majorities of the three groups—to continue.

The prevailing spirit that has made possible the successful culmination of 10 years or so of work on this concept—the faith, trust, readiness to compromise and unfaltering belief in the common goal—is the justification for giving the breadstuffs industry this opportunity to help itself.

On behalf of the flour milling industry which has members who both mill wheat into flour and manufacture end products and therefore would be paying as well as collecting the assessment, I earnestly solicit your favorable action on this important measure, and pray for its speedy passage through Congress.

Senator ALLEN. Thank you very much, Mr. Holmes.

Now, your industry then would be, in effect, the taxpayer initially?

Mr. HOLMES. We would remit the tax, so to speak, and in the case of some of us, such as myself and it is true of others such as Pillsbury where we have really end products, we would also be paying it as well as collecting it.

Senator ALLEN. Well, in cases where you are the miller only—well, you would immediately pass that on in the invoice to the processor then?

Mr. HOLMES. That is the way it is stipulated, yes, sir.

Senator ALLEN. I notice you quote from the Act, on the funds collected to finance the said plans or projects shall be expended on behalf of and in proportion to the assessment of the end products represented by such assessment. Just how would that work?

Mr. HOLMES. I think the objective there was this: There are a number of types of wheat grown in this country, and in each instance the wheat products—or rather the final products from those types of wheat would vary. For example, in the hard wheat area—

Senator ALLEN. They go into different ultimate products?

Mr. HOLMES. That is right. Hard wheat is generally used for bread, and the soft wheat for cakes and pastries. And those in the soft area, such as my own firm, we are anxious to produce better wheat goods, and the bread people would be interested in better bread.

But the basic research, nutritional and so forth, would probably apply regardless of the strain of wheat.

But if we get into final end-product promotion of any kind, we want to insure that each area has its fair share.

Senator ALLEN. Well, now, you feel that after some 10 years of working on this concept you have finally come up with a plan that meets with the general approval of these three segments of your economy?

Mr. HOLMES. I certainly believe so, yes, sir.

Senator ALLEN. And do you feel that it would be to the benefit of all three segments?

Mr. HOLMES. I do. And I believe that the reason we finally got agreement over a period of 9 or 10 years is just that fact, that we all feel something needs to be done, and we have finally found a way that, hopefully, it can be at least worked at.

Senator ALLEN. Well, I notice your comment on the record of purely voluntary agreements. They have not been successful, have they?

Mr. HOLMES. So often if an industry has, say, a hundred members who decide they are going to do something, then, 60 chip in and the other 40 ride along, and, eventually, the 60 get tired of that and, generally, it fails.

Senator ALLEN. Well, this is voluntary to the extent that that is the prevailing opinion in the three segments; that this would be something that they want imposed on themselves; would that be correct?

Mr. HOLMES. That is right. They feel that it should be, and while it is voluntary in the sense that each segment of the three parties can object to it, and, therefore, stall it; still once everybody agreed that everybody in the industry is involved, they, then, should pay their fair share of it. That was the reason.

Senator ALLEN. I remember one of the witnesses earlier this morning was talking about the possibility of a referendum of producers and I suggested that if we had a referendum among producers we also should have a referendum in the other segments. Do you feel that there should be a referendum among producers or among the other segments of the wheat economy?

Mr. HOLMES. My feeling is that the representation exhibited here by the members of the Foundation and those witnesses appearing here is overwhelmingly in the proportion of the various interests that they represent, and I think the fact that we have that, I do not see the need of it. If there were to be a referendum, I think, since we are dealing with three segments of the industry, we might just as well "referendum" everybody. Why pick out one segment? I do not personally feel the need of it.

Senator ALLEN. Is there any way that this assessment could be backed up and applied as against the farmer?

Mr. HOLMES. What you are really saying is would this produce; if we pay a penny a hundredweight now that might be further defined to say that that is less than a penny a bushel, and if we got to the maximum assessment of $2\frac{1}{2}$ cents a hundredweight of processed wheat, that would represent about one penny a bushel.

Well, wheat is sold on the open market, and, as one witness said, much is bought through terminals, not directly through the farmer, and I cannot see how the miller, deciding that he was not in fact being reimbursed by his invoicing the baker for the penny, or what-

ever it is, then saying "We are going to get it out of the farmer." I think he would have a tough time suddenly reducing what he pays for wheat by one penny. I do not really think it is realistic, although, frankly, in the long haul all costs have to be sorted out, and I think the consumer essentially would pay the bill. Per se, it is too small to add onto your selling price, but with the cumulation and increases in other prices, then, eventually, it probably would be.

Senator ALLEN. Someone said, I think, that this would figure out to about 1/150 of a cent per loaf of bread.

That would be pretty hard to pass on unless they increased it a penny and somebody put the difference in their pocket.

Mr. HOLMES. Somebody said that it was like a light bill going up, that you cannot really pass that on but when you pile the straws up on the camel's back, eventually, sure, yes, it falls, but per se I cannot see it being added onto the price of a donut or loaf of bread.

Senator ALLEN. Somebody would have to absorb it higher along the line, then, would they not?

Mr. HOLMES. I think so.

Senator ALLEN. Thank you very much, and I am sorry that we have to hurry you like this.

Mr. HOLMES. That is all right.

(The prepared statements of Mr. Owens and Mr. Jones are as follows:)

STATEMENT OF A. C. OWENS, VICE PRESIDENT AND GENERAL MANAGER, AGRI-PRODUCTS DIVISION, PILLSBURY CO., MINNEAPOLIS, MINN.

Mr. OWEN. Gentlemen, it is a pleasure for me to join with Howard Holmes and the other witnesses you have heard thus far in urging your favorable consideration of H.R. 13514 and its equivalent, S. 3276, known as the Wheat and Wheat Foods Research, Education, and Promotion Act. My name is Anthony C. Owens. I am a vice president of the Pillsbury Co., Minneapolis, and the general manager of its agri-products division. As such, I serve on the executive committee of the Millers' National Federation, and endorse completely the testimony you have heard from Mr. Holmes.

It was not an easy decision for our company to accept the principles in the proposed legislation just outlined by Mr. Holmes. After all, Pillsbury like Chelsea Milling Co. mills a substantial amount of flour which is incorporated into its own end products, which places us in a similar position as both the collection agent and the one who foots the bill for the program of research, education and promotion outlined in the act.

But a number of considerations weighted the scales in favor of the act. In the first place, neither the milling industry nor the bakers have ever been able on a sustained, continuing basis to raise the large amounts of money required for research, education, and promotion on a scale adequate to the need. Second, the member companies of the milling industry or any similar segment of American business cannot raise money for research that promises immediate return. No company can for a prolonged period afford to invest, for example, in

human nutrition research in the hope that perhaps one day it will pay off. In business there is no tolerance for "perhaps," "maybe," "possibly" and other long shots. But in industry-sponsored research, such as contemplated under the act, there is latitude for longer odds.

For such reasons, and because we believe the products of wheat desperately cry out to be presented in a strong, affirmative light in education and promotion, we strongly support the industry in urging this committee and the Congress to enact H.R. 13514 and S. 3276 as quickly as possible.

STATEMENT OF AVERY S. JONES, ASSISTANT SECRETARY-TREASURER AND ASSISTANT GENERAL MANAGER, STATESVILLE FLOUR MILLS CO., STATESVILLE, N.C., REPRESENTING THE NATIONAL SOFT WHEAT ASSOCIATION AND PRESIDENT OF THE BOARD, SELF-RISING FLOUR AND CORN MEAL PROGRAM

Mr. JONES. Gentlemen, my appearance here is as spokesman for a relatively small, family-owned enterprise, Statesville Flour Mills Co., of Statesville, N.C., suppliers to the bakery trade, the cookie and cake industry, and to a shrinking market in family flour. There are many like us in the Southeast. I am president of the board of the self-rising program, made up of millers catering to that trade in Southeastern United States. I am a former president of the National Soft Wheat Association, and a director of the Millers' National Federation. Both the latter organizations have endorsed the Wheat and Wheat Foods Research, Education, and Promotion Act, H.R. 13514 and S. 3276. I heartily subscribe to the testimony of Mr. Holmes and Mr. Owens.

Frankly, gentlemen, it took me and the company I represent a long time to come around to a position of endorsing the act. Perhaps that can be explained by the fact that we are single unit, independent flour millers. There is, by any yardstick, enough government already in our business.

Yet if we remove our rose-colored glasses and look at the problems confronting us realistically—in the harsh light of truth—we know that as a small company we cannot afford research, education, and promotion—no matter how badly they are needed. We must join forces with others, as we have with our fellow members of the self-rising program and the soft wheat organization, to gain combined resources if we are to make even a small dent on the surface of the problem. And even our voluntary organizations, as valiantly as they may try, have never been able to command funds in the amount needed to do the job.

So while the Wheat and Wheat Foods Research, Education, and Promotion Act may seem to provide just enough money to buy peanuts to those accustomed to billion dollar budgets for national defense, poverty programs, outer space and the like—the minimum \$2,300,000 seems big to us; the maximum \$5,750,000 of the act very big.

We like the fact, too, that the money won't come from taxes or the U.S. Treasury. We prefer that kind of independence. We like the idea of the industry paying its own way. And as a soft wheat miller and a member of the associations of that group, we like the bills

identified as H.R. 13514 and S. 3276. We hope you pass the measure as soon as possible.

Senator ALLEN. Our next group of witnesses will be Mr. John Hauswald, Mr. Walter Dolch, and Mr. Walter Villaume.

Would you gentlemen come around, please?

Mr. DOLCH. Mr. Chairman, inasmuch as I am the only one representing the entire baking industry this morning, I wonder if it would be your pleasure to enter Mr. Hauswald's statement in the record?

Senator ALLEN. All right, sir.

(The statement follows:)

STATEMENT OF JOHN P. HAUSWALD, CHAIRMAN OF THE BOARD, HAUSWALD BAKERY, BALTIMORE, MD., REPRESENTING THE AMERICAN BAKERS ASSOCIATION

Mr. Chairman and distinguished Committee Members, my name is John P. Hauswald. I am Chairman of the Board of Hauswald Bakery Company, Baltimore, Maryland.

I am appearing here today on behalf of the American Bakers Association in support of H.R. 13514 and its companion bill S. 3276, entitled The Wheat and Wheat Foods Research, Education and Promotion Act.

The American Bakers Association is the major trade association of the wholesale baking industry. Its membership is comprised of baking companies of all sizes throughout the nation. The Board of Governors of the Association has long supported the aims and objectives of the Wheat and Wheat Foods Foundation, which would be established should the bill now under consideration by this Committee be enacted into law.

To finance its operation, the bill would require a mandatory assessment of not less than 1¢ and not more than 2½¢ per cwt. of flour purchased by the end product manufacturer. Since most flour consumed in the country is purchased by the baking industry, this assessment would be paid initially by the baker under the terms of the bill. It is anticipated that the assessment which amounts to approximately 0.015 of a cent in a pound loaf of bread would be absorbed by the baker. The impact would be less in other bakery products which use less flour. In and of itself, this additional assessment would not be reflected directly in higher prices to consumers. On the other hand, we recognize that it is put into the total cost equation of a baker's operating costs and would be a factor in addition to labor, ingredients, overhead, distribution and all other costs which are eventually reflected in the price paid by the consumer for the end product. But we do not anticipate that this assessment on the baker will have any immediate impact on the price of his products.

The Board of Governors of the Association has affirmatively indicated its support of this mandatory assessment not to exceed 2½¢ per cwt. of flour with a limit of 1¢ per cwt. during the first year of operation of the program.

The Board supports this bill because it would enable the joining together of all segments of the industry—the grower, the miller, the baker—in the development of a badly needed program of research, education and promotion for wheat and its products.

The industry has considered at great length the obtaining of financial support on a voluntary basis. Unfortunately, experience has shown that, for one reason or another, all who benefit are not necessarily willing to share the cost of such a program. Ultimately, the burden has fallen on the shoulders of a few. The mandatory assessment feature of this bill would, we believe, distribute this burden equitably among all beneficiaries for the common good. Therefore, the Board of Governors of the Association supports this crucial feature in the legislation.

You have heard from others concerning other aspects of the legislation and what it is hoped it will achieve. We, too, view the legislation in the same constructive manner. It may have some weaknesses which will appear as the program develops. These, we are sure, can be readily corrected by amendment to the act or by administrative determination as the situation requires. We request that this committee act favorably on this bill which is the first joint effort by the wheat growers, flour millers and bakers to advance increased consumption and understanding of their products.

I appreciate very much the opportunity to present our views to your committee. Thank you.

Mr. DOLCH. My statement is brief, and with your permission I would like to give it this morning.

Senator ALLEN. All right, sir.

Mr. Villaume, would you also abide by the same rule and insert your statement?

Mr. VILLAUME. Yes, sir; my statement has been entered as a part of the record.

Senator ALLEN. Thank you.

(The prepared statement of Mr. Villaume is as follows:)

**STATEMENT OF WALTER VILLAUME, PRESIDENT, JENNY LEE, INC.,
ST. PAUL, MINN., REPRESENTING THE NATIONAL MACARONI
MANUFACTURERS ASSOCIATION AND THE NATIONAL MACARONI
INSTITUTE**

Mr. VILLAUME. Gentlemen, in Europe a few years ago, a "spoof" movie was circulated, called "The Macaroni Tree." Some people believed it. But macaroni foods, which you may know as "pastas," or "spaghetti," or "noodles," as well as macaroni, don't grow on trees. They are products of wheat—preferably a form of milled durum wheat, mixed with water, extruded through dies to provide their characteristic shapes, dried, packaged and sold.

My name is Walter Villaume and I am a macaroni manufacturer, head of Jenny Lee, Inc., St. Paul, Minn. I am also a director of the National Macaroni Manufacturers Association, the National Macaroni Institute and the Wheat and Wheat Foods Foundation, the latter a sponsoring agent for the "Wheat and Wheat Foods Research, Education, and Promotion Act" (H.R. 13514, S. 3276). We endorse the measure and hope for its speedy passage through Congress.

While macaroni foods are perhaps the only wheat product that has shown a steady rise in per capita consumption over the years, macaroni manufacturers are nevertheless keenly aware of the constant need for research, education and promotion. The macaroni industry has no national brands sold coast-to-coast, border-to-border. Instead, it's kind of a conglomerate of smaller, family-owned local or regional firms, each dominant within restricted market areas.

Under these circumstances, there are no corporate giants in the macaroni field with funds adequate to the task of research, education, and promotion. Accordingly, we pool our resources and conduct an association program for the benefit of all. Except we do have, because we operate on a voluntary contribution basis, the problem of "free riders." Our National Macaroni Institute promoted the product: we promote our own brands. But there's always the guy who cashes in on the product promotion without paying his fair share.

Thus, when the Wheat and Wheat Foods Foundation came along, it appeared to be a long needed, necessary solution to our problems, especially when the stipulation was made that funds derived from any one product group would be expended in behalf of that product group. I was one of the three original incorporators of the Foundation; I took part in all the early meetings that led to the organiza-

tion. The hope and the promise that kept so many of us active for so long have at last reached fruition in the "Wheat and Wheat Foods Research, Education, and Promotion Act." I bring you the endorsement, encouragement, and sense of final urgency of the macaroni manufacturer. We look for early passage of the measure.

STATEMENT OF WALTER W. DOLCH, PRESIDENT, DOLCH'S PASTRIES, MAQUOKETA, IOWA, REPRESENTING THE ASSOCIATED RETAIL BAKERS OF AMERICA

Mr. DOLCH. My name is Walter W. Dolch. I am owner and president of Dolch's Pastries, Ltd., a retail bakery in Maquoketa, Iowa. I have been a director and member of the executive committee of the Wheat and Wheat Foods Foundation since its first formal organization, and earlier belonged to the group struggling to draft by-laws, a program and finally a bill of proposed legislation satisfactory to wheat producers, processors and end-product manufacturers. I am also a vice-president of the Associated Retail Bakers of America, the national trade association of retail bakers, on whose behalf I appear today.

With me is William A. Quinlan, General Counsel and Washington Representative of our association, who is also intimately familiar with the background of the legislation and able to answer questions.

The Associated Retail Bakers of America strongly endorse the "Wheat and Wheat Foods Research, Education, and Promotion Act," known as H.R. 13514 and S. 3276, urge your favorable consideration of its provisions, and hope for its early enactment.

Like Mr. Hauswald and the wholesale bakers, we are fully aware of the fact that we would help pay the cost because the very small fraction of a cent per pound of product cannot be passed along by the baker. Neither can it be passed back to the miller, or by the miller back to the person selling the wheat. We are stuck with it.

But at the same time we feel the cost of the research, education, and promotion provided by the measure would be a sound investment—both for bakers and for their customers, the public. Perhaps if the act had been in force as law during recent years, our combined industry and its products would not have suffered from the recent rash of outrageous attacks. For example, food faddists and quacks circulate unfounded attacks on white bread. Even some scientists report experiments from which they draw erroneous conclusions unfavorable to wheat foods. If we had the research and educational capabilities possible under this act, I doubt that an enlightened public would give credence to such statements and reports.

Its purpose is also to help feed the hungry with low-cost, well-balanced, nutritious diets by developing new, simple to use, economical foods made from wheat.

Finally, the retail baker sees in this act a better chance to present his products to the public as foods recommended for good nutrition, foods contributing to the improvement of life. For all these reasons, members of ARBA across the country believe the Wheat and Wheat Foods Research, Education, and Promotion Act to be urgently needed and fervently hope for its passage by this Congress.

Senator ALLEN. Thank you very much, Mr. Dolch, and I believe that any questions I might ask would be repetitious.

So, I believe we will just conclude your testimony with the thanks of the committee.

Mr. DOLCH. Thank you.

Senator ALLEN. Thank you very much, gentlemen.

Mr. Albert Herling?

You may proceed.

STATEMENT OF ALBERT K. HERLING, DIRECTOR, PUBLIC RELATIONS, BAKERY AND CONFECTIONERY WORKERS' INTERNATIONAL UNION OF AMERICA, AFL-CIO

Mr. HERLING. I have a very brief statement, Mr. Chairman.

Senator ALLEN. All right, sir.

Mr. HERLING. My name is Albert K. Herling. I am director of public relations for the Bakery and Confectionery Workers' International Union of America, AFL-CIO.

I would like to interject there that this is the first time we have had an opportunity to support what is known as agricultural legislation, and I think it is good for a labor union to come and make its views known. This hearing presents the organization I represent with the opportunity to indicate support by our 150,000 members for the proposal contained in S. 3276 now before you for consideration.

By far, the overwhelming majority of the members of our union are employed in the production of wheat and wheat products. This includes bread and cake, pies, biscuits and crackers, macaroni, spaghetti, and other pasta products as well as snack foods and cereals.

Our interest in this legislation is directly related to our interest in the health of the industries in which our members work for a living. We recognize that a healthy and expanding industry helps to create a greater measure of job security for the men and women who have devoted their lives producing these products.

It is our hope that the passage of this legislation, following your hoped-for approval, would create a program for wheat and wheat foods research, and education would benefit the Nation in the vital areas of improving nutrition, among other things, thereby assisting in the development of a healthier population.

We favor this legislation, therefore, not only as workers interested in protecting their investment in their jobs but as consumers as well.

We look upon this proposal as a potential gain for the industries involved, the workers dependent upon the jobs in these industries, and the consuming public. That it will benefit the farmers, if we can, through this means, reverse the pattern of declining per capita consumption of wheat and wheat products, is quite obvious.

In short, Mr. Chairman, it seems to us that this proposed legislation has a universal appeal—and I might interject that it ought to have universal appeal—it has universal application and deserves universal support.

Thank you for this opportunity.

Senator ALLEN. Thank you very much, Mr. Herling, and we appreciate your testimony and appreciate your coming before the commit-

tee and giving us the benefit of your views and the views of the international union that you represent.

You feel that the legislation could be beneficial not only to the farmers but to members of your union and the consuming public generally?

Mr. HERLING. If I did not believe that, I would not be here.

Senator ALLEN. Yes.

Well, this legislation, then, in your judgment, would hurt no one?

Mr. HERLING. No. On the contrary, my feeling is that this can only benefit everybody.

Senator ALLEN. Well, it is an unusual piece of legislation that you could make that statement about.

Mr. HERLING. Well, I think you have an unusual piece of legislation before you for consideration; yes, sir.

Senator ALLEN. Well, we sure appreciate you coming before the committee, Mr. Herling.

Mr. HERLING. Thank you, Mr. Chairman.

Senator ALLEN. With that, we will close the hearing, and the record will be kept open for 1 week, and anyone desiring to file statements may do so.

The subcommittee will stand adjourned.

(Whereupon, at 12:20 p.m., the subcommittee adjourned subject to the call of the Chair.)

(Additional statements filed for the record are as follows:)

STATEMENT OF HON. MARK HATFIELD, A UNITED STATES SENATOR FROM
THE STATE OF OREGON

Mr. Chairman, I appreciate the opportunity to appear before you in support of S. 3276, the Wheat and Wheat Foods Research, Education and Promotion Act. I was pleased to cosponsor this legislation, and I urge its approval by this committee.

Members of this committee have heard me discuss on the Senate floor the importance of the wheat industry to my State. Oregon rates twelfth in national production, and wheat is the second leading crop in the State. In the past, most of my remarks in the Senate about wheat have been in regard to its importance in international trade. In the Northwest, wheat is a leading export to the Pacific Basin countries. I have been a consistent supporter of legislation to increase the potential for greater wheat export sales, and have opposed legislation which would curtail directly or indirectly the ability to market our wheat overseas.

In Oregon, 85% of our wheat is exported. While I am pleased at the ability of the men from Oregon to sell to foreign markets, this fact also underscores the need for approval of S. 3276. Efforts must be made to balance our markets, and this can be achieved through creating a greater domestic market. Those Senators who, like I, shared the trauma of the long West Coast Dock strike, know how foreign sales of agriculture products can be disrupted through no fault of our wheat growers. Throughout the Northwest, economic repercussions will be felt for years in our agricultural areas as a result of this strike.

In my opinion, S. 3276 is a sound proposal to increase domestic demand for wheat and wheat products. An industry directed "self-help" program such as this should bring results to benefit everyone. I am impressed that this effort is backed by all segments of the industry—the wheat producers, the affected unions, flour millers, bakers and processors.

However, no one should examine this bill and think it only helps the industry, for it is the consumer who is the real beneficiary. A proper diet plays an important role in the lives of adults, and is a vital part of our children's development. Improper diet in childhood affects a child's intellectual growth, and therefore influences his future. Among low income families, there is a need for providing the greatest nutritional benefits at the least cost. Nutritional findings developed under this bill could help people to increase consumption of lower-cost higher-nutrition wheat products.

The self-financing aspect of this bill insures that it will not become a red-tape laden bureaucracy, stifling efficiency and innovations with cumbersome regulations. Under the bill, the money—about \$2.3 million the first year and up to \$5.75 million the next years—would be collected by a modest assessment per hundredweight.

The requirement of unanimous agreement of wheat producers, processors and end-product manufacturers is unique and the veto provision would mean that no efforts overly burdensome to one facet of the industry would be attempted. Since the whole program is voluntary, no onerous attempts at regulation would occur.

In conclusion, Mr. Chairman, I urge the approval of S. 3276. In Oregon, the industry is of vital importance to our economy. The gross receipts in 1971 were \$48,621,000 from a production of approximately 35 million bushels. Added to this are about a \$3.5 million payroll and an equal sum for handling and transportation. Expanding foreign markets for our wheat is important, but creating greater domestic demand is equally important. Domestic per capita consumption is falling, while average acreage yields are increasing. This bill is a worthy step toward meeting the goals of a healthy wheat industry, and improving the nutritional health of the people of the country.

Thank you for the opportunity to appear before you today. A few weeks ago, I contacted Mr. John Welbes, the Executive Vice-President of the Oregon Wheat Growers League, to solicit a letter I could include with my testimony today. I ask that his fine letter be included at this point in the hearing record.

Thank you.

(The letter is as follows:)

PENDLETON, OREG., April 25, 1972.

HON. MARK O. HATFIELD,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR HATFIELD: The Oregon Wheat Growers League was very pleased to know that you are a cosponsor of the "Wheat and Wheat Foods Research, Education Act." As you probably know the League was one of the initial members of the group, with one of our members serving on the Board of Directors who drafted the bill.

This is the first time in history that all segments of the industry have united in a way to promote research and consumer education on wheat and its products. Those in the industry have clearly brought out that wheat products consumption is gradually going down on a per capita basis and average acreage yields across the country are rising. Many predict that in the next 10 years new varieties are, and will be developed to make us forget our present varieties. This makes it clear that the passage of this bill is a must.

Wheat plays a very important role in Oregon's economy, rating twelfth in national production. It is the second leading crop produced in Oregon. Gross receipts for 1971 are estimated at \$48,621,000 million from a production of approximately 35 million bushels. Added to this figure of gross income, one must also add approximately 3½ million dollars in payroll and another 3½ million for handling and transportation. This simply means that the value of the crop adds approximately 56 million dollars to Oregon's economy.

Not only will this bill help the industry, but will also benefit the consumer. The consumer will benefit from human nutritional research and education in product development, uses, and food preparation. There are many different views from specialists who differ widely in the place of wheat in the everyday diet. These problems we hope will be solved under this bill.

The bill is a self-help program engaged by the industry. Far from being a measure that simply accommodates the self interests of an industry, the bill is one which both acknowledges and aims to undergird the nutritional benefits of wheat foods in order to improve the nutritional quality of life for everyone.

Eighty-five percent of Oregon's production goes into export. We have high hopes that if this bill is enacted that much of our market can be made domestic and not solely depend on an export market for our product. Research will find more uses for wheat which in turn will increase markets.

The League very much appreciates your support of S. 3276. We urge your continued support in the passage of this bill.

Very truly yours,

OREGON WHEAT GROWERS LEAGUE,
JOHN H. WELBES,
Executive Vice President.

STATEMENT OF HON. CLIFFORD P. HANSEN, A U.S. SENATOR
FROM THE STATE OF WYOMING

Mr. Chairman, I am pleased to be a co-sponsor of the wheat and wheat foods research and education legislation introduced by Senator Dole, and I would like to comment on the major benefits of this proposal which have prompted the support and approval of most wheat producers in Wyoming.

It is seldom that any piece of legislation draws support from such diverse groups as labor unions, farmers and consumers, whose individual interests often vary. Consequently, this bill is unique, perhaps, because it is supported by wheat producers, who hope it will help them sell more wheat; by labor unions, whose members benefit when markets are increased; and by consumers, who will benefit from the increased knowledge developed about nutrition of the product and from availability of information about its value. And, as Senator Dole pointed out in his introductory remarks, this legislation will not cost the taxpayers a dime, and that makes the bill worthy of support from a lot of other groups that may not be directly involved in the programs set up by the measure.

Let me comment briefly on the provisions of this legislation which I feel have particular merit:

The educational aspect of the program to be set up under this legislation would combine all of the knowledge and research of the past many years, and would facilitate additional research, so that all of this information could be made available to producers, to educators and nutritionists, and to consumers. This factual information would also be used to advertise and promote a product of value.

The measure has been introduced at a time when per capita consumption of wheat is declining. Yet information about the nutritional values indicates that wheat products are important dietary components. The programs envisioned under this legislation will stress the nutritional aspect, and hopefully encourage consumption on that basis and as a result of increased advertising and promotion, as well.

This measure embraces the concept of self-help. The production, processing and marketing segments of the industry would cooperate to meet common problems, and to promote a product of value to consumers. They would assess themselves to pay for the program, and a very democratic system would be set up to enable producers to determine who would serve on the Wheat Industry Council, how money collected would be spent, and where emphasis would be placed in program planning. The Council would be responsible to the industry for money collected and for its expenditure, subject to a federal audit.

This program would help the small family farmer at a time when, more than ever, steps need to be taken to insure his future existence and his ability to continue contributing to the prosperity and stability of rural America.

I think this is sound legislation, and I hope it will be approved and signed into law yet this year.

Thank you.

WASHINGTON, D.C., May 4, 1972.

Hon. JAMES B. ALLEN,
*Chairman, Subcommittee on Agricultural Research and General Legislation,
Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.*

DEAR SENATOR ALLEN: We appreciate the opportunity to comment on S. 3276, the proposed Wheat and Wheat Foods Research, Education, and Promotion Act.

This bill represents a significant departure from previous legislative proposals for commodity promotion programs in that it proposes to institute a compulsory program without a producer referendum.

The rationale for this approach was set forth in a summary of the bill, which was inserted in the Congressional Record for March 1, 1972, in the following words:

While it might be considered better by some to assess program costs on wheat, say at point of first delivery, it would then become a producers' program and require approval in a national referendum among 1,700,000 wheat growers. Millers and bakers would have no voice or control. Or, the fund might be paid by the 100 or more processors and added to the cost of flour. In this case it would become a processors' program. Or, as provided for in the Bill, the money may be collected by the processor from the end-product manufacturer as a separate item on the invoice, subject to the approval of all three segments of the industry and the Secretary.

This is an extraordinary piece of reasoning. Since the proposed program would not result in a reduction in the supply of wheat—or an increase in the support price—it is incorrect to assume that the cost of such a program can be passed on to consumers merely by listing it as a separate item on bills sent to end-product manufacturers. The cost of the program inevitably will be borne by producers whether the check-off is made at the first point of sale or at the point of delivery to the end-product manufacturer.

Accordingly, we believe that it would be an injustice to wheat producers to institute the proposed program without a two-thirds favorable vote in a producer referendum.

We also believe that it would be undesirable to depart from the precedent followed in the Cotton and Potato Promotion Acts which provide for refunds to producers who do not wish to participate.

Farm Bureau supports voluntary promotion programs; however, we have a long-standing policy of opposition to nationwide check-off programs where the Federal government administers, or has veto power over, the program. The Secretary of Agriculture clearly would have a veto over programs developed under the proposed legislation.

For these reasons we are opposed to S. 3276.

We should appreciate your making this letter a part of the hearing record.

Sincerely yours,

WILLIAM J. KUHFUSS,

President, American Farm Bureau Federation.

DODGE CITY, KANS., May 10, 1972.

Senator BOB DOLE,
*New Senate Office Building,
Washington, D.C.*

DEAR SENATOR DOLE: The Kansas Association of Wheat Growers has always been interested in promoting and expanding wheat usage and fully realize that far more wheat food stuffs could be consumed in this nation if the proper promotion, education and new food uses utilizing wheat could be initiated.

The Kansas Association of Wheat Growers believe that the Wheat and Wheat Foods Research Education and Promotion Act (S. 3276) has every possibility to enhance the production, processing and marketing of wheat products. For this reason the Kansas Association of Wheat Growers supports the ACT with recommended amendments.

The language in S. 3276 includes various wording, intents and declarations that the Kansas Association of Wheat Growers feel is not necessary. In order to point out the areas of concern, disagreement, and what we feel are necessary corrections, we list our recommended changes as follows:

Page 3, line 9.—Delete the words "production and" and insert the words "Production of" between "and" and "wheat" on line 10.

Page 4, lines 6 through 8.—Delete line 4 in its entirety as the sentence does not refer to the promotion of wheat foods and such wording could be a detriment to wheat producer's income in the future.

Page 10, lines 2 through 5.—The KAWG is opposed to the right of the full council designating a replacement for a member or alternate if neither is present at the meeting. We recommend changing the words "the council" to "each classification" on line 2.

Page 10, lines 20 through 23.—The KAWG recommends a minimum salary of \$40 per day in addition to expenses during board meetings and activities related thereto.

Page 15, lines 3 and 4.—Delete the word "growing" on line 3 and on line 4 insert the words "production of" between "and" and "wheat".

We respectfully recommend that the above changes be made in S. 3276. The Kansas Association of Wheat Growers appreciates the opportunity to express our views on the Wheat and Wheat Foods Research, Education and Promotion Act.

Respectfully,

DONALD E. CRANE,

President, Kansas Association of Wheat Growers.

FOSTORIA, OHIO, *May 2, 1972.*

HON. HERMAN E. TALMADGE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR TALMADGE: I understand this week you are holding hearings on S. 3276 known as the Wheat and Wheat Foods Research, Education and Promotion Act. The proponents for this bill are very well organized and will present, I am sure, many, many persuasive arguments for its adoption.

Many of these proponents are good friends of mine. Unfortunately, I disagree with them and would have liked very much to have had the opportunity to present my side to your committee. The timing for the hearing, however, prevented me from being present, and I hope you can enter this letter into the record of testimony without my physical presence.

Dating back to the inception of this idea, I, as president of a large, independent soft wheat flour milling company, have had many personal questions that have never been answered. For example, there is no representative of farmers east of the Mississippi River where most of the good soft red winter and soft white wheat used for domestic consumption is raised. The very structure of the bill, designed by the National Association of Wheat Growers, prevents Eastern farmers from being represented, since they are not organized on a basis of commodity groups because of the diversity of their crop choices. Soft wheat is one of the three most important grains raised in the eastern half of the United States and one of the four most important wheats for domestic consumption in the entire United States. Soft wheat farmers are over half the wheat farmers in the United States.

Many end-product manufacturers are not, or scarcely, represented. Examples of these are manufacturers of breakfast cereals, snack foods such as ice cream cones and pretzels, most biscuits and crackers, as well as various mixes and the chain store bakers.

There are no representatives of the grain trade such as grain brokers and merchants, terminal and sub-terminal operators, country elevator operators, exporters and the grain futures markets.

Similarly, there are no representatives of the means of distribution such as operators of barge lines, railroads and truck lines.

Then, of course, the most glaring absence is that there is no representative of the ultimate consumer. Of course, the cost of this program will be passed on to the consumer in some fashion.

I question seriously the moral and ethical nature of taxing the consumer for the purpose of persuading that same consumer to use any specific product. It seems to me such a concept can proliferate into further fragmentation of pressures on consumers in behalf of all sorts of products and pressure groups creating higher costs for the consumer, possibly with nebulous benefits.

Additionally, this bill is unique in that there is no provision for any kind of referendum, and there is no means of escaping the tax if you are opposed to it. Bills similar to this one, such as the recent potato act, contain both of these features.

I hope you will consider my questions when you decide to act upon this bill.

Very truly yours,

D. M. MENNEL,
President, Mennel Milling Co.

ROLLING FORK, MISS., *May 8, 1972.*

HON. ROBERT DOLE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR DOLE: Cotton farmers have been extremely well pleased with the operation of their research and market development program since the passage of the Research and Promotion Act in 1966. As I am sure you recall, this Act and the resulting Order provides for two producer controlled boards to develop and operate the program.

The Cotton Board is made up of 20 members and alternates selected from names submitted by the 55 producer organizations certified to participate in the program. This Board administers the collection and refund system and contracts with a producer organization (Cotton Incorporated) to carry out the research

and market development activities. It also reviews the program and budget prepared by Cotton Incorporated and recommends its adoption or rejection by the Secretary of Agriculture. (I am privileged to serve the Cotton Board at the present time as its Chairman.)

The governing body of Cotton Incorporated is a 46 member Board selected by the same 55 certified producer organizations. No one but the producer organizations has any voice as to membership on this Board, and every member *must be* a cotton farmer and *must reside* in the state he is selected to represent. All programs and expenditure of funds (other than a very small budget to carry out the collection and refund system) must be initiated by the Cotton Incorporated Board. This Board of cotton farmers has its own staff and maintains offices in New York City and Raleigh, North Carolina. The staff answers to no one except its own management and Board.

Cotton Incorporated has been budgeting about half of its funds for promotion, advertising and market development, and the other half for product development and cost-cutting research—both on-farm and off-farm. Cotton farmers feel these activities are already paying dividends and is one of the factors that has helped give cotton a big boost in the market place. The attached reprint from the Delta Farm Press gives details on some of the program activities.

That cotton growers are pleased with their program can best be proved by the extremely low level of refunds. Under the Cotton Board rules and regulations all growers must pay the \$1.00 per bale when they sell their cotton, but they do have 60 days thereafter to request a refund.

The program has operated for five years and the greatest number of growers requesting a refund in any one of these years was 2.7% on the 1970-71 crop. Percent of refunds on the last crop was 2.6. This represents a decline from the previous year of almost one thousand growers requesting refunds. This says more than anything else we can say about how the rank and file cotton grower feels about the effectiveness and the way his self-help program is being operated.

Sincerely,

G. C. CORTRIGHT,
George C. Cortright Co.

(The attachment is as follows:)

[From the Delta Farm Press, February 4, 1971]

COTTON'S NEW MARKETING APPROACH FEATURED IN SPECIAL ARTICLE
ARTICLE

"The name of the game is spin, weave and knit cotton. That's the only way you can get it on the shelves."

When you talk to a man like J. Dukes Wooters you wind up convinced. And a little breathless. And that, in itself, is strange. Because J. Dukes Wooters does most of the talking.

This is not to say that he is verbose. On the contrary. He's a man on the move who says what he believes and, with the precision of a SAM rocket, fires his words direct and for effect.

He is totally committed to one target. Moving more cotton through the mills.

NEW IMAGE

Hired last June 15 as executive vice-president and general manager of Cotton Producers Institute, which only last month he changed to Cotton Incorporated to "more accurately reflect our businesslike attitude," the former top official of Readers Digest leaves no doubt that he is going to do just that. Move more cotton through the mills.

In fact, he predicts domestic mill consumption of at least another million bales by 1975 over the 1970 figure of 8 million bales.

How does he propose to do it?

"Two ways," he says, "we're giving the industry new ideas in construction, weaves, styles. Things like that. Then, we're going to reverse the blend market."

BLEND REVERSE

From his New York suite, where he feels the action is, Mr. Wooters promises that "instead of sixty-five percent polyester and 35 percent cotton shirts, we'll reverse that blend trend to sixty-five percent cotton." He thinks it foolish to turn

a back on blends and concentrate solely on one-hundred percent cotton products.

Wooters has honed his sales goal down to three primary end products—home furnishings and industrial products, men's and boys' wear and women's, girls' and children's wear.

To do it, he has organized a sales and marketing force of three divisions, spearheaded by proven personnel who have been dubbed "The Young Turks" to capture the spirit and urgency of cotton's new super-salesman.

SALES PERFORMANCE

"Each member of the sales force has a definite area of responsibility," Wooters said. "And, their performance will be judged on how many more bales are used in the products for which they are responsible."

He is also adding a technical service department and beefing up his textile research staff.

He is a hard sell advocate. This doesn't mean that he casts aside the effective promotion, publicity and advertising campaigns conducted over the years by the National Cotton Council but his organization's pitch will be primarily restricted to the trade.

COUNCIL BACK-UP

"I don't mean to say that we won't embark on a generic ad campaign in the future, designed to influence a specific market for a specific reason," he is quick to add, "but we'll rely on the Council to continue its same advertising programs."

With the textile industry growing more complex each year and continual changes influencing fiber choices, Wooters believes cotton has been following the wrong piper.

"The ball game has changed," he charges. "Cotton has failed to market its product as a commodity—an industrial commodity. Where the synthetics have topped us is through selling a specific product, on a specific delivery date geared to a specific mill demand."

MILL CONFIDENCE

Wooters aims to join the same ball game. "We're going to build mill confidence on the availability of supply, proper packaging, automatic sampling, and things of this type. We're going to give the mills all these things they haven't been able to rely on in the past.

Availability of supply could be one of the most difficult assignments to carry out. Only days ago, Dr. M. K. Horne, consulting economist for the National Cotton Council, told delegates at their annual meeting in Dallas that cotton is in danger of seeing its progress snuffed out by a supply shortage.

REDUCTION SEEN

With domestic textile mill consumption at 8 million bales last year, cotton held its own, competitively. But exports for the crop year ending next August 1 are projected to rise to 3.5 million bales from last season's 2.8 million and there is some feeling in the trade that actual exports will reach 4 million or above.

Consumption of 8 million and exports of 3.5 million would bring a reduction of more than a million bales in the carryover stock, which would total only 4.5 million or slightly more next August 1.

This would be the lowest level since 1952 and "would bring us at least to the brink of a supply crisis," said Dr. Horne. He does not believe that cotton can survive and play this kind of supply brinkmanship.

"We are competing with synthetic fibers that come out of factories on dependable schedules every day of the year," he reminded.

PROGRAM NEEDED

Dr. Horne did say, however, that new farm legislation contains several features which should induce some farmers to increase their plantings and that chances for an increased yield per acre were also considered strong.

But there is apparently no question in Wooters' mind that a program can be developed to move cotton to mills in orderly fashion. It's a major part of his program and he knows he must do it.

Wooters by no means takes credit for all the work that has gone before but he is quick to spot the really hot prospects and push them for all they're worth. He

speaks like a general when referring to his support troops which include personnel in product development, fashion designing and market research.

TURK SUPPORT

"These are the backup departments to the Turks," he explains. "Take fashion for instance. All-cotton denim is a big item right now. And corduroy is hot. Corduroy is big in the export markets, too. We're pushing to foster this—to prolong these fashion crazes as much as possible."

Consumption of all-cotton denim increased from 273,000 bales in 1969 to 436,000 bales in 1970 and all-cotton corduroy from 201,000 bales up to 275,000 bales in the same period.

"We're watching the fashion trend which now appears to be the so-called natural look," Woosters said. "So we've developed a fabric which even leaves some of the trash in the cotton to get that natural look. And we're promoting new denims. A new knit denim, for instance, looks good right now." Prints will also be big this spring in women's wear.

PROMISING RESEARCH

Excited is the word to describe Wooters' reaction to research being conducted by Cotton Incorporated on permanent press cottons.

"Did you know that only three percent of the non-working housewives in this country have any outside help?" he asks. "There has been a great growth in those 'convenient foods' and that is what those housewives want in shirts and other products. Convenience. Less work. Our permanent press is going to give it to them."

Wooters says that he has been told by experts that the cotton permanent press now under development has a finish better than anything now on the market.

"It is coming along," he said, "and prototype machines are being developed for manufacturing. I think we'll have real permanent press actually on the market within the year."

CENTER SOURCE

Wooters has moved his organization from Memphis to Raleigh, N.C., in an effort to, in his words, "bring together four centers of brain power." He feels that Raleigh gives all facets of the cotton industry greater access to the mills and the four centers of brain power are made up of Cotton Incorporated, itself, and the research facilities of the University of North Carolina, North Carolina State and Duke.

"Our people are already reaping the stimulus from merely being in the center of this vast research triangle," Wooters believes.

NO POLITICS

Cotton Incorporated is prohibited from taking political action to achieve favorable legislation, funds and the like but it will receive support funds under the new Agricultural Act of 1970 of some \$10 million in addition to the dollar per bale contributed by cotton producers.

The National Cotton Council has said that it feels there is a real opportunity to make it \$20 million in the second and third years of the Act.

Wooters takes the political prohibition levied on him quite seriously. He declines to comment on anything smacking of politics. It is obvious, however, he would be highly pleased if the Council's hopes of doubled-funds comes true so that he could beef up some of his research projects and institute new innovations he still apparently has under his hat.

But even without all the resources he could use, with Dukes Wooters around the synthetics industry must feel as comfortable as walking on stilts through a termite colony.

QUALIFICATIONS

At 52, he obviously doesn't consider himself one of "The Young Turks" but it goes without question that he works like one. And his background, though not in cotton, should qualify him quite well for the task.

He served in advertising, marketing, education and other divisions while with Readers Digest. He was executive assistant to the executive vice-president and, in 1969, was managing director of the Brazilian edition. He also did stints with Time and Life magazines and with Hearst Publications. He was graduated from Lehigh University and Harvard Graduate School in business administration with a marketing major.

And with a wife and five daughters at home in New Canaan, Conn., he should know something about the preferences in women's wear fabrics.

Wooters has no allusions about the enormity of the job he has to do. He isn't trying to pull wool over anybody's eyes. But if he did, close investigation would probably prove that it was actually a blend.

Sixty-five percent cotton.

STATEMENT OF HAROLD HOFSTRAND, PRESIDENT, DURUM GROWERS ASSOCIATION OF THE UNITED STATES, LEEDS, N. DAK.

Gentlemen, I am Harold Hofstrand, President of the U.S. Durum Growers Association, a resident of Leeds, North Dakota, where my farm is used largely to raise durum wheat for the manufacture of spaghetti, macaroni and noodles. Durum is a very hard, amber wheat. When milled into coarse semolina or flour, it produces what experts believe is pasta of the finest quality.

Our support of the "Wheat and Wheat Foods Research, Education, and Promotion Act" (H.R. 13514; S. 3276) stems from several interests. Of course, we want to encourage the consumption of quality pasta products because they require durum semolina, granulars or flour in their making. But of all wheat-based foods, pastas are consumed in greater quantities on a per capita basis, year-by-year. So while we're devoted to the idea of their greater sale and use, that objective is not paramount to our concern for fundamental human nutrition and market research involving wheat products. We feel that research demonstrating, for example, that high cereal diet tends to reduce blood serum cholesterol, and thereby the threat of heart disease, will help the public as it helps us.

Even the best pasta made from 100 percent durum costs only slightly more than the cheapest, degraded product made from other kinds of wheat. But even the best is still an inexpensive food, and in these days of climbing food prices, the economy of pastas is extremely important. They serve to extend and enhance more expensive foods. Thus we believe in education to teach people why durum-based pastas are better and how they should be cooked to preserve their quality. Here again, the research, education and promotion proposed in the Act would benefit the public.

On these grounds we join with other wheat producers, with processors and the manufacturers of end-products to support the Act, and urge the Congress to speed its enactment.

STATEMENT OF CHARLES L. FRAZIER, DIRECTOR, WASHINGTON STAFF, NATIONAL FARMER'S ORGANIZATION

Senator Dole and those of his colleagues who have introduced the Wheat and Wheat Foods Research, Education and Promotion Act (S. 3276) are to be complimented for their action. This program should be clearly constructive in view of its broad influence for improved cooperation between all segments of the industry.

The National Farmers Organization generally has not been enthusiastic about various producer check-off arrangements set up to provide funds for the promotion of one farm product at the expense of another in the total consumption of food in this country. However, we regard the proposed method of establishing the Wheat Industry Council, the control of funds contemplated by this bill and the opportunity to bring about more coordination of the education and research effort relating to the use of wheat as quite constructive and worthy of support. The proposal to withdraw contributions to the authorized fund from commercial channels will be acceptable to growers.

Certain provisions of the program should be carefully protected as the bill moves through the legislative process. These safeguards are considered essential to the wide acceptance that will be necessary if the program is to succeed:

- The voting authority and veto provisions that require agreement by each of the industry segments on any major decision;
- The method of nomination that guarantees that voting control of the Wheat Industry Council will be in the hands of members coming from the three groups (producers, processors and manufacturers);
- Control of funds by the Wheat Industry Council and not by any federal agency;

—The concept of limiting assessments that may be used to finance the program.

The National Farmers Organization supports the proposed program because we believe it may constitute a working basis for better understanding of wheat producers' problems in pricing and marketing their wheat. In addition to improved coordination of the research, education and promotion of the use of wheat products there is a compelling demand for wider recognition of the simple need for better prices on farm products. There may be similar problems in the wheat processing and manufacturing industries but it is doubtful that there are fundamental shortcomings of comparable importance. Nevertheless, it is our fond hope that cooperation by selected members of the three segments of the industry in this program will lead to more unity in approaching other problems of the whole industry.

Use of the designated funds under the direction of a broadly based group of producers and industry personnel will focus attention on certain research and promotional actions that will attract additional support from other sources. We urge favorable action on the bill.

PROGRAM OF PROPOSED RESEARCH ON THE CONTRIBUTION OF WHEAT FOODS IN HUMAN NUTRITION

The following people have participated in the development of this statement and join as individuals with the majority in subscribing to it as a declaration of research need:

PRO TEM COMMITTEE—HUMAN NUTRITION RESEARCH

Dr. C. E. Barthel, Jr., Executive Director, The Research Foundation of Kansas; Mr. Joseph Berkely, Public Relations Counsel, Kansas Wheat Commission; Mr. Gordon P. Boals, Director, Export Programs, Millers' National Federation; Dr. William B. Bradley, President, American Institute of Baking; Mr. Robert M. Green, Director, National Macaroni Institute; Dr. D. Mark Hegsted, Professor, Department of Nutrition, Harvard University, School of Public Health; Mr. Robert Huffman, North Dakota State Wheat Commission; Mr. Howard Lampman, Executive Director, Wheat Flour Institute, Durum Wheat Institute, Self-Rising Flour Program; Dr. Ruth M. Leverton, Assistant Administrator, Agricultural Research Service, U.S. Department of Agriculture;

Mr. David A. McCulloch, Executive Secretary, Bulgur Associates, Inc.; Mr. F. H. Mewhinney, Washington Representative, Millers' National Federation; Mr. Howard Morton, Director, Committee on Utilization, Great Plains Wheat, Inc.; Dr. James W. Pence, Chief, Cereals Laboratory, Western Regional Research Laboratory, U.S. Department of Agriculture; Dr. Fredus N. Peters, Jr., Food and Nutrition Board; Dr. J. Richard Stockton, Director of Research, The Pillsbury Co.; Dr. Betty J. Sullivan, Vice President, Research, Peavery Company Flour Mills; Dr. LeRoy Voris, Executive Secretary, Food & Nutrition Board, National Research Council; Mr. Harold West, Administrator, Idaho Wheat Commission.

SUMMARY

The ever-growing concern about adequate and proper food for the increasing populations throughout the world in the years ahead cannot be lightly dismissed. While the rapid and extensive advances in agriculture and pertinent areas of science and technology have provided mankind with new and approved food products, the cold fact is that the amount of arable land per individual available for producing food is rapidly decreasing over the world. According to present population trends, by the year 2000, arable land in the United States will be less than 1.2 acres per person. At the same time, in other parts of the world less than half an acre of land will be available for producing the needs of each person.

Wheat is a major world commodity. Of the more than 70% of the world's croplands devoted to the production of grain, 22% is used for the growing of wheat, the largest land area used for any crop and about 70% more than that used for rice production. These croplands yielded over eight billion bushels (approximately 480 billion pounds) during 1962.¹

¹"Agricultural Statistics, 1963," U.S. Department of Agriculture, Washington, D.C.

Increases in the yields of wheat per acre have been striking during recent years, from a national average of 12 bushels per acre a few years ago to over 25 per acre in the early 1960's. Yields of as much as 150 bushels per acre have been realized for some varieties of wheat under experimental conditions.

It is important that arable land planted in wheat will provide more nourishment for more people than the same land used for non-cereal food, like meat, milk, or poultry. For example, from seven to eight pounds of grain are required to produce one pound of meat.²

Wheat foods are rich in carbohydrates, protein, and certain vitamins and minerals. Protein adequate in quality and quantity can be furnished in diets containing cereals in large amounts and protein from animal and other sources in small amounts. Further, there may be distinct advantages to such high-cereal diet. It is known that heart diseases and associated afflictions are less frequent in those areas of the world where wheat, rice and other cereal grains are consumed in greater quantity.

Despite worldwide and domestic needs for foods that contribute to a balanced diet and good nutrition, and despite the extensive production of wheat, knowledge of the nutritional contributions of wheaten products in human diet is relatively scant. We know very little about what is perhaps the first and oldest of all foods, the basis of diet for civilized man in the Western Hemisphere. The value of wheat and its products is frequently underestimated.

Under Title I of Public Law 480, launched in 1954, 47 countries are able to buy U.S. agricultural products with their own currencies. During the first nine years of the program, 84 million tons of U.S. agricultural commodities, worth 9.5 billion dollars³ at world market prices, were shipped abroad, of which 66 million tons were wheat. Yet very little of these foreign credits have been used on research exclusively on the nutritional aspects of wheat.

The prestige and popular acceptance of a commodity like wheat or flour are essential to the continuation of its marketing success. On this basis alone, studies demonstrating the nutritional value of the product are an important and legitimate part of the American agricultural program—of equal and humanitarian benefit both domestically and overseas. Such studies would be important to the U.S. economy—where the milling and baking industries alone annually amount to about seven-and-a-half billion dollars in sales.

On the domestic side, wheat demands a cash market, the foundation of the producers' economy. And, while the domestic market for wheat continues to be sustained by population growth, per capita consumption of wheat products in general continues to decline, from 210 pounds per person in 1910 to less than 116 pounds per person per year in 1963.

There are suggestions in present research that make the future of wheat as bright and promising as any food produced in American agriculture—if only we had the answers. Both more extensive investigations as to the constitution of wheat itself and nutritional studies of wheat products are essential to meet objections that are being raised here and abroad to the inclusion of higher levels of wheat products in human diets.

The need to know more about the nutritional contributions of cereals, notably wheat, is obvious and urgent. In fact, the future of wheat, and those dependent upon wheat for their contribution to the economy of America—as well as the good nutrition of the world—depends upon a demonstration of the nutritional potential of wheat products and on their acceptance in human diet, both here and abroad. It is, therefore, highly important that attention be given *now* to the use of cereal grains, and chiefly wheat, as a means for filling present and future nutritional needs of our society—and, in so doing, assist in building the economy of the United States through the wise utilization of a major agricultural commodity.

The text following provides in greater detail a statement both of the urgent need and the incalculable benefits to mankind that might be realized in a coordinated program of research exploring the contribution of wheat and wheat foods in human nutrition—a program urged on all interested agencies of government, industry and agriculture.

² "Food and People," a Report of the Subcommittee on Foreign Economic Policy of the Joint Economic Committee of the 87th Congress of the United States, U.S. Government Printing Office, Washington, D.C., 1961.

³ Includes transportation costs. Assessed at Commodity Credit Corporation values, the products are estimated at 13.6 billion dollars, reflecting storage and other costs to the Government.

INTRODUCTION

More than 70 percent of the world's croplands are devoted to the production of grains. Wheat accounts for the largest land area, more than 22 percent, compared to almost 13 percent in rice. But the two crops share almost equally in fulfilling the energy needs of man.

Although rice supplies a slightly larger proportion of total calories than wheat in world food, it is believed that increasing dependence upon imports in densely populated sections of the world may soon shift the balance to wheat. In 1958, rice served as the food staple in 16 countries with almost 54 percent of the world's population, or 1,476.4 million people. Wheat at the same time served as the food staple in 43 countries with 35.5 percent of the world's population, or 977.5 million people.⁴

Lands capable of growing wheat are more extensive, by the nature of the crop, than those where rice may be grown. The world wheat crop is larger—over eight billion bushels (approximately 480 billion pounds) in 1962 compared to some 338 billion pounds of rough rice.⁵ The potential of even higher yields in wheat has been demonstrated and will probably be realized in the near future. The bushel yield in wheat per acre has increased from a national average of only 12 a few years ago to more than 25 bushels per acre in the early 1960's. Some varieties of wheat in test plantings now yield as much as 150 bushels per acre.

Arable land planted in wheat will provide more nourishment for more people than the same land used for the production of non-cereal food, like meat, milk or poultry. It has been calculated that from seven to eight pounds of grain are required to produce one pound of meat.⁶

Wheat foods provide generously of carbohydrate, protein, certain vitamins and minerals. A diet adequate in quality and quantity can be designed containing large amounts of cereal and relatively small amounts of foods from other sources. In fact, although not yet proved, there may be advantages to a high-cereal diet. Heart disease and associated afflictions are less frequent in parts of the world where people eat larger amounts of wheat, rice and other cereal grains.

The problems of feeding the United States and the world through agriculture become even further magnified by projections of population growth. It has been estimated that by the year 2000, according to present population trends, arable land in the United States will be reduced to 1.16 acres per person. In some parts of the world at the beginning of the next century, the food needs of each person will depend on what can be produced on less than a half acre of land. Even in America, the day may not be too far distant when, because of exploding population, we must revise our present "meat-milk-egg economy" and return to greater dependence on cereal foods.

In the light of such considerations, the importance of wheat in feeding the world, as well as Americans, is indisputable. Even within the present potential of modern science and technology, it will be impossible to provide enough food without greater use of cereal grains, chiefly wheat. The need to know more about the nutritional contribution of cereals, notably wheat, is obvious. Yet despite the apparent need, knowledge of the nutritional contributions of wheaten products in human diet is relatively scant.

For example, the potential of wheat to meet world needs for protein is generally overlooked—even though at least one study has demonstrated that a diet high in cereals with small amounts of foods from animal sources satisfied the protein needs of growing children. Further work is urgently needed to re-evaluate the role of cereal protein in human nutrition, according to its various proportions in the total diet. Studies being presently carried on show that a diet high in carbohydrate, including cereals, serves to lower the levels of serum cholesterol and other blood lipids, widely accepted as an index to the individual's susceptibility to heart disease. Again, additional research is required.

A number of persons including nutritionists, wheat growers, cereal chemists, and representatives of the milling, baking and macaroni industries, concerned with all aspects of the problem, were drawn together in 1963 and 1964 by this

⁴ "Man, Land & Food, looking ahead at world food needs," *Foreign Agriculture Economic Report No. 11*, U.S. Department of Agriculture, Economic Research Service, Washington, D.C., 1963.

⁵ "Agricultural Statistics, 1963," U.S. Department of Agriculture, Washington, D.C.

⁶ "Food and People," a Report of the Subcommittee on Foreign Economic Policy of the Joint Economic Committee of the 87th Congress of the United States, U.S. Government Printing Office, Washington, D.C., 1961.

common interest. The group named at the beginning of this report working as a committee, in meetings and correspondence, drafted this statement of a "Proposed Program of Needed Research on the Nutritional Contribution of Wheat Foods."

This group believes that man's ability to feed himself may depend increasingly on research to demonstrate the nutritional contribution of wheat foods, and necessary modifications of national dietaries, both here and abroad, to take full advantage of the nutritional values so demonstrated.

The members of the Committee thought that while isolated projects to demonstrate certain points in human nutrition are highly desirable—a long-range, comprehensive program is essential to the successful and coordinated performance of research and accumulation of data by various agencies of government, science and industry.

With the general program setting forth guidelines and accepted as a public declaration by the groups and agencies concerned, bits and pieces of isolated research would contribute to the orderly development of total knowledge. The statement itself and its formal acceptance as a declaration of need would serve as a stimulant to further research. It is anticipated that companies, trade groups and agencies of government will individually undertake one or more projects in the master plan to help fill in blanks of the research picture. The program could be modified from time to time as new findings push back the frontiers of nutrition knowledge.

In considering this proposed program of needed research, one might quite naturally question the reason for the dearth of information about a food as important to man as wheat. Possibly because of their abundance and long service to mankind, wheat flour foods have been taken for granted.

Wheat growers are relatively new as organized commodity groups, and their activities thus far have been dominated largely by concern for foreign markets. Millers, bakers and macaroni manufacturers represent highly competitive segments of the industry, where the struggle for business survival commands almost total resources, leaving comparatively little or nothing for research which cannot be justified by immediate sales return.

And yet, the potential for raising research funds appears greater, perhaps, than even those closely associated with industries related to wheat might imagine.

Wheat growers have already demonstrated their ability to organize and raise funds for marketing effort. Great Plains Wheat, Inc., and its supporting states—Kansas, Nebraska, Colorado, North and South Dakota—together had a budget of \$356,815 in 1962-63. The individual states supporting Great Plains Wheat spent \$113,869 for research exclusive of human nutrition.

Assuming that the mechanics of collection were established for research funds, a per bushel assessment of one twentieth of a cent for the average billion bushel per year crop of wheat in the United States would yield \$500,000.

As for industry, it is the conviction of those drafting this statement that human nutrition research—to establish the nutritional importance and thus improve the image of wheat products in the public mind—is an essential and fundamental part of marketing and an investment in the future of companies producing or processing wheaten foods. On this basis, examination of what industry spends on advertising to sell its products might serve as a useful index of research potential without in itself challenging the need or value of advertising.

In the 1958 Census of Manufacturers, 703 companies reported shipments of flour and meal for the year valued at more than two billion, 88 million dollars.⁷ Since volume of sales has increased year by year, one can reasonably anticipate even larger recent annual dollar sales.

According to calculations based on corporate reports to the Internal Revenue Service for 1961-62,⁸ companies classed as selling "Grain Mill Products" spent 2.94 percent of sales for advertising. In other words, the milling industry spends many millions of dollars each year for advertising. One cannot escape the conclusion that resources within the industry for human nutrition research are considerable.

⁷ Exclusive of prepared animal feeds, cereal preparations, rice milling; blended and prepared flour and wet corn milling.

⁸ *Advertising Publications, Inc.*, Chicago.

Applying the same logic to the baking industry, it is estimated that sales for 1963-64 exceeded five billion dollars. According to corporation reports to Internal Revenue Service for the 1961-62 year, the industry spends about 2.75 percent of sales on advertising,⁹—or, according to these figures, more than 137 million dollars a year for advertising. One half of one percent of this amount applied to human nutrition research would yield \$685,000 a year.

Review of U.S. Department of Agriculture appropriations for nutrition and consumer use research over a period of five fiscal years from 1959 to 1963 appears to indicate—with certain notable exceptions—a direct relationship between crop values and the amount of research funds assigned to any particular commodity. About six percent of all funds allocated to nutrition and consumer use research were spent for research exclusively on wheat. The crop value of food grains for the five-year period also represents about six percent of total crop value.

One might, however, challenge on several points the use of crop values as a yardstick, if as such they serve, for the assignment of Department funds for nutrition research. On the basis of present urgent need in under-developed nations, and future world requirements, the present major emphasis on animal products reflects an unrealistic standard of diet, impractical of attainment, today or tomorrow. Abundant and more economical cereals, especially if qualified for popular acceptance by further nutrition research, can help fulfill both present and future need.

Consumption of flour and bread is highest among families with lowest income, and declines as family income gains. Since Department policy traditionally has favored helping lower income groups to improve their diet, larger amounts spent on nutrition research involving wheat would appear entirely consonant.

The need expressed by many nutritionists for national diet reform also suggests that the traditional imbalance of the Department of Agriculture in favor of animal products no longer serves the best interests of consumers. A number of scientific groups and nutritional authorities have called for reduced fat intake in popular diet. With fat calories reduced, cereal carbohydrates and proteins emerge as an alternative and perhaps, from some points of view, better source of energy in the modified diet.

Commendable though Department efforts may be in attempting to raise farm income in the United States by heavy emphasis on animal products, it would seem that such concentration may not serve to best advantage the long-range welfare of both farmers and consumers. It might even be observed that the perpetuation of this attitude may well be one of the causes for steady decline in the consumption of cereal products over the years, and their present lack of prestige in popular diet.

Another aspect of the situation is reflected in the shipments of wheat and the use of American credits in payment under Public Law 480—which makes available some of these foreign funds for the direct development of overseas markets for United States commodities and for the conduct of fundamental research which in due course will aid in the development of markets. The P.L. 480 program was launched in 1954. Under Title I, whereby the 47 purchasing countries were able to buy U.S. agricultural products with their own currencies, 84 million tons of U.S. agricultural commodities, worth 9.5 billion dollars⁹ at world market prices, were shipped abroad in the first nine years of the law. Of these 84 million tons, 66 million tons were of wheat. In the program, wheat growers have spent 5.3 million dollars¹⁰ worth of foreign credits in foreign market promotion under P.L. 480.

Since proved nutritional need and popular acceptance of a commodity like wheat or flour are essential to its marketing success, it is the belief of the Committee drafting this statement that studies demonstrating the nutritional value of wheat products are an important and legitimate part of the P.L. 480 market development program—of humanitarian benefit both domestically and overseas. Of the billions of dollars worth of credit generated by the sales of wheat, only a small portion has been devoted to research and little of this exclusively to wheat.

⁹ Includes transportation costs. Assessed at Commodity Credit Corporation values, the products are estimated at 13.6 billion dollars, reflecting storage and other costs to the Government.

¹⁰ An additional .5 million dollars has been spent by The Millers' National Federation Export Programs.

Through December, 1963, a total of 481 P.L. 480 grants for research have been made, with a total value of 28.6 million dollars. Of these, 28 were for wheat, valued at 1.5 million dollars or five percent of the total. There were only 13 P.L. 480 grants for research in human nutrition, valued at \$600,000. Only one focused specifically on wheat and was valued at \$60,000.

After thorough consideration of the foregoing, the Committee agreed the following points must be recognized in the formulation of any adequate research program:

1. The future of the cereal industries—which includes the future of wheat producers, processors and those who make and sell final products—increasingly depends on demonstrating the nutritional potential of cereal foods and increasing their acceptance in human diet.

2. It would be difficult if not impossible to outline specific research projects without reference to their location, available facilities, scientific personnel and subjects. But a program for expanded research can be written in general terms, subject to modifications and revision as blank areas of knowledge are filled in.

3. A continuing long-term research plan is essential to the successful and coordinated performance of needed research by various segments of the industry.

4. Research in any particular subject area tends to proliferate as the scientific community becomes excited and interested and then follows through to add to the total volume of knowledge. Thus with a program, it could be expected that initial projects would be followed by others outside the immediate area of self-interest within the cereal industry.

5. World need for abundant sources of inexpensive food adaptable to ethnic and cultural habits and practices, plus domestic need for dietary modification, lend emphasis to the urgency of requirements for expanded research in wheat and other cereal grains.

6. While it would be unrealistic to expect all research to produce results favorable to the marketing of wheaten foods, certainly knowledge of the limitations of wheat products is preferable to ignorance of such points. The need for understanding of this fact by all concerned with wheat foods is important.

7. According to the indications of present research and present knowledge concerning heart diseases, the promotion of wheat foods is entirely compatible with the basic concept of good nutrition, domestic and worldwide.

8. Responsibility for the accomplishment of individual projects suggested by the program would be shared by all. No one group or agency can be expected to undertake the bulk of the program. Work on several segments of the program is already in progress in the U.S. Department of Agriculture, various state experiment stations and industry laboratories. With additional authorization and funds, further work could be undertaken by these agencies. Funds are also available under P.L. 480 for conduct of research overseas under the sponsorship of the U.S. Department of Agriculture. However, while P.L. 480 funds or credits are available for research in some foreign nations, many projects would best be conducted within the United States, e.g., investigation of American dietary factors affecting cholesterol and the levels of other fats in the blood require research experiments within the United States for popular and professional acceptance.

9. Government agencies cannot be expected to accomplish the total program. Major responsibility should rest with those groups representing segments of the cereal industry. However, properly presented, agencies other than the Agricultural Research Service might be expected to help in the program. For example, by policy the National Institutes of Health are restricted to investigations of factors affecting the health of American citizens. If the importance of possible anticholesterogenic factors in wheat products in United States diet can be demonstrated, support may be expected from agencies such as NIH.

10. Coincident to the research program should be a survey and critique of available literature, directly or indirectly involving wheat foods in human nutrition. This might be a group endeavor of qualified scientists outside the industry.

Agreed on these points, members of the discussion group together developed the following proposal, entitled "Program of Proposed Research on the Nutritional Contribution of Wheat Foods."

PROGRAM OF PROPOSED RESEARCH ON THE NUTRITIONAL CONTRIBUTION
OF WHEAT FOODS

I. Nutritional contributions of wheat foods

- A. In nutrients:
1. Carbohydrate.
 2. Protein.
 3. Lipids.
 4. Minerals.
 5. Vitamins.
- B. In special health conditions:
1. Malnutrition.
 2. Atherosclerosis.
 3. Obesity.
 4. Dental caries.
 5. Anemias.
 6. Degenerative diseases.
 7. Gastroenterological conditions:
 - (a) Ulcers.
 - (b) Celiac syndrome.
 8. Pregnancy and lactation.
 9. Exposure to infection.
 10. Convalescence.

II. General considerations of research

- A. Types of study:
1. Human clinical.
 2. Epidemiological.
 3. Animal.
- B. Types of wheat foods.
- C. Production and processing.

THE PROGRAM OF PROPOSED RESEARCH

Research to determine the nutritional contribution of foods made from wheat may be divided into two major areas: evaluation of the nutrients contributed to human diet by the various forms of wheat food, and assessment of the possible beneficial effects of wheat foods in special health conditions. In each, there are some rather distinct points of difference in application and approach, yet the two segments have many points in common, so that full recognition of the overlap should be maintained at all times.

I. The nutritional contribution of wheat foods

To evaluate the nutritional contribution of wheat foods at different levels and in different product forms as eaten in diets, and to find those forms most favorable to human nutrition, five major areas are selected for initial emphasis—carbohydrates, protein, lipids, minerals and vitamins. Each is subject to many complex considerations which compound the problem of establishing a simple exposition of the facts.

A. In Nutrients.—

1. *Evaluation of Carbohydrate.*—Starch comprises over 70 percent of the wheat kernel, and is the chief constituent of white flour and white flour products. It is considered mainly a source of calories, and no particular nutritional advantage is ascribed to wheat starch over other cereal starches. However, there is evidence that high-starch diets may promote intestinal synthesis of certain vitamins, such as riboflavin and vitamin B₆. Riboflavin deficiency is a critical factor in the diets in most underdeveloped areas. Thus, the possible beneficial effects of wheat foods in lowering vitamin requirements and the determination of the riboflavin needs in man need investigation.

It is known that the intestinal flora are in part determined by the type of carbohydrate in the diet, and the intestinal flora may exert either beneficial or detrimental effects, depending upon the nature of the predominant organisms. We need to determine the effect of wheat carbohydrate, ingested at various levels, on intestinal flora.

The nature of dietary carbohydrate may be related to the metabolism and disposition of cholesterol and its excretory products, the bile acids. The interrelations between dietary fats, cholesterol or other blood lipids and carbohydrates

in cholesterolemia or associated conditions comprise a promising field for productive research on behalf of wheat food products.

The role or effect of fiber, alpha cellulose, hemicelluloses, pentosans and gums in human metabolism needs to be elucidated.

Underlining the importance of this need for evaluation of wheat carbohydrate is the fact that the American dietary has changed considerably since 1900, with a decrease in consumption of wheat foods, an increase in sugar and fat consumption. The significance of this change and its effect on nutrition and health can be determined by evaluation of wheat carbohydrate in human diet.

2. *Evaluation of Protein.*—It is generally agreed that one of the most important subjects needing evaluation are the proteins of cereal in diet. Many people in parts of the world now live on a diet composed largely of cereals. With steadily increasing world population, it is probable that there must be more dependence on cereals.

Inadequacies exist in present knowledge regarding amino acid and protein requirements of human beings at different stages of growth, particularly infants and children. Experiments should be undertaken to determine exactly to what extent common and special wheat foods can supply the protein needs of human beings of all age groups:

(a) There is great need for a study of the protein merit of a high-cereal diet for children in post-weaning, pre-school, 6-12 and teenage groups over a period of two to three years.

(b) Rations might include bread or wheat foods to supply both 80 to 90 percent of the calorie intake and corresponding levels of protein intake, with a control diet of wheat foods supplying lower levels of calorie and protein intake. Rations should otherwise be adequate in vitamins, minerals and other supplementations. In essence, such a study would amplify and refine some of the findings of the Widdowson-McCance experiments (Widdowson, E. M. and McCance, R. A., "Studies on the Nutritional Value of Bread and the Effect of Variation in the Extraction Rate of Flour on the Growth of Undernourished Children," Medical Research Council Special Report, Series No. 287, 1954).

(c) The bread or other enriched wheat food used in some part of the series of studies should be made from 100 percent straight flour, about 72 percent extraction, contrasted with whole grain products made from the same wheat. Use of the same wheat is important.

3. *Evaluation of Lipids.*—Wheat contains relatively small amounts of lipids. Because of their non-uniform distribution throughout the kernel, the dietary contributions of different wheat fractions vary considerably. As nutritional science advances and new findings concerning lipid metabolism emerge, the specific values of wheat foods in their various forms need to be kept up to date.

The lipid content of flour and durum products averages not more than 1.5 percent; about 85 percent of this lipid material is made up of unsaturated fats. The fat content of bread, rolls, sweet goods and other edible end products of wheat varies considerably according to ingredients used in their formulation. A project evaluating the various shortenings used in bread, sweet dough and cake production would provide information about commercial wheat foods as commonly eaten in the United States.

Limited evidence suggests that certain lipids associated with the gluten of wheat may have an effect in controlling serum cholesterol levels. Such studies should be extended to man, and the interrelations between dietary lipids and the various factors which may be supplied by wheat products—starch, fiber, protein, etc.—require investigation.

4. *Evaluation of Mineral Contributions.*—

(a) *Calcium.*—The principal question to be answered regarding the position of wheat food products in mineral nutrition involves calcium and magnesium binding by phytic acid compounds. More information is needed on the distribution of all forms of phytates in various wheat products; on effects of fermentation and baking; how they affect free calcium added in baked wheat products. Likewise, the relationships of phytates to calcium and phosphorus availability under a variety of dietary conditions (Ca: P ratio, total Ca, vitamin D level, etc.) for various age groups of human beings should be studied.

The studies of cereal protein adequacy mentioned above, using enriched, unenriched or whole wheat breads, or macaroni foods or bulgur, could be varied with calcium fortification, with vitamins A and C supplied through

supplementation or with natural foods. Similar conditions of control, supervision, analysis and evaluation would be assumed.

While in the United States bread is normally made with milk which provides a good source of calcium, enrichment with a calcium salt would be a more economical method of providing the nutrient in world-feeding programs. Since calcium requirements are higher in growing children and in pregnant women, various age groups should be studied.

(b) *Iron*.—Similar studies are needed to answer questions regarding the iron salts naturally present in wheat and its products and those added in enrichment formulas. Iron-deficiency and other anemias are a major health problem, both in the United States and throughout the world, and little is known of the effect of iron-enriched or whole grain products of wheat on anemias of various types.

The present United States enrichment formula calls for the addition of iron to a level of 13 milligrams per pound of flour with no reference to the form of iron or its availability. Whole wheat products contain iron phytate which is rather insoluble and thought to be less available than some other forms of iron. The effects and importance of phytates and phytases on iron assimilation should be clarified.

Different forms of iron may vary widely in assimilability. Extension of present knowledge in this field is badly needed.

5. *Evaluation of Vitamin Contributions*.—From a vitamin standpoint, wheat has been chiefly regarded as a major dietary source of thiamine and niacin. Work is needed to evaluate the contributions of other B vitamins which various types of wheat products can make toward meeting human requirements.

The present level of riboflavin in enriched flour is approximately double the amount in whole wheat and in areas where milk is not readily available, enriched flour is an important contributor of riboflavin. Particular attention might also be paid to the question of the need to add pyridoxine (vitamin B₆) to the enrichment mixtures now widely used in certain wheat food products. This involves studies invaluable to human nutrition as a whole because knowledge of human requirements for many of these vitamins is not adequate. As a result, it is difficult to determine adequacy of many diets in terms of these nutrients.

B. *The Nutritional Contribution of Wheat Foods in Special Health Conditions*.—While large proportions of population groups are living under conditions relatively free from physiological or other types of serious stress, rather substantial numbers of people in all age groups are subject to enough stress that definite changes in nutritional requirements can be expected. Many of the studies suggested in the previous section would apply to "Special Health Conditions." Attention is drawn to certain of these special health problems.

Inherent or latent susceptibilities to particular types of pathology can be aggravated by dietary, emotional or other disturbances. As clinical knowledge in these areas develops, all possible contributions of cereal foods, especially wheat, to the relief or prevention of such conditions should be thoroughly explored.

1. *Malnutrition*.—Estimates of the degree of food shortage around the world vary considerably, depending upon the criteria selected to judge the incidence. Malnutrition can result from insufficient calories, vitamins, fats, minerals, protein, and also from disease. Over-abundance and drastic imbalances of these nutrients can be equally harmful. But all experts agree that malnutrition is serious and widespread. Malnutrition in infants and young children is one of the most critical problems of the world today. Although the role of deficient protein intake has been widely publicized, it is generally agreed that in most distressed areas there is also an absolute shortage of food. The relative importance of calories and proteins needs to be defined.

If care and forethought are not exercised in selecting and supplying supplemental food supplies, relief from part of the deficiencies, by provision of wheat-based or any other foods, may actually be harmful by way of exaggeration of other deficiencies. Immediate and thorough exploration should be undertaken of the ways in which wheat foods such as bulgur, macaroni products, coarse meals and breads can be used to provide directly a large part of the needed nutrients and to carry additional needed nutrients, such as vitamins A, D and C not present in wheat except in traces. Additional emphasis is needed on the development of ways to recover the high-value protein present in many millstreams now going only into animal feeds.

Since cereals are, and will remain among the cheapest sources of food, the expanding world population requires maximum utilization of such food sources

with rather minimum amounts of more expensive foods. Current emphasis on protein tends to "sell cereals short," although cereals are the backbone of the food supply. The questions of what is the maximum percentage of calories that can be supplied by wheat products and what is adequate supplementation as regards protein quantity and quality, calcium, vitamins, etc., need to be answered.

2. *Atherosclerosis*.—Evidence is beginning to accumulate that implicates refined sugars as a contributing agent to atherosclerosis, whereas starchy foods may be beneficial in avoiding the onset of such a condition. Work to clarify and define this possibility should be assigned high priority.

There are a number of approaches to the problem. Such studies of heart disease and hypertension could best be done with adult males fed to compare a relatively high cereal diet with one high in animal products, dairy products and sugar. The substitution of cereal starch for sugar might be expected to demonstrate beneficial effect on cholesterol levels.

As stated before, flour is low in fat (approximately 1.5 percent) and 85 percent of its fat is unsaturated. However, when carbohydrate is fed at levels in excess of energy requirements, the fat synthesized and deposited in the body is saturated fat. Account must also be taken of the fat and sugar in prepared wheat products. Attention should be given to total calorie intake, and the source of calories; and a comparison of low, average and high calorie diets should be made. The interrelations between diets with varying carbohydrate contents (sugar, starch and fiber) and various dietary fats should be explored. There are numerous separate facets of the problem that can be studied in both animal and human feeding experiments.

3. *Obesity*.—Approximately one-third of the United States population is at least 10 percent or more overweight, according to the Council on Foods and Nutrition of the American Medical Association. Whether Americans falsely think breadstuffs and other products of wheat peculiarly fattening, or whether people often reject as fattening those foods they like least, has never been determined.

Yet experiments with a number of high cereal diets demonstrate the practicality of losing weight while remaining in nitrogen balance. Studies also indicate that subjects on a high starch diet lose weight, probably because the bulk of the diet with consequent satiety served to reduce calorie intake below individual needs. If these results could be demonstrated on a large scale, epidemiological basis, they would be most helpful to both obese Americans and to the wheat industries.

The problem of obesity is also linked with circulatory problems and heart disease. Work on the problem could be carried further in projects relating to atherosclerosis, relating calorie intake to individual energy needs.

4. *Dental Caries*.—It is generally acknowledged that there is a relationship between carbohydrate intake and dental caries. A "Joint Report of the Council on Dental Health and the Council of Dental Therapeutics of the American Dental Association" (*J. Am. Dent. Assoc.* 47:387 Oct., 1952) implicates lactobacilli of the bacterial plaque of the mouth, which change sugar into acids that pit tooth enamel. The nature and degree of the cariogenic process, when starch replaces sugar, should be studied further.

It has also been shown that in certain strains of rats the incidence of caries is reduced when sucrose in a diet is replaced by glucose. The incidence of caries was further reduced when the sucrose was replaced by raw wheat starch.

Other investigators have suggested that a "protective factor" for tooth enamel resides in wheat germ and bran and, consequently, in whole grain products. It has also been reported that calcium and phosphorus salts added to flour may reduce decalcification.

As a source of carbohydrate, bread made from an average commercial formula might have an advantage over wheat starch or flour because of additional calcium and phosphorus derived from milk, yeast, and other ingredients. A sufficient number of subjects would necessarily have to be included in such a study to offset the possible effect of caries-susceptible individuals and the varying presence of acid-producing mouth organisms.

5. *Anemias*.—Investigations of the relationship of diet to various recognized anemias involve not only a study of the availability of iron from enriched and whole grain products as described above, but also factors such as protein and other minerals. Most recent work indicates that hemoglobin may be a less sensitive measure of iron utilization than serum iron, iron-binding capacity, and,

in experimental animals, iron deposits in the tissues. Various dietary factors, such as ascorbic acid, pyridoxine, vitamin B₁₂, vitamin E and certain amino acids affect iron utilization.

The availability of various iron sources—ferrum reductum, ferrous sulfate, ferric orthophosphate and sodium ferric pyrophosphate—should be determined both in normal and in anemic subjects.

Present information on the incidence of nutritional anemias has recently been described as unsatisfactory. Estimates are often based on studies of nutritional states that produce anemias rather than on determination of the actual incidence. Better information would be helpful for determination of most efficient ways to supplement or design wheat foods for relieving the syndrome in specific situations or world areas.

6. *Degenerative Diseases.*—The medical literature concerning various types of degenerative diseases should be reviewed to determine the extent to which nutritional stress may result and what is known about establishment of helpful dietary regimens. Where necessary, effort should be made to stimulate additional research from the nutritional point of view and how wheat based foods may contribute to relief of the conditions.

7. *Astroenterological Conditions.*—

(a) *Ulcers.*—An authoritative review of literature and practice in the dietary phases of ulcer treatments should be sponsored to establish which practices are based on scientific evidence and which are merely traditional. If necessary, additional research should be encouraged to determine the role which farina, breads, macaroni products and other bland wheat foods may play in the treatment of ulcers.

(b) *Celiac Syndrome.*—Work needs to be done to identify the gluten component in wheat responsible for this syndrome, and how this component affects susceptible individuals.

8. *Pregnancy and Lactation.*—Pregnancy and lactation, like growth, impose high demands for protein, calcium, certain vitamins and other factors. Much of the contribution that wheat foods can make to the growth phases of the normal human will likewise obtain in pregnancy and lactation, but additional consideration should be given to any other dietary demands which may be imposed by these conditions.

9. *Exposure to Infection.*—Studies indicate a possible relationship of a specific substance in wheat to a subject's natural resistance to infection. This work suggests possibilities in further analytical search for other substances in wheat which might well contribute to our knowledge of the value of wheat products.

10. *Convalescence.*—Extraordinary demands for certain nutrients can logically be expected to vary according to the nature of illness or condition involved.

Massive hemorrhage, whether connected with surgery or not, would be expected to increase the need for protein and minerals, at least. Thus, there is a resemblance between the dietary needs for relief from certain anemias and protein deficiencies such as kwashiorkor and marasmus. However, other aspects of dietary need may often be involved for which wheat foods can be helpful. These situations should be sought out and available supporting evidence collected. The place of wheat foods in the traditional bland or soft diets should be studied and established on a scientific basis rather than on the tenuous traditional or "customary" basis.

II. General considerations of research

A. *Types of Study.*—Types of study—human clinical, epidemiological or animal—must be appropriate to the specific project and knowledge sought.

Obviously, any research program should make use of appropriate types of study, taking precautions against misinterpretation of the conclusions or misapplication of the findings. Many of the complex and interrelated considerations that must be evaluated will require use of specially designed clinical experiments.

1. *Human clinical.*—It is assumed that in all experiments, detailed analyses of the diets would be required. In addition, accepted measurements would be used to record changes in height and weight of children and maintenance of general health for both adults and children—such as hemoglobin, blood pressure and nitrogen balance.

Proper supplementation should be rigorous, and emphasis should be placed on use of maximum levels of wheat in the diets. From a practical standpoint, diets must be acceptable and palatable.

Additional knowledge and clarification of nutrient requirements of human beings of particular age groups are needed to permit adequate evaluation of wheat foods. Insofar as present knowledge and available facilities permit, experimental work should be undertaken to evaluate special and common wheat foods as contributors of their main nutrients—under both normal and special health conditions—to the diets of: (1) post-weaning age infants; (2) pre-school children; (3) children 6-12; (4) teenagers; (5) adults; and (6) elderly persons.

In the conduct of future nutritional experimentation and in critical review of previous work, careful scrutiny must be given to all indices employed to judge nutritional status of the subjects. Some previous work, doubtlessly carefully planned and executed, is less informative than desired because of lack of valuable indices of nutritional status that were not developed until later. Additional experimentation to develop new indices having usefulness for large-scale studies is highly desirable. Attention should be devoted to critical evaluation of presently used indices which may not be as well established yet as desired.

Comparisons of intestinal flora of subjects on different diets should be made, both those of children and adults, as part of studies already outlined. There is also need for human-feeding experiments to compare the biological value of the protein of the germ and shorts, for example, with that of straight grade flour and/or other cereal of the same caloric value.

To illustrate the potential in clinical study, some work has already shown that a group of human subjects fed a diet comparable to the meal pattern of the United States in 1890 experienced a slow but steady decline in the concentration of all blood lipids. Another reason for the need of further clinical study of human diet is the fact that some investigators reject the biological values of cereal proteins as obtained by animal-feeding experiments.

2. Epidemiological.—In considering large-scale experimentation that might be undertaken, it is especially important to review existing information pertaining to this type of study. Attention should be paid to actual or potential suitability of wheat to traditional diets. Broad correlations with wheat-eating customs should be sought as possible guidelines for new studies. Likely sources of pertinent information include FAO/WHO studies of world food supplies and nutritional status and the surveys of the Interdepartmental Committee on Nutrition for National Defense.

Studies of population groups in relation to ethnic and cultural differences in diet have suggested certain advantages in increased intake of carbohydrates, particularly those of cereal origin.

3. Animal.—The usual laboratory nutrition studies of cereal foods reveal them to be relatively poor foods compared to their value in human feeding. The laboratory rat under normal conditions is so confined that his energy requirement is too low to permit him to obtain his requirements from a normal diet. Only concentrated diets with few calories in relation to nutrients are capable of furnishing sufficient essentials for maximum growth. Rats made to exercise would require more calories, eat more and grow better because of their greater nutrient intake.

A greatly needed study to throw light on diet and atherosclerosis and other degenerative diseases would be the effect of diet and exercise on degenerative diseases of rats. The variables in this study should be the poor diet versus the luxur diet, and exercise versus the sedentary life.

Rats on a luxur type diet grow rapidly, but it has been shown repeatedly that such rapid growth decreases longevity. Degenerative diseases appear earlier in rats on a luxur diet than in rats whose growth has been restricted by inadequate diet.

B. Types of Wheat Foods.—A wide variety of wheat-derived foods is available for study, foods in different forms needed to meet the ethnic and cultural preferences of almost all peoples of the world. A number of different forms have already been mentioned in specific suggestions for research projects. The forms include products made from whole wheat flour straight grade white flour; farina (for experimental work with animals); other flours used in baking processes; special millstreams (e.g. red dog and shorts); durum macaroni products and bulgur.

Each should be examined in detail for the nutritional contribution it can make by itself. Knowledge of the limitations of each product is as important as knowledge of its positive contribution.

The intestinal sensitivity exhibited by some individuals to whole wheat foods or to foods containing wheat bran seems to be due to something other than the crude fiber content of the fraction. Some have attributed the distress to the physical coarseness or sharpness of the particles. In any event, information is needed to clarify this picture and to determine the nature of the distress itself and its cause.

The content of crude fiber, as determined chemically in whole wheat, is not great compared to that of certain of its fractions or to other whole cereal grains and food materials of plant origin. However, little information seems to exist on the content, digestibility and nutritional significance in wheat of hemi cellulose, glucans and other materials.

Such materials should be studied in sufficient detail to establish their importance in human nutrition and how they may be affected by normal processing of wheat foods. If necessary, new processing methods should be developed to ameliorate or remove any undesirable effects. These materials may be of particular importance in developing food uses for the particular mill fractions of wheat high in biologically valuable protein.

While wheat foods generally have not been thought to contain significant amounts of such deleterious factors as trypsin inhibitors or other toxic factors, some evidence exists to demonstrate their presence. A trypsin inhibitor has been found in wheat germ, for example. Some attention should therefore be devoted to assembling all available information on such substances and new information obtained if necessary to refute any improper claims that may arise.

Analytical studies in the United States and England have shown that certain milled fractions, such as germ, shorts and red dog, possess protein of higher biological value than flour. As the amount of soluble protein versus gluten protein increases, the percent of lysine and certain other amino acids increases. Ordinarily used as animal feed, germ, shorts and red dog have a higher percentage of soluble protein than flour.

In view of world food needs, it would seem that some form of easily prepared gruel or cracker might be developed from these millstream products for infant and child feeding.

The addition of some malted whole cereal would make the product more palatable, and perhaps some method would have to be found to reduce the fiber content, mechanically, or by enzymic treatment.

C. Production and Processing.—Modern capacities to alter and modify the forms and composition of food materials by production and processing inject a new dimension that must be taken into account in cataloguing the nutritional values of wheat foods. Vigilant attention thus should be paid to destructive changes that are incurred in processing, and full advantage should be taken of any improvement in nutrient value that can be induced by processing. These benefits would include such factors as improvement of palatability, digestibility, product appearance, as well as nutritional value and consumer acceptance of the product. Ease of preparation, according to mores and habits, is another important factor.

Studies should include taking the product all the way to the "as eaten" stage, to arrive at some of the problems—such as the effect of addition of sugar during processing or the absorption of oxidized fats, or the type of shortening used in formulation.

The variability in nutritive value of wheats and wheat products and the increases in content of certain nutrients that arise from differences in plant varieties and growing conditions should be given full recognition. All gaps in existing information should be filled in about how improved varieties, fertilization and other cultural practices can profitably be used to increase the amount and availability of such nutrients as protein, vitamins and minerals. Studies should include not only determinations of how much certain nutrients can be increased, but feasibility trials to determine whether increased yields, baking quality or other factors can be obtained, to offset costs of extra fertilization, special handling and the like.

CONCLUSION

It is the considered opinion of those who joined in drafting this statement that a basic need exists for extensive research on the contribution of wheat foods in human nutrition.

There is world need for economical, plentiful sources of food. There is domestic need for dietary reform and more profound knowledge of the benefits

and limitations of diet with increased proportions of foods derived from wheat—in relation to problems of atherosclerosis, obesity, dental caries and in many other areas of public health.

With exploding population, the situation grows more urgent. While wheat and wheat foods are already important items of diet, far less is known about wheat and its nutritive attributes than is merited by its present use and potential value. Because so little is known, questions concerning the nutritive quality of wheat and wheat foods have inhibited the sale of government-owned and privately held wheat stocks and flour overseas and have limited domestic consumption of wheat products. Such questions can only be answered by facts established through objective research.

Neglect of research investigating the nutritional contribution of wheat over the years may have contributed to the steady decline in domestic consumption from 210 pounds in 1910 to a present level of about 116 pounds per person per year. At the same time, research to increase yield, the use of fertilizers and the development of disease resistant varieties of wheat have contributed to the problem of domestic wheat surplus, leading to acreage restrictions, which in turn have failed to solve the problem of surplus, to say nothing of world hunger.

With all these considerations, involving not only national, economic and nutritional interests—but with humanitarian and moral aspects as well—let us put it in the imperative:

All those associated with wheat and its economy—from the time it is planted, through harvesting, trading, transportation, milling, baking and the production of other consumer products—government, industry and agriculture, shall all share equally in the responsibility for the diligent and effective prosecution of individual projects contributing to the body of knowledge described as lacking in this outline of a "Program of Proposed Research on the Contribution of Wheat Foods in Human Nutrition." To shirk any part of this personal and group responsibility is to shrug off our obligation as producers of food for man and to evade recognition of present and future need.

PRO TEM COMMITTEE,
*Human Nutrition Research on
the Contribution of Wheat Foods.*



