

y4
Ag 8/1
R 88/13

1010

93/4
Ag 8/1
R 88/13

RURAL ENVIRONMENTAL ASSISTANCE PROGRAM

GOVERNMENT

Storage

DOCUMENTS

21 1973

THE LIBRARY
KANSAS STATE UNIVERSITY

HEARINGS

BEFORE THE

COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

NINETY-THIRD CONGRESS

FIRST SESSION

ON

H.R. 2107 and other similar bills

JANUARY 29, 30, AND 31, 1973

Serial No. 93-A

KSU LIBRARIES



✓
JUL 1973
A11900 301137



Printed for the use of the Committee on Agriculture

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1973

90-773

COMMITTEE ON AGRICULTURE

W. R. POAGE, Texas, *Chairman*

FRANK A. STUBBLEFIELD, Kentucky,
Vice Chairman

THOMAS S. FOLEY, Washington
E DE LA GARZA, Texas
JOSEPH P. VIGORITO, Pennsylvania
WALTER B. JONES, North Carolina
B. F. SISK, California
BILL ALEXANDER, Arkansas
JOHN R. RARICK, Louisiana
ED JONES, Tennessee
JOHN MELCHER, Montana
DAWSON MATHIS, Georgia
BOB BERGLAND, Minnesota
FRANK E. DENHOLM, South Dakota
SPARK M. MATSUNAGA, Hawaii
GEORGE E. BROWN, Jr., California
DAVID R. BOWEN, Mississippi
CHARLES ROSE, North Carolina
JERRY LITTON, Missouri
BILL GUNTER, Florida

CHARLES M. TEAGUE, California, .
Ranking Minority Member
WILLIAM C. WAMPLER, Virginia
GEORGE A. GOODLING, Pennsylvania
ROBERT B. MATHIAS, California
WILEY MAYNE, Iowa
JOHN M. ZWACH, Minnesota
ROBERT D. PRICE, Texas
KEITH G. SEBELIUS, Kansas
WILMER D. MIZELL, North Carolina
PAUL FINDLEY, Illinois
LAMAR BAKER, Tennessee
CHARLES THONE, Nebraska
STEVEN D. SYMMS, Idaho
EDWARD YOUNG, South Carolina
JAMES P. JOHNSON, Colorado
EDWARD R. MADIGAN, Illinois

Mrs. CHRISTINE S. GALLAGHER, *Chief Clerk*

JOHN F. O'NEAL, *General Counsel*

FOWLER C. WEST, *Staff Director*

HYDE H. MURRAY, *Associate Counsel*

JOHN RAINBOLT, *Assistant Counsel*

L. T. EASLEY, *Staff Consultant*

CONTENTS

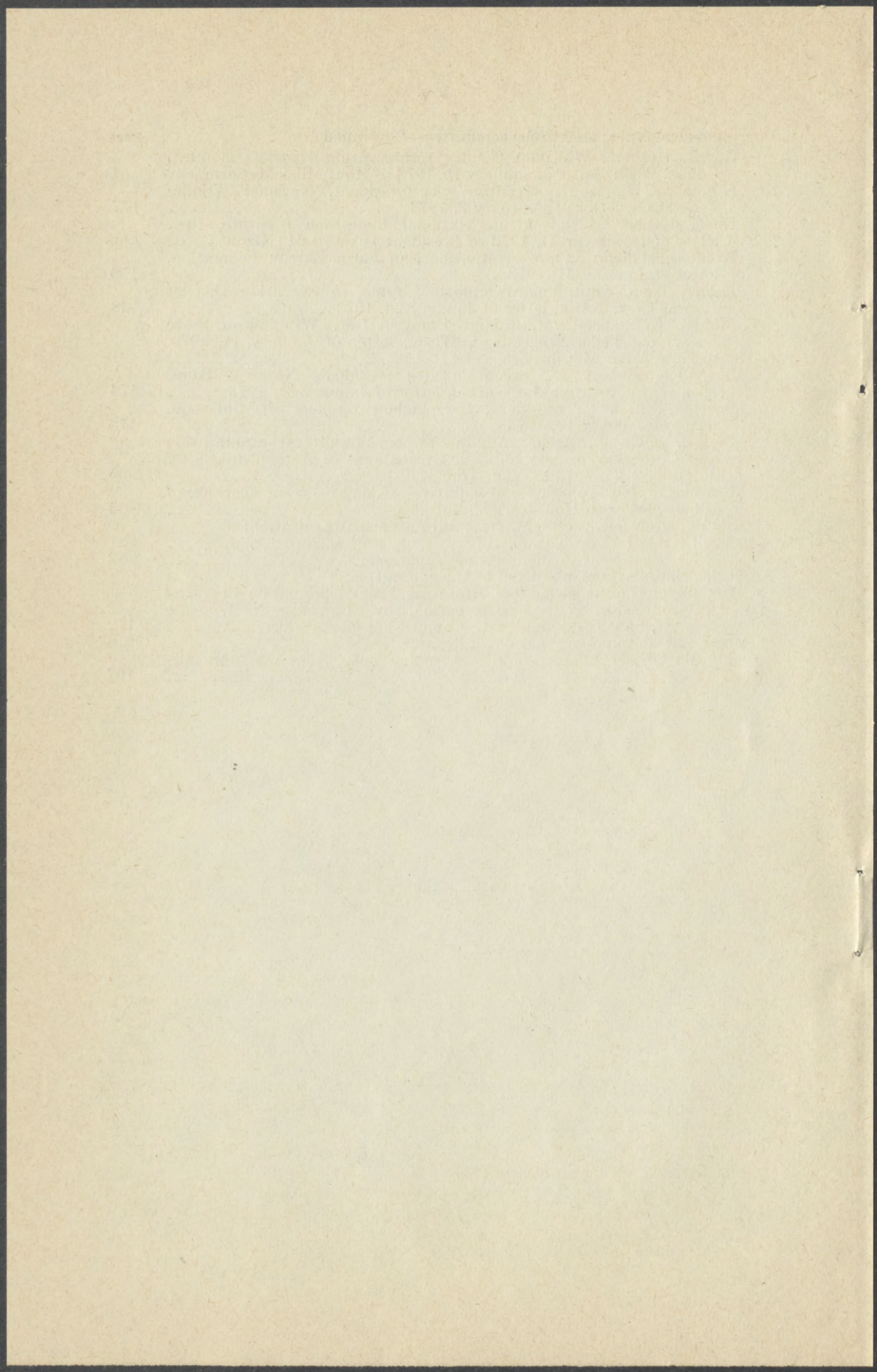
H.R. 2107, a bill to require the Secretary of Agriculture to carry out a rural environmental assistance program.....	Page 1
Statement of:	
Alexander, Hon. Bill, a Representative in Congress from the State of Arkansas.....	30
Andrews, Hon. Ike, a Representative in Congress from the State of North Carolina.....	47
Barlow, Thomas J., Environmental Action.....	167
Bevill, Hon. Tom, a Representative in Congress from the State of Alabama.....	48
Breaux, Hon. John, a Representative in Congress from the State of Louisiana.....	48
Byron, Hon. Goodloe E., a Representative in Congress from the State of Maryland.....	49
Campbell, Hon. J. Phil, Under Secretary of Agriculture.....	123
Carpenter, L. C., vice president and director of public affairs, Mid-continent Farmers Association, Columbia, Mo.....	75
Cohen, Hon. William S., a Representative in Congress from the State of Maine.....	49
Conte, Hon. Silvio O., a Representative in Congress from the State of Massachusetts.....	8
Daniel, Hon. Dan, a Representative on Congress from the State of Virginia.....	51
Davis, Ray, president, National Association of Wheat Growers.....	168
Denholm, Hon. Frank E., a Representative in Congress from the State of South Dakota.....	10
Dickinson, Hon. William L., a Representative in Congress from the State of Alabama.....	52
Durr, Frederick, president, National Association of Elected County Committeemen, Sheridan, Ind.....	102
Flowers, Hon. Walters, a Representative in Congress from the State of Alabama.....	53
Fountain, Hon. L. H., a Representative in Congress from the State of North Carolina.....	53
Frazier, Charles L., director, Washington staff, National Farmers Organization.....	78
Fuqua, Hon. Don, a Representative in Congress from the State of Florida.....	55
Ginn, Hon. Ronald, a Representative in Congress from the State of Georgia.....	55
Gunter, Hon. Bill, a Representative in Congress from the State of Florida.....	42
Hammerschmidt, Hon. John Paul, a Representative in Congress from the State of Arkansas.....	56
Hansen, Hon. Orval, a Representative in Congress from the State of Idaho.....	57
Healy, Patriet B., secretary, National Milk Producers Federation.....	99
Ichord, Hon. Richard H., a Representative in Congress from the State of Missouri.....	58
Johnson, Hon. Harold T., a Representative in Congress from the State of California.....	35
Jones, Hon. Ed, a Representative in Congress from the State of Tennessee.....	13
Jones, Hon. James R., a Representative in Congress from the State of Oklahoma.....	27
Koch, Robert M., president, National Limestone Institute.....	93

Statement of—Continued

	Page
Mathis, Hon. Dawson, a Representative in Congress from the State of Georgia-----	41
McConnell, Chester, wildlife biologist, Tennessee Game and Fish Commission, Nashville, Tenn-----	90
McCormack, Hon. Mike, a Representative in Congress from the State of Washington-----	58
McSpadden, Hon. Clem Rogers, a Representative in Congress from the State of Oklahoma-----	62
Mizell, Hon. Wilmer D., a Representative in Congress from the State of North Carolina-----	39
National Council of Farmer Cooperatives-----	173
Nichols, Hon. Bill, a Representative in Congress from the State of Alabama-----	63
Oakley, Warren, vice president, Mississippi Farm Bureau Federation, Starkville, Miss-----	83
Pickle, Hon. J. J., a Representative in Congress from the State of Texas-----	63
Price, Hon. Bob, a Representative in Congress from the State of Texas-----	27
Railsback, Hon. Tom, a Representative in Congress from the State of Illinois-----	64
Roy, Hon. William R., a Representative in Congress from the State of Kansas-----	67
Scherle, Hon. William G., a Representative in Congress from the State of Iowa-----	3
Scott, John W., master, National Grange-----	169
Sebelius, Hon. Keith G., a Representative in Congress from the State of Kansas-----	43
Shriver, Hon. Garner E., a Representative in Congress from the State of Kansas-----	68
Sikes, Hon. Robert L. F., a Representative in Congress from the State of Florida-----	29
Steiger, Hon. William A., a Representative in Congress from the State of Wisconsin-----	69
Stubblefield, Hon. Frank A., a Representative in Congress from the State of Kentucky-----	38
Taylor, Hon. Gene, a Representative in Congress from the State of Missouri-----	70
Taylor, Hon. Roy A., a Representative in Congress from the State of North Carolina-----	70
Thomson, Hon. Vernon W., a Representative in Congress from the State of Wisconsin-----	71
Thone, Hon. Charles, a Representative in Congress from the State of Nebraska-----	32
Waggonner, Hon. Joe D., a Representative in Congress from the State of Louisiana-----	72
Young, Hon. Ed, a Representative in Congress from the State of South Carolina-----	45
Zimmerman, Gordon K., executive secretary, National Association of Conservation Districts-----	87
Correspondence submitted to the committee:	
Carlson, Dorothy, Ellensburg, Wash., letter of January 11, 1973, to Hon. Mike McCormack-----	60
Davis, Ben J., Ephrata, Wash., letter of January 5, 1973, to Hon. Mike McCormack-----	60
Dechant, Tony T., President, National Farmers Union, letter of January 26, 1973-----	174
Gerhart, H. L., Jr., president, Independent Bankers Association of America: Letter of January 13, 1973-----	176
Letter of February 1, 1973-----	175
Gregory, Glenn, vice chairman, Kittitas County ASC Committee, Ellensburg, Wash., letter of January 10, 1973, to President Richard M. Nixon-----	61

Correspondence submitted to the committee—Continued

	Page
Harris, Herbert, Whitman County Conservation Districts Council, Colfax, Wash., letter of January 10, 1973 to Hon. Mike McCormack.....	61
Kimball, Thomas L., executive vice president, National Wildlife Federation, letter of February 2, 1973.....	177
Koch, Robert M., president, National Limestone Institute, Inc., letter of December 24, 1972 to President Richard M. Nixon.....	96
Kuhfuss, William J., president, American Farm Bureau Federation, letter of January 31, 1973.....	155
Lallier, Leon, chairman, Wyandotte County Conservation District Kansas City, Kans., letter of January 26, 1973.....	68
Manly, Lyle, president, Inland Empire Unit, Washington State Dairymens Federation, Mead, Wash., letter of January 11, 1973, to Hon. Mike McCormack.....	61
Partridge, Robert D., executive vice president, National Rural Electric Cooperative Association, letter of January 31, 1973.....	174
Pecchia, Frank P., president, Independent Bankers of Minnesota, letter of January 13, 1973.....	176
Person, Elvin J., Acting Administrator, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, letter of January 24, 1973 to Hon. Tom Railsback.....	65
Railsback, Hon. Tom, a Representative in Congress from the State of Illinois, letter to Hon. Earl L. Butz.....	65
Staley, Oren Lee, president, National Farmers Organization: Letter of December 29, 1972 to Hon. Earl L. Butz.....	81
Telegram sent to Members of Congress.....	82
Additional information submitted to the committee:	
Impact on Forest Resources Resulting From Elimination of Rural Environmental Assistance Program, by John R. Tiller, State forester, South Carolina State Commission of Forestry.....	172
Law suit on impoundment of funds for REAP.....	46
Lincoln Conservationists Write Secretary Butz, from the Marshall Messenger, Marshall, Minn.....	167



RURAL ENVIRONMENTAL ASSISTANCE PROGRAM

MONDAY, JANUARY 29, 1973

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The committee met, pursuant to call, at 10 a.m., in room 1301 Longworth House Office Building, Hon. W. R. Poage (chairman) presiding.

Present: Representatives Poage, Stubblefield, Vigorito, Jones of North Carolina, Sisk, Alexander, Rarick, Jones of Tennessee, Mathis, Bergland, Denholm, Bowen, Litton, Gunter, Teague, Goodling, Mathias, Mayne, Zwach, Price, Mizell, Findley, Baker, Thone, Symms, and Johnson.

Also present: Christine S. Gallagher, chief clerk; Hyde H. Murray, associate counsel; and Fowler C. West, staff consultant.

The CHAIRMAN. The committee will come to order.

This morning we begin hearings on a number of bills, including one I introduced, that would reinstate the rural environmental assistance program.

(H.R. 2107, which follows, was introduced by Mr. Poage and is similar or identical to 30 other House and Senate bills, sponsored by over 90 Members of Congress.)

[H.R. 2107, 93d Cong., first sess.]

A BILL To require the Secretary of Agriculture to carry out a rural environmental assistance program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590th(b)) is amended by striking out the words "shall have power to" and inserting in lieu thereof the word "shall" and by striking out the phrase "in amounts determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes", and inserting in lieu thereof the phrase "in an aggregate amount equal to the sums appropriated therefor,".

The CHAIRMAN. This program has been in existence for a long time and it is one of the first of all the programs we have designed to protect our environment. Formerly known as the agricultural conservation program, REAP has provided thousands of farmers and ranchers with assistance in putting soil and water conservation measures on their land. These have benefited all American citizens. Every time a farmer constructs a terrace on his land, or sods a gully to prevent water erosion, or chisels his land to prevent wind erosion, he helps all of us. Every time a farmer plants a pine tree in his woodlot, he assists in solving our housing problems.

This REAP program has accounted for more rural recreation, more than a million ponds. I see that Mr. Whitten said it was over 2 million.

I do not have the exact figures. But anyway, it has accounted for more ponds than any other program. This program has probably stopped more silt and other pollutants than any program. This program has materially helped in flood control. This program has put grass on more acres of wasteland than any program. This program has eliminated more noxious brush and weeds than any program. This program has provided almost the only incentive for reforestation on privately owned lands. This program has added tremendously to the carrying capacity of our pasture lands and thus is providing some of the red meat we need. This type of program, it appears to me, should be encouraged by the administration, but the sad truth of the matter is the present administration has embarked on a course to completely eliminate REAP.

What makes this situation even more tragic is the fact that, prior to the election, the President requested \$140 million to carry out REAP. Then, only a few weeks after he was reelected, an announcement was made that the REAP program would be no more. It appears to me that the issue is clear. First, Congress authorized an appropriation of \$500 million per year for the program. Second, the President requested the money to operate REAP at a level of \$140 million. Third, Congress provided \$225 million or, I should say, appropriated \$225 million to operate this program for the coming year. Fourth, the President signed this particular appropriation bill into law and issued instructions to the local offices to base their initial payments on a \$140 million program. Fifth, the President now says that, even though the Congress has provided both the authority and the money, and he approved—and though the time for a veto is long since past—he is now completely canceling the program.

Of course, many of us who feel that REAP is a good program, want to restore it, but these hearings go beyond that question. We have before us a constitutional question. The authority of the Congress as a separate branch of Government has been harshly challenged. I don't feel that we should sit still and let the Executive, whoever he may be, determine the priorities of spending. That authority belongs to the legislative branch. The pending bills are all intended to restore that legislative authority.

The specific bill, H.R. 2107, I and others have introduced, does absolutely nothing except take away the discretion we have heretofore given the Executive. The bill says "shall" rather than "shall have power to." The opinion of the General Counsel of the Department indicates that their only authority for this action depends on the use of the words, "shall have power to" in the present law. We have always felt that it was good to give the administration officials some opportunity to exercise a degree of judgment, but when that discretion is abused, we can only withdraw it. That is all this bill does.

Now, we are pleased to have several Members of Congress with us this morning to testify or submit statements in regard to this legislation. Our first witness is our friend and colleague, the Honorable William G. Scherle, of Iowa.

Mr. Scherle has been quite active in seeking to provide conservation practices for our rural people, and we are delighted to have you with us, Mr. Scherle.

We will be glad to hear from you at this time.

**STATEMENT OF HON. WILLIAM G. SCHERLE, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF IOWA**

Mr. SCHERLE. Mr. Chairman, thank you very much. I will try to be very brief this morning, because there are a great number of colleagues, and other people outside the legislative branch, that would like to testify.

Before I begin, Mr. Chairman, I will ask permission that my statement be included in the record. May I just visit with the committee on a personal basis?

The CHAIRMAN. Without objection, that will be the procedure.

Mr. SCHERLE. Mr. Chairman and members of this committee, it is always a distinct pleasure to appear before such an outstanding group of men, as knowledgeable as you are in your field. As a grain and livestock farmer, no one could appreciate more the dedication and conscientiousness that you men have placed at your responsibility. In behalf of all my people in rural America, I thank you very much for your supreme effort, dedication, and consideration.

We meet this morning, not with a great deal of joy but with a great deal of concern, over what is happening to agriculture and rural America. The elimination of the REAP program is not just the elimination of a program for farmers. In essence, its elimination and abolishment is nothing more than a rape of rural America. That is exactly the way we envision the demolition of this program.

I feel very indebted to the great chairman, with his vigor and vitality, in bringing this problem as expeditiously as he has before this committee. He is trying to correct a very horrible lack of reasoning of this administration.

I also had introduced legislation very similar to that of the distinguished chairman and, at this point, we have, as cosponsors of my bill, 71 Members of the House. The interesting thing about the sponsorship of this piece of legislation is that it is not partisan. It is not Republican, gentlemen, it is not Democrat—it is not rural nor is it urban. It is a combination of everyone who realizes the damage that will be inflicted by the elimination of this vital environmental program.

On this bill we have 43 Democrat and 28 Republican cosponsors. Mr. Chairman, if this committee approves this bill, it will go through the House, and the Senate very quickly with a lot of support. There is no pride of authorship, Mr. Chairman, in our legislation. All we would like to see is results. My farmers want this program reinstated—and the sooner, the better. We have had a great deal of devastation in my State and in my district last year. We had, at one time, 24 inches of rain in 2 days, which completely destroyed crops, homes, feedlots, and everything else.

Mr. Chairman, what are the reasons behind the elimination of this program? For instance, the fact sheet on the termination of REAP by the U.S. Department of Agriculture, says farmers are better able to pay for conservation practices than ever before. Farm income for 1971-72, they say, was up about \$3 billion from 1971.

Well, Mr. Chairman, as a livestock and grain farmer, I would certainly have to agree with those figures. But what was our year in 1971? What was our year in 1970? What was our year in 1969? And gentle-

men, what will our year be in 1973, 1974, and 1975? How can you pick 1 year out of all the bad years we have had and look in the crystal ball and say, because the farmer made more money in 1972, he can pay for the practices which not only rural America has benefited by, but the consumer has benefited for 37 years because of this program? There is no country in the world that spends less than 16 percent of the disposable income for food except here in the United States of America. Why? Because in part of the great work of this committee, because of the programs and the projects that have been initiated because of the need and, of course, the great increase of productivity by the farmer himself.

Sure, we made \$3 billion more this year than we had last year. But by the same token, so have our costs gone up to the same extent. That increase is not all profit.

The average income for the farmers in rural America, 1971, was about \$5,200. Yet 52 percent of that amount of money was money made off the farm, where maybe the wife taught school, or the husband had another job. Fifty-two hundred dollars. This year, I am sure, perhaps, it might be up around \$6,500 or maybe \$7,000. You still cannot live on that amount of money. The consumer really is a beneficiary of the work we do on our farms. How in the world can we be expected to retain the land which is necessary for survival and existence on \$5,200 or \$6,000 or even \$7,000 a year?

Do you know what it costs a bulldozer today to come on your farm? It costs about \$20 an hour. That is minimum. If you are going to build a terrace or a diversion ditch or any needed work for the retention of soil for posterity, you just can't afford to do it all yourself.

Now, some may say, well, the Government pays only 30 percent. Gentlemen, that is what he needs. He will spend the 70 percent of his own funds to do this kind of work. Which benefits all Americans. You should not expect the farmer to pay for these conservation practices all by himself.

Let me pursue this a little further. The remark was made by the Secretary, Mr. Chairman, when he testified before this Committee, that only 20 percent of the farms in the United States participate in the program. This is very simple. If you do not have the money, you cannot participate. I called my ASC office this morning and asked the manager, how many farmers participated in this program last year? She said, 74.

I said, how many applications did you have for participation? She said, over 100.

If we do not have the money, we cannot participate in the program, and this is exactly what is happening today. I have the figures by the Department of Agriculture right here in front of me. In 1971, 40.8 percent of the farmers eligible in the United States participated or wanted to participate. They could and did not because the program did not have sufficient money. I serve on the Agriculture Appropriations Committee. We approved \$225 million for the needs of this country, not only for rural America but for urban America. The fact of the matter is that this program helps all America; it always will.

If you do not give the farmer opportunity to make a small return on his substantial investment, you are going to find grass growing on the streets of every city and town in our Nation. We have been asked

to feed the world, and we can do it, and we will. But we cannot if we do not have the necessary income that it takes to preserve our land, and to take care of our other responsibilities. We have lost 23 million people off the farms since World War II. We still lose on an average of about 250,000 people a year that leave the farm. We recognize we only represent 4.6 percent of the total population in the world today. You talk about minorities—gentlemen, we are a minority. But we are a necessary minority. We are the type of minority that keeps people alive and happy. We provide the greatest health and well-being of any person in this United States.

Why should the little farmer be penalized? This is exactly what could happen by the elimination of REAP. I would not care if some real thought went into this decision. But unfortunately, we do not have anybody at the White House who knows what agriculture is. That is what bothers me more than anything else, because without food and fiber there is no survival.

I feel sorry for Earl Butz. The Secretary is between the rock and the proverbial hard places we hear so much about. He has to maintain his loyalty to the White House and he also has to maintain his responsibility to his constituency. I do not know how a man is going to serve two masters. It is going to be real difficult. The Secretary himself must cringe sometimes by the orders that are given him. I can't help but believe that all the damage that is contemplated is not recommended by the Department of Agriculture. They are in a better position of knowing what we need than the White House staff.

Mr. Chairman, if you just check the record, you will see that the people living in rural America are much poorer than people living in any other area in the United States. A lot of time they do not recognize they are poor until someone tells them they are poor. They have great pride, great dignity, great dedication, and great love for what they do. But they need help and the elimination of REAP is not the type of help they need.

I am a little worried about 1973 because of the recommendations made by the Office of Management and Budget.

Now, just in the last 60 days, here is what has been done. The U.S. Government has called up all the warehouse and farm-stored corn for 1969 or 1970 or 1971 and there is question about 1972. They removed the set-aside requirement for the 1973 wheat program, thus freeing additional acres for production. They have increased imports of dry milk. They have increased the interest rates that farmers pay on commodity loans from 3.5 percent to 5.5 percent each year. They have discontinued all wet facilities. Those of you in the agricultural belt know that we have had a lot of rain. There has never been so much moisture carried in grain before as there has this year. Yet they have discontinued the wet storage facilities.

They have reduced the production payments by about \$1 billion. Payments in the past, gentlemen, have totaled about \$4 billion. They cut them by 25 percent.

They eliminated quotas on meat and increased the voluntary level and, at the present time, there is over 16 percent imports coming in.

Gentleman, are any of these things done to enhance the income of the farmer? You tell me how you can enhance the income of the farmer by submitting these recommendations, which result in nothing but overimport and overproduction.

They allow us grazing on set-aside acres on a year-round basis. What does this do, gentlemen? It encourages the production of beef cattle, cow-calf operations. Now, do you think that the people that are paying us to take land out of production are going to relish the idea that the Government is also going to allow grazing those same diverted acres? I am totally opposed to it.

The Government is also seriously considering allowing us to grow soybeans on diverted acres.

They have tried to limit the export of hides. And once again, I appreciate the help of this committee and the wisdom of the House and the Senate to reinstitute the old program and put the ultimate responsibility back in the hands of the Department of Agriculture. In the past this was done by the Department of Commerce.

Then they have reduced the set-aside program from the mandatory 25 percent to 15 percent. All this is done to encourage additional production, additional crops. Based on 1972, gentlemen, the Government predicts that the exports are going to be more than even. They predict about 875-million bushels of corn to go overseas. They anticipate 4.2 billion right here in this country. And I predict that by this fall, with the vital elimination of the set-aside program, we will have close to 6.2-billion bushels of corn, the highest surplus of any year we have ever had. And, gentlemen, there is no way—no way—that the price of these commodities can remain the same. I do not believe that those countries that have bought our crops and our grain in 1972 are going to do it in 1973 if they have no need for it.

One additional problem faces the exporters. Even if you were to have orders for another 875-million bushels overseas, you are going to have a potential breakdown of transportation, either by strikes or just plain inability to move the material. Just check with your local elevator today and find out how many boxcars we are getting every day of the week. If they can't get boxcars, gentlemen, they can't move or sell it. These elevators and warehouses are in jeopardy today.

Now we want to eliminate REAP. This is the most assinine thing that I have ever heard in my life, a practice that has contributed a lot to this country. There may have been some abuses in our agricultural programs. I would be the first to admit it. But, gentlemen, a program that has proven itself time after time after time. Four Presidents tried to eliminate REAP but because of the wisdom and knowledge of your committee and Congress it has been retained. Gentlemen, I would hope that you, also, will give this bill your overwhelming favorable, and affirmative support in the committee, and on the House floor. Let's give the farmers of this country a break. You have been great to them in the past; they have appreciated what you have done. Gentlemen, do not let them down now.

(The complete statement of Mr. Scherle follows:)

STATEMENT OF HON. WILLIAM J. SCHERLE, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF IOWA

The Rural Environmental Assistance Program, established in 1936 to help farmers repair the damages of the Depression, has proved its value over and over again, not only to the agricultural community but to the entire country. Under its provisions, the federal government shares the cost of conserving and enhancing our natural resources of land, water and air with close to a million farmers, ranchers and woodland owners each year. The benefits of the program are available to agricultural lands throughout the nation and represent

the best resource to help solve agriculture-related pollution problems. Nor are its advantages limited to participating landowners. All America benefits when her precious natural resources are nurtured. We cannot take the fertility of the land and the purity of the water and air for granted. We must conserve as well as cultivate the cornucopia which provides the finest food supply and the most beautiful natural environment in the world. If we fail in this obligation, city-dwellers and suburbanites will suffer as great a loss as farmers and ranchers.

Few people would take exception to that principle, but some may question the role of REAP in the national environmental protection effort. Those of us who work daily in agriculture know its value, but it may be worth rehearsing the accomplishments of REAP for those less familiar with them.

No other government program can claim greater achievement of its goals more economically. In a single generation, the program has aided in the construction of more than two million water storage reservoirs and almost thirty-two million acres of land terraced; the establishment of close to 114 million acres in strip-cropping systems and over one million acres of permanent sod waterways; and the planting of ten million acres of trees. Moreover, money allocated to REAP is not so much an expenditure as an investment. What Washington supplies in REAP grants is seed money. REAP operates solely as a cost-sharing program. The farmer bears the balance of the expense and, in addition, provides the labor and management necessary to carry out conservation practices. For example, every \$300 in REAP funds generates an estimated \$700 in private money. Far from being concentrated in the hands of a few farmers, the federal contribution is shared as widely as possible. In the state of Iowa, over 26,000 farmers participate in the program annually; during a five-year period, however, a total of more than 108,000 people participated one or more times.

Unlike many other government programs of long standing, REAP has proved extremely flexible in adapting itself to the nation's changing environmental needs. At one time known as the Agricultural Conservation Program, the refurbished REAP has done more than merely change its name. It dropped certain low-priority, short-term projects and today concentrates on longer-range and more important conservation practices. REAP now spends almost 96% of its money on such "enduring" practices, up from 92% in 1970 and 87% the year before.

Aid for measures to clean up our waters has risen nearly eight-fold from \$1.4 million in 1970, the last year of the old ACP, to \$8.8 million in 1971, the first year of REAP. The Department also placed more emphasis on curbing air pollution, assisting orchard owners to clear their land by non-polluting methods. One of the fastest growing REAP projects is in improved animal waste and solid waste disposal structures, an area recently assigned high priority by the Environmental Protection Agency.

Despite the demonstrated value of REAP, it has rarely been popular with executive branch budgeteers. That the program has survived at all is a tribute to its enduring esteem among members of Congress rather than the administration. In recent years, especially, the Office of Management and Budget has repeatedly redlined REAP, impounding all or part of the funds in a misguided effort to cut costs. No one is more dedicated than I to the principle of economy in government. But no single department should be forced to bear a disproportional share of the burden. If the administration view prevails, the agriculture budget will suffer a one-and-a-half-billion-dollar reduction. In the past decade, agriculture's share of the federal budget has shrunk from 4.4% to 2.1%, a reduction of more than half in ten short years. REAP is only one victim of the purge, and a comparatively small one at that, but it symbolizes much that is wrong with the executive's new approach to thrift. Each program should be evaluated on its merits. Those that have proven their worth over many years, like REAP, should be retained.

Together with close to seventy members of the House representing the broadest possible political spectrum (including nine members of this committee, forty-one Democrats and twenty-seven Republicans), I have therefore sponsored legislation making it mandatory for the Secretary of Agriculture to continue the REAP program at the level we funded, \$225 million for 1973. The new, stronger language of this bill should make it impossible to discontinue or freeze payments for REAP projects.

This proposal will focus a spotlight on the issue of the future role of Congress in the federal system by raising the question of whether the executive branch can eliminate a program voted by Congress for thirty-six years. The bill will

force debate on other related issues as well. Is a budget request valid for the entire fiscal year, or can the people at the other end of Pennsylvania Avenue, without any prior consultation with any congressional committee, spend only 10% and disavow the remainder of their own request?

The time has come for all of us to face the fight and face it squarely. If we fail to stand up for the programs we worked so hard to formulate and fund, we shamefully abdicate our legitimate constitutional prerogatives, and these decisions will henceforward be made by default at the White House. I am confident that we will allow the erosion of our lawful powers to proceed no further, and that a majority of this committee and of Congress as a whole will support this legislation—for its own intrinsic merits and for the principle it represents.

The CHAIRMAN. Thank you so much, Mr. Scherle. We do appreciate it. I wonder if you could be with us a while. We find we move things a little more rapidly if we can let four or five of the witnesses testify and then let the members question them in a group. We save about three-fourths of the time that way.

Mr. SCHERLE. Mr. Chairman, I feel so deeply about this legislation that I would give you an entire week if you needed it.

The CHAIRMAN. If you could stay with us a few moments, we can hear more witnesses and then proceed with questions.

Mr. SCHERLE. I will.

The CHAIRMAN. We thank you very much, Mr. Scherle. We are always glad to have you appear with us.

Our next witness is our colleague, Congressman Conte, of Massachusetts. We are pleased to have this gentleman in here with us on this program.

We are delighted to have you.

Mr. TEAGUE. Mr. Chairman, before Mr. Conte starts, I ask unanimous consent that all members of this committee who care to do so be permitted to insert their own remarks in the record.

The CHAIRMAN. Without objection, they may do so.

STATEMENT OF HON. SILVIO O. CONTE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mr. CONTE. Mr. Chairman, members of this distinguished committee, I find it somewhat amusing that I am not here as Don Quixote, jousting with a windmill on farm subsidies today. I am here to try to save a farm program. I thank you for giving me this opportunity.

I appreciate the opportunity to be here this morning. I am here as a spokesman from the many farmers throughout New England who cannot attend this morning's hearing but who feel that the REAP program is vital to their continued operation.

As my colleagues present here today know, I have had my differences with the Department of Agriculture and with the Agriculture Committee concerning the worth of some agriculture programs now in existence. To be more specific, I have consistently opposed giveaway programs whose impact is to make the fat cats fatter at the taxpayer's expense.

However, I am here today as a friend of one of the most successful Department of Agriculture programs for the small farmer—the rural environment assistance program. The successor to the agriculture conservation program, REAP was established by Congress as the Federal program through which the Government shares the cost of carrying out approved soil, water, and wildlife conservation, and pollution

abatement practices on their land. There are at least two features which make this program unique and worthy of being retained. First, REAP does have communitywide impact. While it is undeniably true that the Federal funds are being channeled to specific farms, the benefits of this work accrue to the entire community since the ecological balance of the area is determined by individual efforts.

Second, this is a cost-sharing program. The farmers must give to get. Now, that is something different in Federal programing. Given the administration's philosophy that "people should help themselves"; I find it somewhat ironic, and, I might add, objectionable, that a program which relies heavily on this principle should be terminated while the giveaway programs remain intact.

It has been argued by those in favor of terminating this program that the payment received by each farmer under REAP is so small that the individual farmers could absorb the cost. According to 1971 figures, the average payment received by a farmer in my congressional district was \$205. Now, on the surface, this does not seem to be a very sizable amount—not very much, that is, for a multihundred acre farm in the Midwest.

But for a farmer in western Massachusetts whose farm supports only the food for his table, \$205 can be quite a chunk. But look again. We're not even speaking of \$205. We're actually speaking of \$400–\$500 since this is a cost-sharing program and the farmer is already putting up a couple hundred dollars.

Before closing my remarks, I would like to put one more false supposition to rest. Those who would terminate the REAP program have argued that the activities REAP underwrote are ones the farmers would undertake anyway as part of sound farm management.

Sound farm management sounds good and certainly this is the goal. But given the choice some smaller farmers are faced with—food on the table now versus sound farm management with a view toward the future, I'll leave it to you to decide what option the farmer is going to take.

I know this all sounds melodramatic. However, the truth of the matter is that the small farms in New England are presently operating with their chins just above water. Any extra expenditures must be examined in light of that fact.

I do not think it would be unreasonable to conclude that the long-range effects of not undertaking these environmental and conservation activities would be forgotten in the daily exercise of growing the food for our Nation's tables.

I am reminded here of a story I heard many years ago but which is certainly apropos here. Once, an old farmer tilling a field with a rusty plow was approached by a student from the university extension service. It appeared the student had been sent to visit all the farms in the area for the purpose of selling the farmers a new manual on soil conservation and improved farming techniques. After a lengthy presentation in the field, the student asked the farmer if he would like to buy the book. The farmer replied, "Son, I don't farm half as good as I know how already."

Mr. Chairman, I want you to understand that about 20 percent of the Nation's milk supply comes from the Northeast. I have had farmers call me and literally cry. They owe so much money for cattle feed

that they will have to sell some of their stock to pay for more feed. They cry because they love the land and because they don't want their farms turned into another building development. We cannot allow this to happen.

The New England farmer is in real trouble, Mr. Chairman. Feed grain prices went up an average of 47 percent between September and December. In November 1971 soybeans were \$97 per ton; in November 1972 they were \$159 per ton; and in December 1972, they were \$230 a ton. Price increases are not making up for these rising costs. With the termination of REAP and the emergency loan program, these farmers are fast going beyond the point of being able to survive. We, in the Congress, must act to save them now.

In concluding my remarks in support of the REAP program, I can think of no more appropriate comment than to quote from a letter I have recently received from a farmer in one of the smaller rural communities in my district. He wrote:

I am definitely convinced that the presence of agriculture within all sections of this country serves as a vital asset in achieving an environment that is essential for the benefit of all mankind, and there is no substitute for sound conservation measures in insuring this achievement. Of all the farm programs that exist, the REAP program is looked upon by Northeast agriculture as the only one that can be adapted to our area for maximum results.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you so much, Mr. Conte. We appreciate your attendance here and we would appreciate it if you could stay a few minutes longer and join with other members.

Mr. CONTE. I will stay a few minutes longer. I have a few other appointments.

The CHAIRMAN. Now we will call our own colleague on this committee, Mr. Frank Denholm of South Dakota.

STATEMENT OF HON. FRANK E. DENHOLM, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH DAKOTA

Mr. DENHOLM. Mr. Chairman, I ask that my prepared statement be entered of record.

The CHAIRMAN. Without objection, it will be.

Mr. DENHOLM. The only time I will require of the committee is to distinguish the difference between the bill that I introduced on January 9, 1973, and the bill introduced by you, Mr. Chairman, and other related proposals of colleagues. Now, if you will refer to page 2 of my statement, you will note that the words "have power to" have been stricken so that the statute will read, "shall carry out."

On the same page and the next paragraph additional language is omitted and I insert, "in a sum equal to not less than 90 per centum of the total annual appropriations." The other pending proposals provide for a total allocation or the total expenditure of the funds appropriated annually by Congress. I have no objection to that and I support those proposals just as much as I support my own, except that I thought it was reasonable to allow some discretion in the administration of the program in the event that an overall budget reduction should occur. Now, in the event the whole budget is reduced by 5 or 10 percent, the proposal that I have suggested as an amendment to

existing law will permit such a policy decision without hardship to anyone.

Further, section 2 of my proposed amendment provides for a similar change in statutory language of the Water Bank Act. I am referring to the bill that I introduced as H.R. 1489, which members of the committee have before them.

Mr. Chairman, the merit of the program is not at issue. Of course—there will be testimony and much said of the merit of the REAP program. I do not think that is the issue. I think the only issue is the language in the existing statute. The present administration has escaped performance under the discretionary words that appear in the original statute. I do not agree with those that allege we are in a “constitutional crisis,” and I do not agree with those that claim we have achieved the depths of a dictatorship in this country. The real challenge to us, as Members of the Congress, is to change the statute in such necessary form to cause compliance and execution of the programs consistent with the spirit of the law. That is what we must do and we should be about it. The only time a “constitutional crisis” will develop is if the Congress should fail to do what must be done in the public interest.

The issue is the language of the existing statute. That is what I seek to correct. That is the thrust of all of the proposals that have been submitted by members of this committee and by other Members of the Congress. I support that effort.

Thank you very much.

(The complete statement of Mr. Denholm follows:)

STATEMENT OF HON. FRANK E. DENHOLM, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF SOUTH DAKOTA

Mr. Chairman and Members of the Committee: I am grateful for the opportunity to appear before you today. I commend you for leadership essential to the public trust of the governed in this government.

I am here to testify in support of the proposed legislation to amend the language expressed in the existing statute pertaining to the Soil Conservation and Domestic Allotment Act. (16 U.S.C. 590h (b)).

I introduced legislation on the 9th of January, 1973, to amend the first sentence of section 8(b) of the above statute by striking out “have power to,” and by striking out “in amounts determined by the Secretary to be fair and reasonable” and inserting in lieu thereof “in a sum equal to not less than 90 per centum of the total annual appropriations in a fair, just and reasonable manner.” (Ref. H.R. 1489).

I have included for convenient reference a portion of the text of the existing statute. You are advised that lines have been marked over and through the words to be deleted by the Amendment that I have proposed thereto.

“(b) Subject to the limitations provided in subsection (a) of this section, the Secretary shall [have power to] carry out the purposes specified in clauses (1), (2), (3), (4), and (5) of section 590g(a) of this title by making payments or grants of other aid to agricultural producers, including tenants and sharecroppers, [in amounts determined by the Secretary to be fair and reasonable] in connection with the effectuation of such purposes during the year * * *”

The legislation that I have introduced will change the statute to read as follows, to-wit:

“(b) Subject to the limitations provided in subsection (a) of this section, the Secretary shall carry out the purposes specified in clauses (1), (2), (3), (4), and (5) of section 590g(a) of this title by making payments or grants of other aid to agricultural producers, including tenants and sharecroppers, *in a sum equal to not less than 90 per centum of the total annual appropriations in a fair, just, and reasonable manner* in connection with the effectuation of such purposes during the year * * *”

Further, I propose to amend the first sentence of section 3 of the Water Bank Act (16 U.S.C. 1302) by striking out "have authority to," by inserting "reasonable" immediately before the word "rules," and by inserting "in the actual and mandatory accomplishment of this Act" immediately after the word "prescribe." (Ref. Sec. 2 of H.R. 1489.)

Mr. Chairman and Members of the Committee, the years of precedent by more than three decades of legislative history clearly establish the intent and purpose of the Congress and six Presidents in the administration of the law—now the subject of hearings before you.

The merit of land and water conservation can not be denied. The need for stewardship of natural resources has never been greater in America. The realization that approximately 300 acre feet of top soil erodes annually to silt mandates action of the highest priority.

There will be many witnesses and volumes of words before you—but I respectfully submit the issue is clearly a matter of discretionary language as now expressed in the existing statutes (or) words essential to amend those statutes mandating execution of the law consistent with the intent, purpose and spirit thereof. I have proposed legislation to accomplish the latter.

I know that other of my colleagues of this Congress have proposed similar legislation to amend the existing statutes to compel mandatory performance of the Executive branch of this government in full implementation of the programs of public policy consistent with the spirit of the law enacted by the Congress.

Many of the laws enacted by the Congress in the historic past are the result of a request of and for the authority and appropriations necessary to effectuate public policy that originated with an apparent friendly and willing Administration of the Executive branch of government. That includes the leadership role of the New Deal, the Fair Deal and the Great Society of the recent historic eras of the past three decades or more. The Congress responded and such discretionary words as "authorized" and "empowered" or "have power to" became a part of the enabling Acts that have been continuously funded by annual appropriations by the Congress. The legislative history and proven merit of conservation programs can not be denied notwithstanding the recent policy decisions of the advisors of the Nixon Administration to the contrary.

I realize the logic of arguments against mandatory language in statutes of public policy for essential programs enacted by the people as expressed by the will of the Congress. However, the alternative has been thrust upon us—and programs of public policy have been terminated against the interest of the people and in direct conflict with the spirit of the law as heretofore enacted by the Congress—all without just cause or reasonable notice. A prudent person does not resort easily to a "straight jacket" control in mandatory public policy but we must realize in calm reflection the Ten Commandments, The Declaration of Independence, The Bill of Rights, our criminal laws and laws of taxation are NOT words of discretion to be flouted in a "willy nilly" fashion of public policy without consequence and reprisal in the public interest.

I do not agree with those that allege a "Constitutional Crisis" or that this great nation has fallen to the depths of a "Dictatorship." That is nonsense. That line of argument is emotional and political rhetoric. It is empty of logic and shallow of reason.

The Nixon administration has acted within the law and sought escape of performance under discretionary words of existing statutes.

I have introduced and respectfully submit for the consideration of the Members of this Committee and the Congress legislation to amend the existing statutes that is reasonable and right. (H.R. 1489).

I know that other related proposals of more mandatory language to amend the present law have also been introduced. (H.R. 2107 and related Bills) I support the intent and thrust thereof. However, it is conceivable that an overall reduction in the level of federal spending may at times be acceptable as proper and prudent. The proposed legislation that I have introduced provides for that contingency. I am hopeful that it will be promptly approved by the Members of this Committee and enacted by the Congress as an Amendment to existing law.

The issue is not the merit of conservation or the intent, purpose or spirit of the law. The issue is words of discretion in the existing statute and it is my judgment that the law should be amended to clearly express and reflect the will of Congress. I urge the enactment of my proposal (H.R. 1489) accordingly.

The CHAIRMAN. Thank you, Mr. Denholm. You will be with us for a few minutes, of course.

Our next witness will be our colleague, the Honorable Ed Jones of Tennessee.

Mr. Jones, we will be glad to hear from you.

**STATEMENT OF HON. ED JONES, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF TENNESSEE**

Mr. JONES. Mr. Chairman, members of the committee, I think to conserve time, I will just read my statement, because it is rather short anyway.

Mr. Chairman, like most of us who represent districts with a substantial number of small towns and farms, I was honestly shocked when the Department announced that it was arbitrarily shutting down the REAP program. If you could see the mail I have gotten from my constituents protesting this shutdown, you would know that they are just as mad as I am about it.

This program has done a tremendous amount of good for rural America and the entire country. In Tennessee it is about the most popular rural program we have today; it helped us save our topsoil and keep it fertile. It cleared our lakes and streams of the silt that was running off our farmland, and today is doing as much to keep my district green and economically strong as any man-made program.

This is why it has been so popular, not only in the Southeast, but throughout rural America as has been testified by others here today. ACP and REAP which succeeded it, came at a time when we needed help. It helped us to begin the long hard task of restoring rural America from the disaster that threatened us from erosion by wind and water and from pollution.

It continues to meet the same needs today. Every dollar spent has been matched by farmers' funds. The prime beneficiary of REAP today is not only the average American taxpayer and consumer, but the substantial part of American taxpayers and consumers who happen to be small farmers as well.

As you have noted, Mr. Chairman, the program has provided more recreation in the tens of thousands of ponds built over all this country than has any recreation program sponsored by the Federal Government. It has done more to clean up our streams than all of our pollution programs. It has stopped the movement of silt at its source through the erection of terraces, the use of contour farming, and the establishment of cover crops and grasslands. It has slowed the spread of noxious brush and weeds, and restored grass to millions of acres of land that was being eroded by wind and water.

Following the termination announcement, I was looking across some papers on my desk and I came across the following description of the REAP activities. I think it's a good one. Herewith, I quote:

REAP is the principal channel through which the Federal government, in the national interest and for the public good, shares with farmers and ranchers the cost of carrying out approved soil, water, woodland, and wildlife conservation and pollution abatement practices on their land that are directed to:

1. Help maintain the productive capacity of American Agriculture, and
2. Help assure the Nation's growing population an increased supply of clean water, reduced air pollution, and enhanced natural beauty, more opportunities for the enjoyment of outdoor recreation, improvements in the quality of the environment, and better ecological balance.

Now, Mr. Chairman, this statement did not come from the National Limestone Institute, or a group of ASCS employees; this is a direct quote from an information sheet circulated by the Department of Agriculture, that was still being mailed out right up to the day the Department decided that we didn't need the program anymore and terminated it.

I disagree with the Department. I not only think we need the programs, I know we do. During the years when I was the State Commissioner of Agriculture and chairman of the Tennessee ASCS Committee, I saw what the program could do, and watched it encourage farmers to put into effect erosion and pollution abatement practices when they couldn't afford to do it on their own. No one can tell me now that the need for this program has ended.

This is why I am here today. I want this program back. My district wants this program back, and I think the Nation wants it. Frankly, I don't much care about the niceties of how we get it back, but I am going to do just about anything necessary to make sure that when we leave here this week, I am going to be able to tell the people in my district all over America that we in this committee reported a bill to block this ridiculous and totally misguided move by the Department of Agriculture, and that we are going to get REAP back.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you so much, Mr. Jones. I think it would probably be well to take a break here to ask some questions.

If you will stay there at the table, Mr. Jones, and the other witnesses will join you up there, we will proceed to the rest of our witnesses in a few minutes. We do want to give the members an opportunity to go into this matter.

Mr. Teague?

Mr. TEAGUE. First let me say that some of you sometimes think I do not come from an agricultural district, but my district has an agriculture economy from which there is about \$400 million of gross product each year. It seems strange to me that I have received only one letter of protest on this REAP announcement. California is not the garden spot. It does not have the perfect climate that the Chamber of Commerce claims. We have many floods, we have very strong winds off the desert which do cause erosion and other problems.

Now, Mr. Scherle, I have a question for you. You have been established as much as anybody in the Congress besides your colleague, Mr. Gross, as a card carrying, gold medal, with blue ribbon qualifications as a fiscal conservative, now. I cannot help but believe you think we ought to balance the budget somewhere along the line and not continue deficit spending, so I am going to ask you for suggestions where we can save some money.

Before you reply, I know you are going to say foreign aid. That is probably the first thing you are going to say. But where else?

Mr. SCHERLE. Thank you for those kind words. I am a conservative and have my little "bronze bulldogs" to prove it.

Mr. TEAGUE. So do I.

Mr. SCHERLE. You say where can you save? Mr. Teague, I am a conservative but I believe in conservation. I have not farmed all the days of my life, but I have farmed most of those days. As I told the committee, I am a grain and livestock farmer. A program that has

proven itself since 1936 can stand on its own merits. You see, the Members of Congress who represent those districts did not abolish this program. It was this administration and previous administrations that have tried to eliminate it.

Mr. TEAGUE. Excuse me, Mr. Scherle, for interrupting, but my time is very limited. I only have 5 minutes. You are not answering my question. Where are we going to save some money?

Mr. SCHERLE. Do you want to start with the District of Columbia?

Mr. TEAGUE. Anywhere you want.

Mr. SCHERLE. Mr. Teague, I am not a lawyer, such as you are, but an accountant. I could assure you if I were to go through that budget, after serving on Labor and OEO Committee, some additional cuts can be made. But it is a little ridiculous when you pick a program such as this. You only pay 16 percent of your disposable income for food, and the reason you do it—

Mr. TEAGUE. With all due respect, you have made that speech very effective earlier. I want to know where are we going to save some money? Where are we going to save in the District of Columbia? I am not differing with you, but how?

Mr. SCHERLE. Even with a \$45 million revenue sharing, the D.C. Federal payment has been increased by \$9 million. If you were to read my supplemental report to the \$180 million direct payment to the District of Columbia you would see where those people have funded a lot of questionable projects. In addition I will not support one dime of aid to North Vietnam because of their cruel and inhumane treatment of the families of POWs/MIAs, I am not saying we can balance the budget, but I will sure as the devil save money on programs such as those and the arts and humanities. They have been increased 100 percent—there are no cuts there—up to \$120 million this year. Mr. Teague, there is ample room in that budget to cut out the fat.

Mr. TEAGUE. You are a member of the Appropriations Committee, and I hope you do so.

Mr. SCHERLE. I certainly will try. I mentioned just a few of those areas where we are going to cut it. I hope we will not be foolish enough to do it here.

Mr. TEAGUE. Thank you.

The CHAIRMAN. Mr. Stubblefield?

Mr. STUBBLEFIELD. Well, I just want to commend all of you fine gentlemen for your testimonies, and particularly to have our good friend, Mr. Conte, with us on this occasion.

You know, getting around to Mr. Teague's question, Mr. Scherle, you have noted something about the budget, but would not 4,000 or 5,000 acres of topsoil that you noted everyday be a saving if this program was continued that we would be losing if we did not have REAP reinstated?

Mr. SCHERLE. Mr. Stubblefield, this is true, and everybody close to agriculture recognize this. I am not saying that we should not make cuts in agriculture. There are programs that are outmoded that need to be updated. But I am talking about REAP this morning. This one should be retained at all reasonable costs.

Mr. STUBBLEFIELD. You are a good farmer. Do you know of any other program where the Federal Government could pay 30 percent of the cost and have about a million people doing the work free?

Mr. SCHERLE. That is an exceptional question. Let me also say this if I may: The old ACP program served America. The new REAP program does not serve just rural America alone. It also involves the urban areas. Now, we are talking about ecology, pollution, and the environment. Gentlemen, this assists those people living in urban areas to do that very thing. Why spend millions and millions of dollars in the field of ecology and environmental matters and pollution, and then turn around and discontinue this program which has worked so effectively for almost 40 years? It does not make a lot of sense.

Mr. STUBBLEFIELD. I understand that about 70 percent of our pollution problems, particularly the water, is runoff from the land. And certainly, discontinuing this program does not fit in with the Ruckelshaus ruckus that we hear all the time about water pollution.

I again want to commend all of you gentlemen for your fine statements.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Goodling?

Mr. GOODLING. Very briefly, Mr. Chairman. I have no question, but I want to make this observation for the record, in line with what Mr. Teague just said. About 15 hours ago, I met with a group of Pennsylvania fruit growers. They happen to be starting their annual meeting today in my home city of York. Not a single one of those fruit growers cried on my shoulder. To the best of my knowledge, I have had only one letter opposing this cut of the REAP program. It came from someone having a conflict of interest. He is working in the program. So let us not do all our crying over cutting this particular thing.

As I said in this committee before we met officially, if we are making cuts across-the-board, I am going to support them 100 percent. If we are going to do it in agriculture only, then I am going to get out my apple crate and get out on the street corners and criticize the Department of Agriculture. But I think these cuts are going to be made across-the-board and that I favor.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Goodling.

Mr. Jones?

Mr. JONES of North Carolina. Thank you, Mr. Chairman. I do not have any questions, but I would like to thank the gentleman who testified and make perhaps one observation as to the amount of mail. Often, my district is unjustly accused of having considerable numbers of people who do not read thoroughly. But somehow or other, they found a way to contact me in great volume over this particular matter. So as perhaps my people are better informed than some others.

That is all.

The CHAIRMAN. Thank you, Mr. Jones.

Mr. Mayne?

Mr. MAYNE. Thank you, Mr. Chairman. I have read the written statement which my good friend and colleague from Iowa submitted. I certainly want to commend him and congratulate him on the contribution which it makes in evaluating the REAP program. When he gets into a discussion of broader constitutional issues in the last two paragraphs, I am not sure that the legal situation is nearly as clear as he seems to think it is. But insofar as his prepared statement deals with REAP, it is, I think, right on target.

In our State of Iowa, there is no question but what REAP has done tremendous good. It has been a program which has been a real bargain for the taxpayers. There is no question but what the elimination of that program out there is being pennywise and pound foolish on the Government's part. I am satisfied that there have been relatively few abuses of the REAP program in our State. Certainly, if the administration felt there were abuses, it should instead of terminating the entire program have made recommendations for tightening up those provisions of the law which permitted the abuses. Instead they have, in effect, thrown out the baby with the bath water with this arbitrary termination.

I was glad to join the gentleman in cosponsoring this legislation on which he has testified so convincingly this morning. This is a dark day, not just for agriculture but for everyone interested in conservation and in antipollution because the sort of pollution that the REAP program has countered is a very major source of pollution. Those who are really interested in preserving the environment should deplore the termination of REAP just as much as farmers do.

Thank you.

The CHAIRMAN. Thank you.

Mr. Sisk?

Mr. SISK. Mr. Chairman, really, all I want to do is commend my colleagues for their interest and concern in this program. I want to join with them in the concern they have here for what I think is really an outstanding program, not only just for farmers but for the country as a whole.

Of course, along with my good friend, Mr. Stubblefield, I particularly want to commend my good friend from New England and would only say to my good friend, Silvio, that I would hope he would recognize as time goes on that some of us have some problems in our area. I want to help those farmers, and not all the fat cats come from California. They are going to need help, too. But I do appreciate the sincerity of the people who have testified.

Thank you.

The CHAIRMAN. Thank you.

Mr. Zwach?

Mr. ZWACH. Thank you, Mr. Chairman.

Gentleman, I certainly agree with you with regard to the conservation and ecology practices of REAP. Ponds, terracing, contouring, grass waterways, wildlife shelters, tree planting—no one can quarrel that these are good for all of America. And with regard to agriculture, I think it ought to be pointed out that agriculture is our first line of defense in international affairs. It is food that has always scared the life out of anybody that has had designs on our country. Food has been our first line of defense—not ships, not planes; it has been food that has licked everybody.

But coming back to REAP, I want to ask one question and I would like to have a short answer from each one of you. I have felt for a long time that, for instance, payment for liming soil, payment for tilting land did not have the virtue that do these other honest-to-God conservation practices. Could we not very well save money there and add it in those areas—payment to lime and payment to drain land? I would like just a quick reaction from you gentlemen.

Mr. SCHERLE. I would be happy to answer my colleague from Minnesota. You would have to judge each one of these on their own merits. As you know, up in Minnesota, in certain areas in your own district, you have to lime. Your soil has an acid tendency. Other areas have a lot of water—

Mr. ZWACH. Do you think the Government should subsidize the liming?

Mr. SCHERLE. By the same token, I think they should be entitled to that just as well as they are any other practice. In my district alone, we do not use much liming. Ninety percent of my people are terracists for land erosion control. The question of priorities should remain with the local committee.

Mr. DENHOLM. I agree with the gentleman from Minnesota. There are many areas in the program that could be improved and the failure to improve them is no reason to terminate the program.

I respond briefly to the distinguished gentleman from California, Mr. Teague, on the subject of reducing the level of Federal spending but I recommend a budget reduction across the board. The rural people and the city people can accept that policy decision. If we must reduce the budget 10 percent, then Congress ought to cut the budget 10 percent. But to permit an agency of the executive branch to determine what is to be reduced and to do it categorically is wrong and that policy I must oppose. I drafted and submitted a proposal to permit discretion in the administration of the program.

Mr. ZWACH. Mr. Jones?

Mr. JONES of Tennessee. Thank you, Mr. Zwach. I would say in my area in my State, it is just as important to add agricultural lime to the soils as it is to do anything else. I can remember the first addition of agricultural limestone that I ever witnessed on farmland. That was back in the days when we had the early ACP program. We could not grow alfalfa in our district until this took place. This was an educational program. We also have areas where drainage is just as important.

I think that the Government should be in those programs the same as others.

Mr. ZWACH. You think the draining and feedlot operation into the water stream is in the same category as liming land?

Mr. JONES of Tennessee. I do not know that a feedlot would qualify in the first place for the REAP guidelines. But there are many fields and areas of the country that will produce wells if they work on it—I am talking about cultivating fields where you have grasses that grow, that are virtually growing nothing without lime, but it is still cropland.

Mr. ZWACH. I believe my time is growing short.
Silvio?

Mr. CONTE. I guess you have to look at the program and judge it on its own merits. In my area, I gave the example of some farmers that are just keeping their chins above water. They have a lot of acid in the soil and they say that the lime program is good to sweeten up the soil. I understand that some farmers pay as much as 70 percent of the cost and the Government only pays 30 percent in this particular area. To them, only a measly \$200, which I think is the average payment of the REAP program in New England, or in western Massachusetts, has been a real help to these farmers. I wish you could visit

my district. I would let you talk to some of these people. I had a lady the other day that said, look, they have cut out this emergency home loan program. She said, "I need \$6,000 to pay my feed grain bill. I do not have it. The bank won't give me the money, Congressman, what am I going to do?" She said, "I am going to have to sell my cows to pay that feed grain bill."

Mr. ZWACH. We have those problems.

Mr. CONTE. It is a real serious situation.

Mr. ZWACH. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Alexander?

Mr. ALEXANDER. Mr. Chairman, thank you for the leadership you have provided us in bringing this matter to a speedy action by the Congress. I wish to thank the gentlemen who have appeared this morning to support the leadership of the chairman.

I would like to associate myself with the remarks that have been made and thank them collectively for pointing out that every farmer is an environmentalist and, as Mr. Conte said, a sportsman. Every participant in the rural environmental assistance program is a financial contributor to an ecological balance which enhance fish and wildlife as well as the soil, the water, and the air. Good conservation practices are not new to States like Arkansas, where those who have participated in this program over the years have done more to cleanup the land, the water, and the air than all of the other environmental protection programs combined.

Thank you very much, gentlemen.

The CHAIRMAN. Thank you, Mr. Alexander.

Mr. Price?

Mr. PRICE. Mr. Chairman, there are a number of questions I would like to ask Mr. Scherle which are not related to this subject.

My questions have to do with some of your statistics, Bill, which we will have to talk about later. I, too, have introduced this bill and will testify in favor of it. I am not necessarily calling for full funding, but funding at a level which allows for the continuation of a long-range Rural Environmental Assistance Program.

Mr. Chairman, that is all I have.

The CHAIRMAN. Thank you, Mr. Price.

Mr. Rarick?

Mr. RARICK. Thank you, Mr. Chairman. I, of course, support the chairman's bill, and I might add for my colleague from Iowa, Mr. Scherle, that I thought enough of his bill that I cosponsored it with him. Though I have also been accused sometimes of being in that category known as a fiscal conservative, I am still not a damn fool; and I do not want the American people to be faced with food shortages before they understand why 3 million American farmers are able to do what 44 million Soviet farmers can't do—feed our own people and have enough left over that we are able to subsidize sales to countries around the world. I say this because this morning, in Baton Rouge, a Mississippi River port, a Russian vessel, flying the Soviet flag, lies at anchor waiting to take on a shipment of American taxpayer-subsidized wheat, which was produced to some degree as a result of programs such as REAP. I do not mind if the Russians want to feed everyone in the Communist world, but I think they should have their own REAP program and certainly pay full price for American wheat if they are going to use it for their own propaganda.

I would ask the gentleman from Iowa if he has read the new budget to see what is being proposed for the agriculture program in 1974?

Mr. SCHERLE. Is that in the form of a question?

Mr. RARICK. Yes.

Mr. SCHERLE. I do know this, that the reduction made in farm programs today is \$1.5 billion for fiscal year 1973 and \$2.5 billion for fiscal year 1974.

Mr. RARICK. I particularly had reference to programs in conservation and soil management which seemingly are being transferred to the Environmental Protection Agency. Some of the new Executive directives being filed in the Federal Register seem to indicate that the Agriculture Committee and the Agriculture Department are just being weakened by the transfer of many programs from the control of this committee—and perhaps even the Congress.

Mr. SCHERLE. This is the reason why I feel the elimination of this program is so foolhardy. We also fund EPA on the Agriculture Appropriations Committee. The one thing that really eludes me is where are all the ecologists and the environmentalists and people who have found a new word such as "pollution"? I would think they would be rising up in public indignation that there is even the possibility that this program of REAP would be eliminated. It has worked well for 40 years.

Mr. RARICK. Would the gentleman agree that perhaps the American economy will be more concerned if we are not able to restore some of these programs and the corresponding reduction in supplies are reflected in the grocery shelves. I join with all of you gentlemen. I think we have to do something. The chairman has already raised the constitutional issue. I think that if Congress allows this to go by the board, we are not only just a rubberstamp Congress, we have been made a goat being milked by a bunch of PPBS bureaucrats who make decisions with electronic machinery.

I thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Rarick.

Mr. Findley?

Mr. FINDLEY. Mr. Scherle, you are in a very unique position here, being a member of the Agricultural Appropriations Subcommittee as well as a farmer. Therefore, I think you may be in a position to share with us your experience in the ACP and REAP programs. Maybe you have not participated, but if you have, perhaps you would be willing to share with us what this has meant on your farms in terms of land improvement and also cost sharing?

Mr. SCHERLE. I called the manager of our county ASC office this morning because I was quite curious as to the amount of practices that we can subscribe to. And she told me that over 85 percent of the money under the old ACP and the REAP program goes for terracing and land retention.

Mr. FINDLEY. Is that true of your farm?

Mr. SCHERLE. We can use a lot more terraces, but there is no money available.

For instance, I also asked her this question: How many farmers that are eligible for funds have signed up this year for land practices? She said 100 that they had to turn down.

Now, I know the figure of 20 percent has been used in the past, but if there is no money, there is no participation. The USDA's own records show that 40 percent would participate if they could.

Mr. FINDLEY. My question is what your own personal experience has been with it?

Mr. SCHERLE. I will say this, that with the land practices on our farm—terraces, grass waterways, headlands, and different things like that, that farm has been able to produce much more than it has in the past. But we would not have been able to do this if it had not been a cost-sharing operation with the Federal Government. These practices have also resulted in many antipollution projects being installed on our farm. This, of course, benefits all Americans.

Mr. FINDLEY. Well, I do not want to press that point any further, but I would like to raise a related question. In my district, a good many of the ponds have been built on the farms of rather well-to-do professional people—doctors, lawyers, and otherwise—and it strikes me that as long as we are taking up the basic legislation, we might as well consider an income test. I would like to ask you gentlemen if any of you would have objection to an amendment which would restrict the cost sharing of this program to persons whose average annual income of the past 3 years has been under \$10,000?

Mr. CONTE. I am with you 100 percent.

Mr. FINDLEY. Any of the other gentlemen care to comment?

Mr. DENHOLM. Will the gentleman yield? It makes no difference how much money a farmer has if pollution is feeding a public stream or permitting the land to erode away. That is a matter of public interest. The program is only an incentive. There is not a great benefit to the participant. After all, the participant must pay one-half or more of the cost and do all of the work. The objective of the national program is to protect the land and water resources of this country.

Mr. FINDLEY. Would you object to an amendment which would restrict by an income test the cost sharing for additives under the program—additives like limestone and phosphate, whose main purpose is not soil conservation in the sense of pollution control, but rather the increase in production of acres?

Mr. DENHOLM. There may be merit in your proposal but I am generally opposed to limitations and restrictions against an essential land and water conservation program as a matter of public policy.

Mr. FINDLEY. I think we owe it to the President not to pass judgment on this program until we know more about what is in his budget recommendation. I noticed in the Wall Street Journal this morning, a statement quoting Mr. Nixon from his address last night that he will propose doubling the outlays for major pollution control programs. Obviously, cost sharing under REAP is not a part of that, but it may be that what he has in mind will yield even greater benefits per tax dollar invested than what we have before us.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Findley.

Mr. Mathis?

Mr. MATHIS. Yes, Mr. Chairman, thank you. I would like to join my other colleagues on the committee in commending all these gentlemen for bringing their testimony in and to direct a question to the gentleman from Massachusetts and the gentleman from Iowa. Both

of you have established your credentials as spokesmen on our farm programs, Mr. Scherle generally for, and Mr. Conte in opposition. But, have you been in consultation with the Secretary regarding where the programs are going to be cut and what direction those cuts will take?

Mr. SCHERLE. It is my understanding that as far as the REAP program is concerned, it is a page in history—it no longer exists, it is gone, it is over, as far as they are concerned.

Mr. MATHIS. Were you consulted about this? Did the Secretary call you on the leadership—

Mr. SCHERLE. Neither I nor anyone else in Congress, to my knowledge, had any idea that the termination of this program was being contemplated.

Mr. MATHIS. Mr. Conte?

Mr. CONTE. I was not consulted. I talked to the Secretary afterwards.

Mr. MATHIS. Thank you. Mr. Chairman, I have no more questions.

The CHAIRMAN. Thank you, Mr. Mathis.

Mr. Thone?

Mr. THONE. Mr. Chairman, I have no questions. When I came to the committee, I was confused on this matter, but when I listened to the testimony of the gentleman from Connecticut—

Mr. CONTE. Massachusetts.

Mr. THONE. Yes, Massachusetts—I was in Connecticut yesterday—all my questions were answered.

The CHAIRMAN. Mr. Bergland?

Mr. BERGLAND. Thank you, Mr. Chairman. I would like to commend my colleagues for their initiative in this area. When the Secretary announced termination of REAP, one of the reasons used was that farm income this year broke all records. That is not true for all farmers. There are 2 million farmers who were left behind.

Mr. Conte, you represent an area of the country with which I am not as familiar as I am the Midwest. Do you find in the Northeast that the majority of these people are having a struggle, and hard times, and do not necessarily share in this highly touted prosperity?

Mr. CONTE. There is no doubt about it. My farmers are really up against it. The price of brewers grain was up to \$95 a ton in November, and the next month—December—was \$106 a ton. It was \$64 a ton in November of 1971, so it went up a little over \$42 in a year. During that same period, the cost of soybeans went from \$97 per ton to \$230 per ton. In addition, they have to face taxes and the high costs of doing business, and labor. The cost of bringing equipment in to till the soil has gone up considerably. They have been hit by inflation. These fellows are really hurting. And they are going out of business right and left, and selling their land for housing developments. I hate to think what is going to happen if this continues. We are not going to have any dairy farmers up there.

Mr. BERGLAND. I do not know if this administration has changed the rules, but when I was in the program back in the 1960's, there was a requirement that every applicant state that, unless he were afforded this help, he would not be able to carry out the practice. So if some fat cat signed this statement—assuming the rules are still in effect—he is, in fact, perjuring himself. These cost-sharing programs are limited to those who, without the assistance, can't carry

on a good conservation program on their farm. I think this is a rule that ought to be adhered to, and if it has been eliminated, I would certainly support the gentleman from Illinois to see that the language says that the farmer must certify that, without this assistance, he could not afford good conservation practices.

Mr. Denholm, in South Dakota, you have at least two big power-plants out there. Is that on the Missouri River?

Mr. DENHOLM. Yes.

Mr. BERGLAND. I read that, due to upland erosion, these reservoirs were in danger of being filled up with silt, and would, in time, have to be reclaimed in order to keep them as viable power sources. Is that an accurate statement?

Mr. DENHOLM. Yes, it is. In fact, the disaster at Rapid City was caused in part because of an old dam above Rapid City in the canyon. It was built in the WPA days and it was almost totally silted in. The same thing is now occurring on the four main-stem dams on the Missouri River. The chairman once stated that some 300 million acre-feet of topsoil erode annually to silt in this country. That silt settles into the dams, the fresh water streams, the fresh water lakes. This is a matter of public concern. It is not that the farmers alone benefit from conservation but all of America is the benefactor thereof.

Mr. BERGLAND. Is it fair to say that without the development of upland dams on our streams, the siltation problem will become worse?

Mr. DENHOLM. Yes. There is more need for conservation now with the use of herbicides, insecticides and fertilizer, because when that erodes off as a pollutant, it endangers all aquatic life of fresh water areas and it may ultimately contaminate the aquifer. I agree with and I commend the gentleman from Minnesota.

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

The CHAIRMAN. Thank you.

Mr. Symms?

Mr. SYMMS. Mr. Conte, you were talking about your farmers who are depressed, and in bad states, and do not have any money. The thought occurred to me that, in my district, most of the people that do cost-share are the ones that have enough to put the money up to meet the matching funds.

Mr. CONTE. To do what?

Mr. SYMMS. They are the ones that have the money, that are able to actually put the first share up so they can cost-share. The ones that do not have the money have to do without the program so, over the years, the more well-to-do farmers continue to build concrete ditches, and so forth, which are good for conservation, I must add. The others do not, and in a 10-year period, they are at a disadvantage. Does this occur in your area, too?

Mr. CONTE. No, I do not think so. I would love to have you up there some weekend and see for yourself. My farmers are a bit different. I would estimate that 80 percent of my farmers use the program to lime the soil. They do not go in for the terracing, and so on. It is very acid soil up there.

Mr. SYMMS. Then it isn't primarily for conservation?

Mr. CONTE. No. I can give you some figures. During 1971, 988 farms in my district participated in the program, and they received \$202,984, at an average of about \$205 a farm.

Mr. SYMMS. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Bowen?

Mr. BOWEN. Mr. Chairman, as a new Member of Congress, I would like to thank you for beginning these first Agriculture Committee hearings with this very important issue. I have introduced a bill similar to that which you have introduced on the subject, and I would like to associate myself with the remarks that have been given to us this morning. I believe that in the slightly more than 3 weeks that I have served in this Congress, I have probably gotten more mail on this one subject of REAP than everything else put together.

I was pleased by what I gathered to be the upshot of Mr. Denholm's remarks. If I might as you just to reemphasize that, I would appreciate it, Mr. Denholm. Am I correct in saying that, primarily, what you are telling us is that we do not actually have a constitutional crisis in this country of executive-legislative relations, but that if the Congress sees fit to give the Secretary of Agriculture, and the President, the discretion not to expend appropriated funds, we really have only ourselves to blame?

Mr. DENHOLM. Yes. I do not agree that there is a "Constitutional Crisis." The refusal to execute and carry forward the program may be a demonstration of bad faith on the part of the administration in respect to the spirit of the law, but the administration, in all fairness and objectivity, is acting within the law in doing what has been done. The only time a "Constitutional Crisis" will occur is if we fail to meet the challenge. The Members of Congress must represent the will of the people, and this is the time and this is the place to begin.

Mr. BOWEN. Thank you. This is an issue of great concern to the farmers of my district, and tomorrow we will be having one of our constituents testify on behalf of the REAP program. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Bowen.

Mr. Johnson?

Mr. JOHNSON. I do not have any questions at this time, Mr. Chairman; thank you.

The CHAIRMAN. Mr. Litton?

Mr. LITTON. In the last few years, we have heard a lot of talk about the need for water pollution laws. I was sitting here thinking and looking over your report, Mr. Scherle. The REAP program was designed in 1936, before I was born. Here we have a program for water pollution that was on the books before I was born and we are wanting to kill it when it has been here almost longer than any. It is the very time we need such legislation. It is not only an old bill, it is one that works.

I would like to address my comments to my colleague from Illinois and also to what Mr. Symms was saying about well-to-do farmers taking advantage of this program or trying to put some limitation on income. I do not know about some of the other districts, but, in my county, the larger farms and the more well-to-do farms are those who basically do not now participate in the program—not that they do not use the practices, but simply because they recognize that the program is good and desirable and funds are limited and they think those funds ought to be utilized by smaller farms or those who need the money.

On our farm, we used to use the ACP program. In 1960 or 1961, we quit using the program—not that we did not think it was a good program, but we thought that we could do some of those things ourselves and funds were needed elsewhere.

I do not know about Mr. Scherle and others who have testified, if this is true in their district, but certainly in my county, the larger farms and the more well-to-do farms, those who are better off economically, are not using the program now, not because they do not need to, but because the funds are limited and they would like them to go elsewhere.

I would like to ask any of my colleagues who have testified if this is true in their district?

Mr. SCHERLE. If I may answer your question, the law specifies that there is a maximum limit of \$2,500 regardless of the wealth of the farmer. Twenty-five hundred dollars is all that can go to any one farmer, regardless of the impression left by our colleagues from Illinois. Most of the funds in my district go to the lower- and middle-income farmer.

Mr. LITTON. But do you find that the larger farms are not as apt to participate as the smaller ones simply because of their desire not to use up the funds?

Mr. SCHERLE. I represent a district that is 50-percent urban, 50-percent rural. I am one of the 31 Members of Congress who represent districts of 20 percent or more out of the 435. Most of our farms are small anyway. Those farmers recognize the need for the program and do utilize its services. Of course, they have not had the money, so there has not been a maximum participation of those who desire to do so.

Liming is almost insignificant in my district. Terraces, land retention, erosion control are perhaps the major ones. This is what we need, because my whole county is either hilly or generally rolling and we have to haul that water from where it falls.

Mr. DENHOLM. I can say that in my experience and I am basically a farmer. Most farmers, large and small, have participated in the program at different times. I do not know that all have all of the time. However, the program is an incentive for everyone to participate some time. The soil conservation engineers help lay out contours and assist in other essential services. The program should be continued as a matter of national policy in the public interest.

Mr. LITTON. But you do not find the larger farmers eating up the program as might have been inferred?

Mr. DENHOLM. No; not at all. Not in my area.

The CHAIRMAN. Thank you, Mr. Litton.

Mr. Gunter?

Mr. GUNTER. Thank you, Mr. Chairman. As the chairman knows, I support H.R. 2107 and have prepared a statement and requested that it be made a part of the record.

I will say that the communications from my district and from all over Florida have been massive in support of our efforts here this morning and basically in support of the testimony that we have heard. I want to thank the witnesses who have presented their cases so ably before this committee.

We met last Thursday with a group of dairy farmers from the State of Florida and a part of the comment which these gentlemen made was with regard to the REAP program and their problems of inflation. They pointed out that in a period of time when the price for milk

which they had been receiving had increased by about 5 percent, that the cost of feed grains, Mr. Conte, had increased by 31 percent. This is in keeping with some of the comments you have made here this morning.

So in my mind, I am certainly convinced that this program is needed by all farmers and certainly by the small farmers. But what I wanted to ask the witnesses to help me on some, because I have two rather large cities in my district, is a comment which I have heard made here this morning. I would like for you to expand a little bit on it. That is how the REAP program is of benefit to urban citizens, to the city folk? Are we simply talking about food prices or what can be said with regard to this program as to how it does assist us as a national policy?

Mr. SCHERLE. Mr. Gunter, the county ASC committees all have various projects that the county officials elect will be best for their communities. As far as the urban areas are concerned, there is a whole fascimile of categories that are available. Being a farmer, of course, I am primarily interested in what we do. But the reason the program was changed from ACP to REAP was to bring in urban people and give them the same benefits that we now enjoy as farmers. The major benefit from the REAP program for urban, as well as all Americans, is that it protects our soil and cleans up on air and water. This is why the REAP program benefits the urban, suburban and rural American equally.

Mr. GUNTER. Thank you.

Mr. DENHOLM. I will stand corrected if these figures aren't right—but as opposed to 300 million acre feet of topsoil eroding into silt in the country, there is something like 100 million acre feet of erosion going on in urban areas every year and this program covers that as well as the rural areas. I think one of the very serious problems that can develop in political rhetoric is trying to drive a wedge between urban and country people. The country belongs to urban people as it belongs to the rural people. Under our land title laws, we only have title to land for a little while. This is a country of all the people and this is a matter of national policy in the interest of all.

Mr. JONES from Tennessee. I think Mr. Scherle has pretty well answered the question for you, because those who participate do have the option of deciding what they use in that particular area.

Mr. GUNTER. Could someone help me as to the use that urban communities and urban cities make of the ASCS program? Are there any records, Mr. Chairman, that are available that would give us some comparisons on that score?

Mr. SCHERLE. For instance, you have extension services, 4-H. They vary in your urban areas almost diametrically to those in rural areas. They set up the programs they need, they utilize the services, the funds are available, but they decide among themselves in individual counties—urban, suburban or rural—as to how they can best utilize those funds.

Mr. GUNTER. Thank you.

The CHAIRMAN. Thank you, Mr. Gunter.

We thank all of our witnesses. We appreciate your staying here. This has gone a little longer than I had anticipated. We do appreciate the fact that you understand we are interested and that you were interested. Come back and see us.

Now we will call other witnesses. I understand that Congressman Jones of Oklahoma had another engagement and had to leave. He asked permission to file a statement and without objection, that will be granted.

(The above referred to statement of Hon. James R. Jones of Oklahoma follows:)

STATEMENT OF HON. JAMES R. JONES, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF OKLAHOMA

Mr. Chairman, members of the committee, the elimination of Rural Environmental Assistance Program funds has caused great consternation among the farmers of the First District of Oklahoma as it has all over the nation. Oklahoma farmers were among the most tragic victims of the thirties. They appreciate better than most the importance of sound programs that save and improve the land. REAP has done that. Since its inception in the thirties it has encouraged farmers—indeed, has made it possible for them to conserve their lands and improve them. That the rural areas of Oklahoma are more bountiful in 1973 than they were in 1933 is due in no small part to REAP and its predecessor program.

The District I represent is urban rather than rural, and has been for a number of years. Yet the farmers of the Tulsa area have found in REAP an important instrument for the preservation of their farm lands. In the past four years, REAP projects represented a million dollars investment in the First District. More than half this investment came from the farmers themselves, a measure of their desire and determination to conserve and improve the land from which they derive their livelihood.

Where federal programs fail to do the job, I favor eliminating them or instituting reforms to make them work. REAP is demonstrably a success. Congress made this judgment when it authorized \$225,000,000 to continue the program. The Bill I propose would require the Secretary of Agriculture to carry out the will of Congress. I urge its passage.

The CHAIRMAN. I understand that Congressman McCollister will not be able to be here this morning.

That brings us to Congressman McEwen.

He is not here.

Mr. Daniel of Virginia? I do not see him.

The next is Congressman Price.

STATEMENT OF HON. BOB PRICE, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF TEXAS

Mr. PRICE. Mr. Chairman, I rise today in support of legislation which will require the Secretary of Agriculture to carry out the provisions of the existing law providing for the authorization and funding of the rural environmental assistance program. While I agree in principle with and applaud the President's efforts to keep Federal expenditures within reasonable limits, I feel that the effects brought about through the discontinuance of this important program would be detrimental to the long-range preservation of our most vital human resources—namely our soil, water, and air.

Began during the 1930's, the rural environmental assistance program has worked effectively as a Federal cost-sharing program for conservation programs installed by farmers. Through this program our farmers have done more to clean up and preserve our environment than any other federally sponsored program. This program has enabled our farmers and ranchers to protect our soil through the establishment and improvement of vegetative cover, stripcropping

practices, terracing, the reseedling of marginal land and cross-fencing for grazing. REAP has also provided for strides to be made in the areas of sediment retention and chemical runoff control, drainage, irrigation and related practices and livestock water utilization and distribution on ranches.

Through this program, our farmers have also been able to embark upon activities which have slowed the spread of noxious brush and weeds, accounting for a major portion of our reforestation program on private lands, helped aid wildlife conservation and increased the development of recreational areas. It is evident that REAP has benefited not only rural America, but our Nation as a whole. Not only would it be unfair of us at this time to demand America's farmers to take on the burden of the conservation of our natural resources single-handed, it is not feasible for family farmers to initiate and continue these long-range programs without the aid of cost-sharing initiatives provided by the Federal Government. This is especially true if we are to continue to feed our own Nation while helping to feed the starving millions abroad.

For these reasons, it is my hope that this committee will favorably report legislation to reinstate REAP to the House floor for further action as soon as possible.

Furthermore, Mr. Chairman, having served on the Science and Astronautics Committee for 6 years, I have seen the benefits that we have derived from expending over \$28 billion on the space program. Yet, as we list our needs, it is my belief that our first priorities must be water, soil, and air, if we desire to continue to sustain ourselves on this planet. The need for the conservation of our soil in order to keep it from running down the streams and into the oceans and the need to keep our water drinkable is quickly approaching us. Therefore, we cannot eliminate this cost-sharing program while asking these stewards of our soil, the farmers and ranchers of our country, to bear the burden of conservation by themselves.

We gave the President a budget, a \$460 billion limitation on spending. We cannot increase that until Congress acts. The question is, Do the President and Secretary Butz have the authority to do as they have advocated and as they have done? By passing this legislation, the Members of the Congress can speak for their people. In doing so they will be speaking for the people and saying that these people want to conserve their water, soil, and air.

It is no little matter that we face as a people and as a human race. Those who do not understand what the creeping of unwanted sagebrush throughout the areas of the United States does are not knowledgeable in this field. They cannot be knowledgeable about the runoff of 300 million acres of topsoil every year and they cannot be abreast of the conservation practices that are needed throughout this country. So there are those on this committee who are responsible for seeing that these activities continue. For us not to do so would be short-sighted. For us not to do so would be to our detriment. We must provide the needed leadership to insure that our Nation does conserve its water, soil, and air.

Our President is faced with a \$460 billion debt limit and we must help him keep within these limits, but there are some practices that we are going to have to stand by.

Thank you, Mr. Chairman.

The CHAIRMAN. The next witness we have on the list is Congressman Sikes.

We will be glad to hear from your, Mr. Sikes. We appreciate that you have taken the time to be with us and we will be glad to hear from you.

**STATEMENT OF HON. ROBERT L. F. SIKES, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF FLORIDA**

Mr. SIKES. Thank you very much, Mr. Chairman. Let me say that I am happy to see a member of the Florida delegation again serving on the great Committee on Agriculture. We have a varied and a very important agricultural industry in Florida and not since the days of Billy Matthews have we had a member on this committee. We are proud that Bill Gunter now sits in your midst.

Mr. Chairman, I congratulate you and the members of this important committee on the fact that you have seen an important challenge and realized the necessity for facing up to this challenge, and that you are now taking steps to hear witnesses with a view to restoring the rural environmental agricultural program. Of course, this is something essential to the Nation and something that your committee should be concerned about. But we are proud of the way that you are going about it, that you are facing up to it.

I welcome the opportunity to express my personal concern over the curtailment of one of the most effective natural resources conservation measures enacted by the Congress. I have grave misgivings about the result of the action that has been taken by the Chief Executive.

That arbitrary action in canceling a basic program that was mandated by the Congress initially and reaffirmed annually by this body for more than three decades is, I think, a direct threat to our democratic form of government. REAP and its predecessor, ACP, helped to rescue rural America from the brink of ruin by providing the incentives required to stop soil erosion, control sedimentation of streams, establish cover crops and reforest lands no longer required for agricultural production. I am particularly concerned about the latter activity, the forestry aspect. If the REAP program has outlived its usefulness, as claimed by the executive branch, this is news to the Members of Congress. At least there should have been consultation with the Congress and with the farmers, and as far as I can determine, neither was done. Instead of curtailing REAP, there is a definite need for its expansion. In particular, at this time, we should concentrate our efforts on basic, long-range conservation treatment such as terracing to halt erosion, construction of lagoons to trap barnyard waste, and the planting of trees, shrubs and cover crops to trap each raindrop where it falls.

I would like for each of us to bear in mind that it is necessary to maintain a coordinated program of education, technical assistance, and costsharing of public benefits in order to achieve progress in conservation in rural America. I do not know anything more important than achieving progress in conservation in rural America. This work, together with the rural development program enacted by the Congress last year, can help to turn the tide of migration back to the farm

and rural areas and away from the cities. I can think of no greater contribution to the future of America. REAP should be applauded and expanded, not curtailed, and Congress should exercise its full authority to accomplish this. Thank you very much.

(The complete statement of Mr. Sikes follows:)

STATEMENT OF HON. ROBERT L. F. SIKES, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF FLORIDA

Mr. Chairman, I appreciate this opportunity to express my concern over curtailment of one of the most effective natural resource conservation measures to be enacted by the Congress, namely the Rural Environmental Agricultural Program, or REAP as it is commonly known. I have grave concerns over the present situation.

The arbitrary action of the Executive in cancelling a basic program that was mandated by the Congress initially and reaffirmed annually by that body for more than three decades is a direct threat to our democratic form of government. REAP and its predecessor, ACP, rescued rural America from the brink of ruin by providing the incentives required to stop soil erosion, control sedimentation of streams, establish cover crops and reforest lands no longer required for agricultural production. I am particularly concerned about the latter activity, the forestry aspect. If the REAP program has outlived its usefulness, as claimed by the Executive Branch, this is news to the Members of Congress.

A recent nationwide Conservation Needs Survey revealed that 25 percent of the forest land held by small private, nonindustrial owners does not support a suitable growth of trees. This land, aggregating some 75,000,000 acres, needs to be planted in order to enhance the environment, protect watersheds, improve wildlife habitat, increase opportunities for outdoor recreation and provide for future wood needs of a growing population. Instead of curtailing REAP, there is definite need for its expansion. In particular at this time we should concentrate efforts on basic long-range conservation treatments such as terracing to halt erosion, construction of lagoons to trap barnyard wastes, and planting of trees, shrubs and cover crops to trap each raindrop where it falls.

As a matter of fact, the potential need for wood is so great that forest owners, industries and representatives of Federal, State and local governments recently pledged themselves to plant 40,000,000 acres in the next decade. That objective requires an annual planting rate 13 times greater than the current 300,000 acres accomplished with the aid of REAP.

Finally, please bear in mind that it is necessary to maintain a coordinated program of education, technical assistance and cost-sharing of public benefits in order to achieve progress in conservation in rural America.

The CHAIRMAN. Thank you very much, Mr. Sikes. It is always a pleasure to have you with our committee. We appreciate you coming this morning. We hope you can stay with us for a few moments. It may be possible to question you in just a few minutes. But we must see if we can hear our colleague, Mr. Alexander.

STATEMENT OF HON. BILL ALEXANDER, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF ARKANSAS

Mr. ALEXANDER. Mr. Chairman, I grew up in a farm State and since coming to the Congress have served as a member of the Committee on Agriculture. It is from these vantage points that I have had an opportunity to become familiar with and to evaluate the rural environmental assistance program, formerly called the agricultural conservation program.

This program has been valuable, not only to the agricultural industry, but to the Nation at large. What we are talking about here today is purely and simply an environmental protection program. It was established in the thirties as one of the Nation's earliest efforts to

preserve and protect its environment. REAP is a program which wisely used both governmental and private financial resources in this struggle against pollution and resource deterioration. It has done as much, and often more, to clean up and protect our land, water, and air than any other which Congress has enacted.

REAP's misfortune, in this era of popularity of environmental protection programs, may be that it is not new and dramatic. It just deals with our most basic environmental resources—those without which we would not exist. Our land, water, and air.

And, maybe, its success has been its misfortune. For this program has been highly successful.

Rarely do the dust storms, so frequent in the thirties, rage over our land giving even the air of our cities a gritty feeling. Less and less often are our esthetic sensibilities offended by the sight of raw gullies blighting the countryside. And, we still have streams whose waters invite us to fish and swim and fields and forest which are the habitat of wildlife.

These things are possible because our farmers have used their money and some aid, not more than half the cost, from the Federal Government to conserve, protect and rehabilitate the land, water and air. They have planted groundcover, trees, and shrubs, and have built terraces and water retention reservoirs to control the erosion which in the past choked our streams with silt and rutted our land into uselessness.

Our farmers have been willing to invest their money in these programs. But, the resources that have been protecting do not benefit only the residents of the countryside—they benefit the Nation as a whole. In fairness and justice, it is not right that one segment of our population should be required to bear the burden for all the others.

The men and women of the countryside are expected to share the price of cleaning up the air, water, and land of the cities. Should the cities through a cosharing by the Federal Government program not also help pay the cost of environmental protection beyond their boundaries.

And, can we really, logically, intelligently justify ending a program because of its success, only to have future generations find that they must take up the battle again—at a higher cost, and possibly, when it is too late to recover even to the point at which we now stand.

There is, though, a larger and even more important question involved in what we do with regard to the legislation which we are considering today. It is the question of the proper, separation of powers provided for by the Constitution of these United States.

One of the most fundamental national problems which faces the continued success of our constitutional democracy is the mounting threat of encroachment by the executive branch on the constitutional powers of the legislative branch. The decision by the Secretary of Agriculture to terminate the REAP program is one among many recent decisions originating from the President and/or the Office of Management and Budget to frustrate the intent of the Congress.

In my view, a basic policy issue has been raised by this arbitrary action. The question is whether the Congress, the elected representatives of the people of this country, will continue to establish national priorities, or whether that power will be eroded away from the legislative branch to be exercised by the executive branch.

It is true that the Congress has not done the job that should have been done to establish a sound national fiscal policy. However, the doctrine of separation of powers under the Constitution was not established to promote efficiency but rather to preclude the exercise of arbitrary power by the executive branch.

This conflict of authority between the Congress and the Executive must be resolved as intended by the Framers of the Constitution in order to preserve the system of government that is so dear to every citizen of this great Nation.

The legislation we are considering today clearly establishes the congressional intent that the REAP continue to operate. It is one step Congress should take in making clear to the executive branch that we intend to rationally, and responsibly discharge our duties as law and policymakers for this Nation.

Thank you Mr. Chairman, for this opportunity to address the matter before us today.

The CHAIRMAN. Thank you, Mr. Alexander. Next we have Congressman Breckinridge listed here. I do not think he is here at the moment.

Next is our colleague on the committee, Mr. Thone, of Nebraska.

STATEMENT OF HON. CHARLES THONE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEBRASKA

Mr. THONE. Mr. Chairman, President Nixon has my support in his desire to cut Government expenditures. I agree with him that the Federal Government is spending too much money—billions of dollars beyond our Government's income. I grant also that the U.S. Congress has been irresponsible in its spending. Chairman Poage made this point at our meeting 2 weeks ago. I strongly advocate that the House adopt an overall budget and abide by it, but this is not the proper forum for such an argument.

I disagree with recent administration actions, however, on two counts. Government spending must be reduced legally, and good sense must be used in determining the priorities for cutting Federal spending.

First, let us examine the legal issues. Several suits have been filed in Federal courts to determine whether the executive branch has the power to withhold funds appropriated by Congress. Perhaps the judicial system will finally have to decide this issue. This administration, however, did not merely withhold funds from the rural environmental assistance program (REAP). The Department of Agriculture announced that the program was terminated—gone forever. It seems to me that a fundamental constitutional issue is involved when the executive branch simply declares null and void a law that has been in force and effect for 40 years. The REAP law has not just gathered dust during those four decades. The law has been frequently examined, and it has been changed and modified from time to time. The Appropriations Committees of both the House of Representatives and the Senate have each year for 40 years found the REAP program worthy of appropriations. If it is not unconstitutional for the administration to kill completely a program so firmly established by Congress, then it is the height of arrogance.

Legal, responsible reductions in spending can come about only by joint action of Congress and the President.

Second, let us examine the good sense shown in selecting which programs to cut back. There is, in my opinion, a great need to reduce spending on welfare cheaters. There is a great need to reduce spending on unproductive foreign aid. There is a great need to reduce wasteful spending in our Defense Establishment. Now that the Vietnam war is over, we can certainly provide for our Nation's defense by spending less—not more—for our Armed Forces.

For the moment, let us disregard all those areas where spending cuts should first be made. Even within the Department of Agriculture there are programs, I am sure, that have been continued uncut that have less merit than the REAP program which has been denied any funds.

There are few issues that have more support by the people of America than that of reducing water pollution. We just last year passed a \$25 billion bill in that regard. What is the greatest single source of water pollution in our Nation? It is runoff from the land. REAP is a tried and true program that helps to reduce pollution and clean up our streams.

In the decades ahead, America faces an awesome responsibility. We will need to feed a growing population at home and also feed a high percentage of the people abroad, whose numbers will be growing at even faster rates. We will be able to carry out this gigantic task only if we keep our farmland productive. REAP is a program that helps to preserve and build one of the Nation's most valuable assets, our precious topsoil.

In announcing that REAP was being terminated, Secretary of Agriculture Earl Butz said that it was being done because farm incomes are rising, and, therefore, farmers could afford to pay out of their own pockets all the costs of conservation practices. After the decision to cut REAP was made by the Office of Management and Budget, I suppose it was required of Secretary Butz to say something in defense of the action. I find it hard to believe that he could enthusiastically support what he said.

We all know that the majority of REAP funds are used for projects that provide more public benefit than they provide for individual farmers. Many farmers are carrying out projects, partially financed by REAP, in which the only returns that the farmers will ever get will be the satisfaction of basic land protection. On all the permanent conservation work partially financed by REAP, the individual farmer can figure on an economic return only in his elderly years if he is a young farmer, and only for his children if he is a middle-aged farmer.

I would like to give you a couple of examples from my home State of Nebraska to illustrate the value of REAP. Many years ago a plan was developed in Nebraska for building erosion control dams on county public roads. In most cases, the investment of REAP funds is less than what the cost-sharing would be if the structures were built on the farms. In addition to protecting topsoil and preventing water pollution on farmland, the REAP funds act as an incentive for installing modern roadway structures and to prevent destruction of bridges.

A specific example in Nebraska's First Congressional District is Seward County. There 23 structures involving REAP funds have been built on county roads. The investment of ACP-REAP funds in these projects has amounted to only 35 percent of their total cost.

As you so well know, Mr. Chairman and fellow members of the Agriculture Committee, REAP contains a provision that allows farmers and nonagricultural groups to combine their funds with REAP moneys to solve a conservation problem to the benefit of all. In Stanton County, Nebr., which is in the district I represent, a dam was built which had a total cost of under \$25,000. This project protects the topsoil and prevents water pollution from five farms. The dam also provides flood protection for two bridges, which had previously washed away several times. The dam also provides flood protection for the village of Clarkson which has a population of more than 800 people. The five farmers involved put money in this project. The Stanton County Commissioners invested their funds. The people of Clarkson took up a civic collection to help finance this project. But the project might never have become a reality without the catalyst of the REAP program.

The district I represent has been one of the most active in the Nation in developing complete watershed programs. One of the tools used in these programs is Public Law 566. Before construction of a large Public Law 566 watershed dam can begin, there must be at least 75 percent land treatment in the drainage area above the proposed dam. The kind of land treatment needed to provide upstream conservation includes small erosion control dams, terracing, native grass seeding, sod waterways and tree planting. Such land treatment has high costs, make farming more inconvenient and provides no capital return. Because of the cost-sharing funds of REAP, however, it has been possible to persuade the overwhelming majority of farmers within many watersheds to install such land treatment. The largest city in my district is Lincoln, Nebr., with a 1970 population of about 150,000. This city enjoys flood protection from large watershed dams because farmers in the area were persuaded to install good conservation land treatment through the incentive of REAP.

In the fiscal years 1969 through 1971, about 75 percent of the REAP funds committed in Nebraska were used for enduring projects that improved the environmental quality in our State and in States to which our waterways drain. Most of the conservation work carried out with the help of the ACP-REAP funds in the past 40 years in my Cornhusker State solved or at least stabilized erosion problems brought about by previous generations. It is difficult to imagine the amount of environmental degradation that would have taken place in Nebraska during these years if ACP-REAP funds had not provided an incentive for farmers to carry out needed land treatment to protect those downstream.

The REAP program does not subsidize farmers. It is a program that gives farmers an incentive for subsidizing the Nation by preventing water pollution and protecting our precious topsoil.

Mr. Chairman, in my opinion, the REAP law needs to be examined again. I think it should be reviewed, so that we can reaffirm that not just most, but all, its investments benefit the general public as well as farmers. The first and immediate need, however, it to take whatever steps are necessary to insure that this program is reinstituted. Therefore, Mr. Chairman, I strongly urge adoption of legislation that will require that the Department of Agriculture expend REAP funds in the amount and in the year they are appropriated by Congress.

The CHAIRMAN. Thank you, Mr. Thone. Mr. Sikes, if you will wait just a minute, we will now ask those who have appeared to let us question the witnesses. If those of you who have just testified will step to the table there, we will let any of the members who have a question present them.

I have a request to insert the statement of Congressman Johnson from California. Without objection, it will be inserted in the record.

The Chair hears none.

(The above referred to statement of Mr. Johnson follows:)

STATEMENT OF HON. HAROLD T. (BIZZ) JOHNSON, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF CALIFORNIA

Mr. Chairman, I am here today to express my wholehearted support for H.R. 2107, which would effectively reinstate the Rural Environmental Assistance Program. How tragic and ironic it is that the most successful and proven conservation program we have has been terminated by executive fiat at the time when concern for our environment is at an all-time high. The foolishness of impounding the funds for this program is only exceeded by the Administration's willingness to ignore the law in doing it.

The Rural Environment Assistance Program, known for years as the Agricultural Conservation Program, has been so beneficial to the nation since its beginning in the 1930's, one can only wonder by what twisted logic the Administration decided to terminate it.

Millions of acres of legumes and cover crops planted, millions of acres of forests established, the fields which have been contoured, the farm ponds created, and all the conservation practices which have been developed as a result of this program have prevented millions of acres of topsoil from running down our nation's waterways wasting into the oceans, causing pollution along the way. Despite these accomplishments, much remains to be done. The soil equivalent of forty farms still washes down the Mississippi River into the Gulf of Mexico every day. Over there million acre-feet of silt poured into our nation's streams last year.

In my own State of California, 4,647 farms with over 560,000 acres benefited in 1971 from the Rural Environmental Assistance Program, according to the latest figures.

In spite of the proven value of this program, the Administration has terminated it for budgetary reasons by impounding the funds. This is one of the clearest examples of false economy we will ever see. The Administration has emphasized that farm income has reached a new high in the last year, while ignoring the position of agriculture relative to the rest of the economy over the years.

Prosperous years like this last one have been few and far between for farmers. A recent survey showed that while farm prices for food products have risen only 6% over the last twenty years, retail prices have risen 43% over the same period. In contrast with this price raise of 6% for general farm prices over the last 20 years, wages paid by farmers have risen 230%, farm machinery price levels have risen 190%, and farm property taxes have risen 380%.

Finally, if the Administration is going to terminate programs by impounding their funds after the Congress has passed an appropriations bill and the President has signed it into law, then we might as well forget about the appropriations process in the Congress and just let the Executive run the country. This practice subverts our democratic, balanced government in a most fundamental way.

In closing, Mr. Chairman, I want to thank and commend you and your committee for holding these hearings. The Rural Environmental Assistance Program has proven its worth and should not be terminated without regard to the wishes of the Congress.

As you know, I have co-sponsored similar legislation and I trust in the wisdom and expertise of this committee to pick the best means of achieving our common goal.

Thank you.

The CHAIRMAN. I am not going around the table, it will take too long. Are there any questions anybody wants to propound?

Mr. JOHNSON. Mr. Chairman, I did not ask any questions the first time around, and perhaps it is not appropriate to ask them now. I have a series of questions which have arisen as a new member of this committee and I would hope they would be answered sooner or later during the course of these hearings. Maybe these gentlemen can tell me or perhaps you can.

The CHAIRMAN. I would think there should be some relationship to what the gentlemen are testifying about. I do not think it is proper just to call a witness up here and say, we want to know about crawfish in Louisiana.

Mr. JOHNSON. It relates to this program, but there has been talk about corrective measures, but I do not have copies of the rules and regulations under which the money is being administered. As I have read the act and I have read the budget and the distribution of the funds, it is not clear as to where they were distributed among the States. It says on the basis of conservation needs. I do not have any information relative to how it is being distributed. Perhaps these gentlemen do.

I have read the bill, so I am familiar with the committee system, but I do not know how it is distributed among the States, I do not know how much is distributed, for example.

The CHAIRMAN. Let me suggest that the Department has been invited to testify. I cannot believe that these gentlemen, intelligent as they are, are in a position to give you specific testimony as to how the Department of Agriculture is running their situation. But the Department has been invited.

Mr. TEAGUE. Mr. Chairman, if I may, I have been informed that Under Secretary Campbell will be testifying on Wednesday and I believe with the chairman that he will be in a much better position to answer these questions.

Mr. JOHNSON. Could I ask one more question?

The CHAIRMAN. Surely.

Mr. JOHNSON. Is it the feeling of the committee, and these gentlemen by and large are on the committee, that any corrective measures that we feel must be taken with respect to the enforcement of the act is up to the Department or is it something the committee itself should be directing its attention to?

The CHAIRMAN. It is not a matter, as far as the Chair understands, of any corrective measures. The President, through the Secretary of Agriculture, has announced that there will be no further funds expended on this program. He has not suggested any needed correction or change or modification. Rather, he would wipe out the REAP in its entirety. The legislation before us, whether it is 2107 or whether it is some of the other numerous bills on this subject, all, in effect, tell the Secretary that he must carry on the program as delineated by the Congress and that he must spend the money as appropriated by the Congress or make the money available to cooperators on the terms set out by Congress, rather than saying, as the present law says, that the Secretary may make these funds available.

Now, that is the only change that has been proposed by any of these. There are some varying details. Mr. Denholm proposes that it only has to go 90 percent of the way, and there are certain other differences, but basically, the whole thing is just a question of whether we have a

rural environmental assistance program or whether we do not have one.

Mr. JOHNSON. I understand that, Mr. Chairman. Mr. Findley had brought up some items about perhaps changing it. I wondered if this was going to be something we were going to take up in these hearings or if they were really out of our jurisdiction in these hearings.

The CHAIRMAN. I do not understand—I may be wrong. There are about 30 or 40 bills and I do not claim to know them all. But basically, these bills do not attempt to change the program. Basically, all these bills attempt to continue the existing program and tell the Secretary that he must continue it, whereas the Presidential order is to eliminate the program in its entirety. Now, of course, this committee has the authority to pass upon legislation which would change any of the details of this. But that is not what is before us at the present time.

Mr. TEAGUE. Mr. Chairman, I might state to Mr. Johnson that Mr. Findley has at least one amendment he will propose when we go into our markup session on Thursday.

Mr. JOHNSON. I only have the three bills, so I did not know what was pending.

Thank you.

Mr. SYMMS. Mr. Chairman, I wanted to address one short question to Mr. Price.

Just by way of information for you, Mr. Price, I came here directly from the farm so I am quite familiar with many of the good conservation practices. I appreciated Mr. Litton's remarks earlier about some of the good practices which will be used even without participation in the program. This also happens in our area. Do you feel that if this program is, so to speak, taken away, many of the good conservation practices which also are just good business practices are all going to disappear? How much effect will it have in your area?

What I am trying to get at is this: Is it really going to stop the good conservation practices, or would these good practices continue on anyway without the program? That is my question.

Mr. PRICE. I have also been a farmer and rancher all my life. There is no doubt that those who cannot afford this program will not continue it. The program has already been cut down to an average of \$750 per farm with the maximum per farm being about \$1,500. In our area, they build what they call ponds in order to stop erosion in high gully areas. They have to stop erosion and conserve the water because there is only a 19-inch rainfall there and of course, livestock can then use that water. Brush control is also a big program in our area, and through birds carrying the seeds further north all the time, it is creeping further north into Texas. There have been millions of dollars spent, not only by the Government but by private land owners, to control brush by three or four different methods. They also use something to keep sagebrush from spreading. Where they can kill it, they can carry two, sometimes three times more cattle because the sagebrush is no longer using up the water. Therefore, the production of cattle increases, thereby benefitting the taxpayer.

Mr. SYMMS. I do not argue with this. Is it good business to do this?

Mr. PRICE. Yes. The man who has the wherewithal will continue these practices whether the Government is in it or not. Now, the question asked was if the poor farmer or the rich farmer will take

advantage of this. Of course, the person who cannot put up the \$750—I can remember well when we could not put up the \$750—is going to have to let it go by.

Mr. THONE. In my country, if you stop REAP, you are going to stop a lot of these needed conservation practices. In the first place, the county office kind of rides herd on this. They cause a lot of this conservation work to be undertaken by pushing all the time.

No. 2, I guess we are all humans this way and when there is a little bit of a carrot offered, a lot of farmers will participate to get that \$200 or \$300, and the facts are that they will not do it no matter how urgently it is needed if that money is not there.

Mr. SYMMS. Thank you.

No other questions.

Mr. STUBBLEFIELD. May I make a brief statement about lime? I am sorry Mr. Goodling and Mr. Findley are not here. The lime is to increase production. But Congressman Jones of Tennessee has said, and his district and mine are very much alike, if it were not for lime, we could not have a cover crop. We could not grow any of the food down there, the alfalfa and so on. It is a vitally important program as far as we are concerned.

When you get to the question of what does it do for pollution, it stops the runoff, because without any cover crop, we would be back to the lilies we had 40 years ago. So I would just want to make that statement in behalf of lime, that it is very important to our farmers.

Mr. DENHOLM. Mr. Chairman, may I make this observation. It is always encouraging for me to know men of experience and knowledge like Mr. Sikes, the gentleman from Florida. Most of us that have testified today are members of this committee and I do appreciate the presence of Mr. Sikes this morning and I commend him for a very effective and forceful statement on a very important matter. Thank you very much.

The CHAIRMAN. Thank you.

Any other questions?

Now I will recognize some members of our committee who wish to make statements. Mr. Stubblefield, we will hear you first.

STATEMENT OF HON. FRANK A. STUBBLEFIELD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY

Mr. STUBBLEFIELD. Mr. Chairman, there is little I can add to the many statements made before this committee in behalf of the rural environmental assistance program. Everything has already been said to qualify the need for REAP, to point out the inexplicable and unfounded reasoning of the action by the Secretary of Agriculture in terminating this program, and to show the incalculable contributions the agricultural conservation program, now known as the rural environmental assistance program, has made to this Nation since its inception in 1936.

The Secretary of Agriculture has claimed that this harsh action by his Department is "an economy move," which I protest to vehemently. Terminating this program for budgetary reasons by impounding the funds is one of the clearest examples of false economy we will ever see. Whether or not farm income has reached a new high during the

past year has little significance in determining whether or not REAP should be continued. "Prosperous" years for the farmer, such as you might describe 1972, are so few and far between that it becomes all too easy for those who take the polls or analyze the statistics to ignore the position of agriculture relative to the rest of the economy over the years.

Over the past decade, the administration, the Congress, and the American people have all come to the serious realization of the emergency need for drastic steps to be taken to clean up our environment, save our wildlife, preserve our rivers and lakes, and conserve our land for future generations. Years before, as early as the 1930's, agriculture recognized this need and went about to take steps in the right direction, through the Agricultural Conservation Program, now known as REAP, to accomplish what the so-called ecologists began to warn the Nation to do only a few years ago.

I believe the thing that alarms me most about the action taken December 26 by the Department of Agriculture in announcing the termination of the rural environmental assistance program is the apparent contradiction and overlap of authority in this move. Our so-called balanced and democratic form of government has been subverted in a most fundamental way. While the Congress, on one hand, has passed an appropriations bill and the President has signed it into law, the executive branch has, on the other hand, blatantly terminated the program authorized by the Congress and impounded the funds by which REAP must be administered. I am very much concerned about the serious challenge the Secretary of Agriculture has made to the constitutional balance between the executive and legislative branches of our Government.

Mr. Chairman, the purpose of my remarks is simply to go on record, along with the countless others, as supporting the reinstatement of the rural environmental assistance program. This has already been done by my introduction of legislation to accomplish this, along with the chairman of the committee. I, therefore, respectfully urge that each one of us, as members of this committee, relentlessly push and work for the enactment of H.R. 2107.

The CHAIRMAN. Thank you, Mr. Stubblefield. We will now hear from Mr. Mizell.

STATEMENT OF HON. WILMER D. MIZELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. MIZELL. Mr. Chairman, I appreciate this opportunity to discuss with my colleagues on the Committee on Agriculture the very important and urgent matter of restoring the rural environmental assistance program, whose termination was recently announced by the Department of Agriculture.

There is no real need for me to recount the worth of this program for my committee colleagues, since you all know as well as I that REAP has consistently proven itself to be one of the most effective, well-managed and efficient programs in the Federal Government.

But there is a real need, and an urgent need, for this committee to choose the best and most rapid course for reinstating this program.

Last Monday, I introduced legislation which I believe represents this best course of action. The bill requires the Secretary of Agriculture to provide \$140 million for the REAP program in fiscal 1973, the level of initial allocation announced by USDA in September of last year.

As I said when I introduced this legislation last week, I have no quarrel with the administration's efforts to reduce Federal expenditures to avoid a tax increase and to hold the line on inflation. I support that goal, and have supported it actively throughout my tenure in the Congress.

But I do not support the arbitrary decision to terminate this REAP program, which has done so much good with relatively little investment.

More than 15,000 farmers—most of them with small operations—in North Carolina's Fifth Congressional District, which I am privileged to represent, have participated in the REAP program over the last 5 years, and their efforts have made a significant contribution to the high quality of environment we enjoy in our area, as well as assisting the farmer in his production of food and fiber.

REAP has proven its value over the years in my district, and in the districts which most of my committee colleagues represent. Farmers participating in the REAP program perform vital, important functions with a minimum of public expenditure and a maximum of private initiative and effort.

There is previous little waste associated with this program, since farmers have to match the Federal funds almost dollar for dollar.

To shut this program down, then, for economy reasons, is an act as ill conceived as it is capricious. When I first learned of the decision to terminate the program, I immediately telephoned the White House, pressing for a reversal of that decision. Subsequently, I participated in a series of private and informal discussions with Secretary of Agriculture Butz, again urging a reconsideration of the decision.

In my opinion, the justification that has been offered for this termination decision is insufficient, and the decision remains unwarranted and unwise.

And that is the reason I am urging my colleagues to consider today the legislation I have proposed, to require the Agriculture Department not only to subscribe to a mandate of the Congress, but to follow its own better wisdom which it demonstrated last September in committing itself to a continuation of the REAP program.

We need only remind the Department of its own words of last September: "Cost sharing under REAP is available for conservation projects that the individual farmer or rancher would not (and I might add in some instances, could not) undertake. Such projects frequently yield greater benefits to the community as a whole than they do to the producer directly involved."

Mr. Chairman, farmers in my district and throughout rural America are counting on this program. They have a right to count on it, and the program itself has earned its right to continuation.

Again, Mr. Chairman, I am sincere in the belief that some reduction in Government spending is desperately needed, and rural-oriented programs must accept their share of the consequences of that reduction.

But I believe just as firmly that the REAP program must continue, if not at the funding level originally proposed by the Congress, then surely at the level finally approved by the Department of Agriculture itself.

And so, in the spirit of constructive compromise, I have introduced the legislation which I propose for the committee's consideration today.

I ask that my colleagues on the committee study this proposal carefully, and then act on it promptly and favorably.

The CHAIRMAN. Thank you, Mr. Mizell, for your statement. Now we will hear from another member of our committee, Mr. Mathis of Georgia.

STATEMENT OF HON. DAWSON MATHIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA

MR. MATHIS. As a member of this committee, I feel it is our duty to very strongly assess the administration's policies of the past few weeks in terminating programs that are of vital interest and importance not only to rural America but also urban America.

Even though I am greatly concerned about all the programs administered by the Department of Agriculture, my remarks today are aimed solely toward the REAP program and favorable to H.R. 2107.

In May of last year the Department stated it planned additional emphasis on enduring conservation and pollution abatement practices through the rural environmental assistance program.

In September of last year, the Department announced that the 1973 REAP program would strengthen conservation and diminish air and water pollution. They told us that the following conservation and environmental protection features would receive high priority, and I want to emphasize "high priority," during the coming year:

Establishing permanent vegetative cover; improving or protecting permanent vegetation cover; developing facilities for livestock water; water impoundment reservoirs; constructing terrace systems; diversion terraces; ditches or dikes; permanent wildlife habitat; animal waste storage and diversion facilities; sediment retention and water control structures; sediment or chemical runoff measures; disposal of crop, orchard, or woodland residues without burning; and disposal pits for solid wastes.

If the above remarks were considered so important by the Department 4 months ago, why does this administration now unilaterally terminate a program that has more than proven its effectiveness in past years without even a dialog with the Congress?

One argument the administration has used is that they weren't receiving many applications to participate in the program. I find this a poor justification when last January the administration said the reason they were allocating an additional \$55½ million for the 1972 REAP program was that they had received indications from throughout the country that farmers are willing to match, or exceed, the additional investment in soil and water conservation and pollution prevention and abatement practices.

I realize, of course, that the administration is attempting to hold Federal spending below the \$250 billion level, and I commend them

for taking a stance on fiscal responsibility. I do, however, have serious misgivings about the methods and program selections they are using to hold down spending.

I would like very much for this administration to tell me where else can one find 1 million Americans willing to put up 70 percent of the cost necessary to care for millions of acres of land? Where else can you find a program which has provided over 2 million water storage reservoirs, without which our beef shortage would be twice as bad?

Where else will you find a program that has provided terraces to control soil erosion on over 32 million acres of land?

Where can you find any group that has established wind or water erosion control, thus conserving water on 114 million acres.

Where is there any program or any hope for any program that will control erosion on ranch and pasture lands to increase our beef supply on more than 62 million acres?

The agricultural conservation program participants have provided millions of other worthwhile conservation measures, too numerous to mention here.

In closing, Mr. Chairman, I just want to say that unless this program, along with others that have been terminated, is not reinstated, then American agriculture is in for 4 years of tough sledding.

I urge the adoption of the bill, and I thank the distinguished chairman and my fellow members of this committee for the opportunity to express my views.

Mr. CHAIRMAN. Thank you, Mr. Mathias. Now we have one of the new members of our committee, Mr. Bill Gunter of Florida.

STATEMENT OF HON. BILL GUNTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. GUNTER. I am deeply distressed by the Department of Agriculture's attempt to eliminate the rural environmental assistance program (REAP). It is an action which is aimed at the wrong time at the wrong people.

The official explanation of "economy" and "halting inflation" is designed to gather support for a policy which disregards the basic needs of the small American farmer and rural America generally. I understand the need for Federal cutbacks, I am aware of the unbridled inflation through which we are suffering, and what it is doing to the average man. Furthermore, I will be a vocal exponent for a scrupulous trimming of the Federal budget in those areas where the bureaucracy has grown fat and lazy. I will vigorously oppose programs that have failed.

I will not sit idly by, when the administration arbitrarily and suddenly decides that the REAP program, and the small farmer who has made the program work so well, are no longer important. This program is not a giveaway. It is not a reward for not working—or for not growing—or for not doing anything. It is one of the most positive programs that we have in the field of Agriculture, or in all of Government.

The small farmer who has needed to improve the state of his land—our land—could not afford to do it alone—he still cannot. Yet, we are being told that in the interest of economy, this small farmer must suffer. I cannot agree.

I believe that we have a duty to those small farmers who have given so much of the little that they have. I believe that the duty we have extends even further. It extends to all the people in this country who have directly or indirectly shared in the beauty and recreational opportunities resulting from this program.

The administration contends that farmers will undertake similar programs on their own now that they have seen the benefits of REAP, but this is hardly a reasonable assumption. The farmers who used REAP funds used them because they needed them. Since they have been the hardest hit victims of the very inflation the administration is trying to lessen, how can they do now that which they couldn't afford prior to the inflationary spiral—an inflationary spiral from which the small farmer has been suffering for decades? The answer is that they cannot. If we allow REAP to die, we will see the multifold benefits of that program die.

Finally, there is another reason why we must restore REAP. We are the Congress of the United States. We have been elected by and are closest to the inhabitants of this land. We have a responsibility to see that their wishes are carried out, and it is a responsibility that we do not take lightly. I do not believe we were elected to watch the administration spend money where it pleases, and withhold money where it pleases, regardless of Congressional authorization. We are compelled to react when a program like REAP, whose only beneficiaries are the nonpowerful, is arbitrarily and summarily killed. The people need a spokesman at this time—they need many spokesmen—they need us.

I want to lend my voice and support to this cause. We must reinstate this program and direct the Secretary of Agriculture to carry it out. The \$225 million appropriation for it in the current fiscal year will do too much good to allow it to be withheld. Therefore, not only for my own district, and not only for the farmers of this country, but also for all the people in America who will continue to benefit from this program, I urge the members of this committee to demand that this program be reinstated immediately—I strongly urge the passage of H.R. 2107.

Thank you for your attention.

The CHAIRMAN. Thank you, Mr. Gunter. I am happy to see the younger members of our committee participate in our activities.

Our next witness will be Congressman Sebelius from Kansas.

STATEMENT OF HON. KEITH G. SEBELIUS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

MR. SEBELIUS. Mr. Chairman, I appreciate this opportunity to join the distinguished chairman of the House Agriculture Committee, the Honorable W. R. "Bob" Poage, in sponsoring legislation to continue the highly successful rural environmental assistance program.

The announcement to terminate funding for the rural environmental assistance program came as a shock to farmers and conservationists who have firsthand knowledge of the benefits of this cost-sharing program. With a limited Federal outlay as an incentive, over 1 million farmers annually invested their own money—many times far in excess of Federal funds—to build terraces, construct diversion

dams, and institute pollution abatement practices to halt the flow of sediment into our streams. As you so correctly stated, Mr. Chairman, when you introduced this legislation, REAP has done more to clean up our streams than all of our pollution programs.

From 1967 to 1971 an estimated 54,000 farmers participated one or more times in the REAP program in Kansas. In 1972 an estimated 12,000 separate farms were involved in the cost-sharing provisions of this program. The maximum payment of \$2,500 insures that the program will benefit the small farmer.

I would like to stress that the REAP program provides the incentive for farmers to establish costly soil and water conservation practices to fulfill their obligation to preserve our natural resources. The consumer benefits from this stewardship in the abundance of food and fiber that is produced and the fact that this food is available at a lower cost than in any other country.

The benefits of this program have been far-ranging and should be a source of pride for all Americans. REAP has practically eliminated the giant dust storms of the 1930's. Yet, there is much undone. Last year alone over 3 million acre feet of silt poured into our streams. Contrasting this pollution problem with our urban pollution problem and we find there were only 104,000 acre-feet of sewage—virtually all from metropolitan areas. We have had Government programs to assist in trying to find answers to urban pollution. There must be equal treatment in our rural areas.

Despite recent income gains, the average income of farmers is only 80 percent of the median income of wage earners in the nonfarm sector. Without the investment incentives of the REAP cost-sharing programs, farmers will bypass costly conservation measures. This will not only complicate our efforts to clean up our environment, it also has long-range implications for our food supply already faced with unprecedented demand at home and abroad.

Let me point out what should be an obvious fact to my urban colleagues who are naturally interested in increased food costs. We hear a lot about proposed price controls as a possible alternative to the food cost problem. Food costs are a problem now and the consumer is naturally concerned. However, let us consider the possibility of what kind of problem we will face if the housewife cannot find the food the consumer prefers on the counter. The answer to the food price dilemma rests with productivity and with fair prices for farm products. This, in turn is determined, in part, from the conservation and wise use of our natural resources. That is what the REAP program is all about and why rural spokesmen will point out that a program of this type does not represent a cost, but an investment—an investment that benefits both the farmer and the consumer.

While I am on the subject of cost, I think we should also consider the problem of unemployment that will occur as a result of the termination of this program. Terminating local ASCS positions will have a catalyst effect upon many small rural communities that will in turn cause unemployment for many families involved in contracting work. The effect in our small communities is magnified many times over and in turn reaches the heart of the community—many of which are fighting last-ditch battles to stay economically viable.

While I endorse the administration's goal of holding the 1973 Federal budget to \$250 billion, termination of REAP cost-sharing assistance will not represent a savings—in the long run, it will represent a cost. We have an obvious need to establish priorities and trim the fat of wasteful Federal programs.

I am not saying the REAP program cannot be restructured, improved or even cut back. What I am saying is that before we do anything, we must restore funding. This arbitrary "meat axe" approach simply terminates the rural commitment to clean up our environment and also destroys any effort we can make in a bipartisan manner to establish priorities in Federal outlays.

The CHAIRMAN. Thank you, Mr. Sebelius. Now we have another new member of our committee, Mr. Young of South Carolina.

STATEMENT OF HON. ED YOUNG, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH CAROLINA

Mr. YOUNG. A few Sundays ago our preacher told the story of another minister preaching about man never really owning anything. After the sermon, one of the wealthiest members of the congregation invited the minister to his home for dinner. After the meal, the host pointed out the land surrounding his home and asked the preacher to survey the cattle, the buildings, the crops growing in abundance, and the results of the toil spent in tilling the land. He then said, "Preacher, do you mean to tell me I don't own these lands?" The minister reflected for a few moments and replied, "I wish you would ask me that question a hundred years from now."

The real question is "Who owns the land?" On our farm we have just completed, under the REAP program, the replanting of cutover timberland. These young pine trees are just beginning to catch root. During my lifetime we will not be able to harvest this crop; perhaps my children and their children will. These trees are literally being planted for generations to come.

Under the REAP program trees are planted, terraces built, land leveled; grassy waterways established, ditches dug, tile laid. These are practical aspects of the program that help us conserve the soil. We see fields that were once mud reclaimed through tiling and ditching. At one time our rivers ran red from topsoil. Now they are beginning to run clear again. We appreciate what conserving the soil really means.

Today the hands of the Russian people are holding out a cup to the American farmer and asking for bread. The trains of our Nation are rolling toward the great ports to load thousands and thousands of tons of wheat to feed hungry people. The protein from soybeans nourishes thousands of persons on the Asian continent and the islands of Japan. The American people have the greatest selection of food at the most reasonable prices of any place in the world. This is a land of plenty. The question arises: Will we continue to be able to supply our Nation and countries around the world with food? As populations grow and other lands are developed, we must ask if this is a continuing problem. Many speculate on the answer, but there is only one authority—time.

Those of us who farm this land know full well that we are only

custodians for a short time. So we assume the responsibility of leaving our young people more than just a heritage. We must leave them a place to produce food.

The REAP program is funded by 30 percent by the Federal Government, 70 percent by the farmer. In the Sixth District of South Carolina there is 40 percent participation in this program.

We would ask those who consider doing away with this program what portion of our Federal budget constitutes the cost of the REAP program, and, comparatively, what benefits result from its use. The cost is roughly .05 percent of the total budget and the benefits cannot be determined in monetary figures.

Most important, why should this program be discontinued? As a farmer who has been involved in and seen the results of REAP—streams running clear, small fields combined with larger to handle bigger equipment, yield increases, new trees springing forth to clean the air and permanent pasture grasses clinging to the soil particles preventing erosion—I can testify that this program has worked. Now it is a matter of priorities. Soil conservation should be at the top of the list.

The CHAIRMAN. I have a request from Congressman Bowen for the insertion in the record of a press release concerning a law suit on impoundment of funds for REAP. I also have numerous requests from Members of Congress for insertion of their statements in the record, and hearing no objection, I will have these items inserted in the record at this point.

LAW SUIT ON IMPOUNDMENT OF FUNDS FOR REAP (RURAL ENVIRONMENTAL ASSISTANCE PROGRAM) AND FACE (FEDERALLY ASSISTED CODE ENFORCEMENT)

A law suit was filed in District Court for the District of Columbia on January 26, 1972 on behalf of citizens from Meadville, Mississippi (a farmer-rancher) and San Francisco, California (homeowners) challenging the actions of the Secretaries of Agriculture and Housing and Urban Development and the Director of the Office of Management and Budget in impounding and refusing to spend in fiscal year 1973 Congressionally authorized and appropriated funds for two programs of vital interest to farmers and city dwellers.

The programs whose continuation is at stake are REAP (Rural Environmental Assistance program), which, last year, shared the cost of undertaking environmental conservation with 800,000 farmers throughout the United States and FACE (Federally Assisted Code Enforcement) which has, in recent years, provided loans permitting nearly 500,000 homeowners to rehabilitate houses which were in a state of deterioration in violation of local housing codes. REAP had been in existence since 1936; FACE since 1964.

The suit seeks to compel the release of the appropriations by the Executive branch and to require the defendants to fulfill their obligation under Article II, Section 3 of the Constitution of the United States to take care that laws passed by the Congress are faithfully executed. The plaintiffs claim that defendants have defied the will of Congress and that the Executive branch does not have statutory or constitutional authority to impound funds in such a manner as to impair or negate programs contained in laws passed by the Congress.

While there are two other lawsuits currently pending on the issue of the power to impound, one (the Missouri highway case) involves an unusual appropriation containing a specific mandate to spend, while the other (the New York water pollution case) concerns obligational authority, not an appropriation. This is the first suit to focus on the right of the president, through his ministers, to flout the intent of the regular appropriations bills.

Congress appropriated \$225 million for REAP in the current fiscal year, but, on December 22, 1972, Secretary of Agriculture Butz announced that \$220.2 million of those funds would be impounded (\$4.8 million had already been committed) and the program terminated. Congress appropriated \$70 million for FACE

in fiscal year 1973, but the Office of Management and Budget has refused to spend a penny of this sum.

The response to both of these impounding actions has been vigorously negative. The Chairmen of the Senate (Herman Talmadge, Dem.-Ga.) and House (Robert Poage, Dem.-Tex.) Agriculture Committees have introduced legislation to require the revival of REAP, while the Chairman of the Senate Agricultural Appropriations Subcommittee (Gale McGee, Dem.-Wyo.) has threatened not to hold budget hearings on fiscal year 1974 funding for any farm programs until REAP is reinstituted. Homeowner associations and urban officials have united to protest the general freeze of housing programs.

The plaintiffs in these cases concur with the need for political efforts to override the actions of the President and his deputies, but are sceptical either that two-thirds of both chambers would combine on such efforts or that the Executive would comply with any new law passed by the Congress since he has refused to execute the existing REAP and FACE laws. Nor can the plaintiffs wait the ultimate political disposition of the matter.

REAP plaintiff W. M. (Bill) Scarbrough is a Mississippi rancher-farmer who has been a REAP beneficiary for 28 years and the economic viability of whose ranch depends in part upon receiving partial repayment (30%) for his outlays on behalf of the environment and to reduce air and water pollution.

FACE plaintiffs Augusto and Otilia Guadamuz, Karen Apana, Felipe and Marcella Espinoza are impoverished homeowners whose homes are in serious need of repairs and are in danger of condemnation by the city of San Francisco unless the repairs are made. The FACE plaintiffs cannot afford to rehabilitate these dwellings unless they receive 3% FACE loans payable over 20 years. If FACE is not funded, they are in jeopardy of losing their property.

STATEMENT OF HON. IKE ANDREWS, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF NORTH CAROLINA

Mr. Chairman. I appreciate the opportunity to add my voice to the many others who have appeared and will appear before you in support of your bill to reinstate the Rural Environmental Assistance Program and to require the Secretary to carry out this program to the extent authorized and funded by the Congress. I commend you for your efforts, past and present, in behalf of our farmers, and want to assure you that as a Representative of the 4th Congressional District of North Carolina, I shall always be available to assist in every way I can to raise the standard of living in rural America.

In my opinion the REAP program has done more to help conserve and restore the productivity of our land than any other single program available to our farmers, and conserving our soil and water resources for future generations is a responsibility this generation cannot afford to ignore. Not only has it been of tremendous value in flood control, but it has also prevented the erosion of millions of tons of valuable top soil. The erosion of our top soil not only destroys our farmland, but it also is a direct cause of one of our most serious water pollution problems, siltation. The REAP program has put new life into millions of acres which had through the years been worn out as a result of poor farming practices. At one time early in our nation's history we were not too concerned about the need to keep our land productive by utilizing such practices as crop rotation. We were not concerned because there was always more land available, and it was easier to simply move to another field when the old field became unproductive. Those days are over. We must now do whatever we can to protect and preserve our farm land. The REAP program has been doing this job for over 30 years. It should be continued.

Of course there is more at issue than the restoration of the REAP program. Can the Congress simply permit the President of the United States to assert his authority beyond the realm of the theory of separation of powers? If the President can cancel the REAP program, then what is to prevent him from cancelling any program authorized by the Congress. In this case the President asked for \$140 million to operate the REAP program and the Congress provided, in the Agricultural Appropriations bill, \$225 million. Now the President signed this bill into law, but on December 26, after the election was over, he announced that the program would be terminated—not suspended or cut back, but terminated. Therefore, we have a situation where the President is vetoing the funds

for a program which he himself approved. I don't believe that the Constitution gives the President the power to administer only those programs which he personally approves. I strongly feel that the President's action in killing the REAP program is a dangerous precedent, and the Congress should restore this program and prevent even a further erosion of its power. I strongly support the passage of H.R. 2107, and I am hopeful that after the House and Senate pass this bill that the President will re-assess his position and will examine the real benefits of the REAP program, because I believe if he will, he will certainly take action to immediately restore this program which has so long benefitted all Americans.

STATEMENT OF HON. TOM BEVILL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA

Mr. Chairman and distinguished Members of the Committee, I appreciate this opportunity you have given me to express my very strong support for legislation which would require the Secretary of Agriculture to carry out the Rural Environmental Assistance Program; to make the program mandatory and require expenditure of all appropriated funds.

Since the announcement that REAP would be discontinued, I have personally talked with and received correspondence from thousands of my constituents from throughout my District and the entire State of Alabama.

They are confused and concerned, as am I, that such a worthwhile program is discontinued while billions are being dribbled away through giveaway programs such as our foreign aid program.

In my judgment, the decision to discontinue this program was a shortsighted, unwise one, and not in the best interest of our Country.

I think REAP was one of the best programs in existence. It helped the small farmer and/or land owner to preserve his land.

It is a common everyday occurrence to hear and see advertisements on radio and television informing the people how badly the erosion problem is on uncultivated farmland, and also the disappearance of our woodland. REAP is the best way I know to help control this situation.

It is my feeling that discontinuing REAP is one of the worst things that could happen to hamper the farmer in his soil conservation efforts.

America needs and America deserves as pollution-free an environment as we can achieve. This goal can only be reached by using all the resources available to the federal government.

In advancing and perfecting our technology we have polluted our waters, eroded our soil, silted our reservoirs, and destroyed our recreation areas. Meanwhile, our nation grows at a tremendous pace. Within the next 30 years our population is expected to increase by one-half while our land area remains the same.

If we are to survive as a nation, it is essential that we develop and maintain a program to protect our total environment.

As you know, pollution of our environment is a national problem which reaches all communities and touches each of our lives. The majority of the funds used under REAP represent payment for practices considered to have direct or indirect pollution abatement or control benefits.

Our farmers contribute to the general good of all of our citizens by not only carrying out these basic conservation practices but by putting up from 20 to 70 percent of their own money for completion of the practices.

Mr. Chairman, the REAP program is needed. I favor immediate passage of this important legislation which would require the Secretary of Agriculture to reinstate this vital program, and I plan to do everything within my power to secure its passage in the House.

Thank you.

STATEMENT OF HON. JOHN BREAUX, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. Chairman, the largest rice-producing congressional district in the nation is the Seventh Congressional District of Louisiana which I represent.

In the 1973 production year, farmers in this district will plant about a half million acres of rice, plus additional acreage for soybeans, sugar cane, sweet potatoes, cotton and pasture for dairy and beef cattle.

Our interest in retaining a program such as the Rural Environmental Assistance Program goes very deep.

With funds from REAP, as it was constituted prior to the President's action in late December, producers of agricultural commodities in Southwest Louisiana were able to adequately institute projects of land conservation and environmental protection. These programs benefitted not only the land, but the people as well.

In an age when the protection of our environment is of such vital concern, it is the farmer who should be given every consideration in his continuing struggle to conserve the land—a struggle in which he was involved long before environmental protection became a popular issue.

However, further consideration must be given an equally important matter regarding REAP.

In four major actions, the executive branch of our government has, in effect, wiped out four congressionally-approved programs of great benefit to agriculture: (1) increasing the interest rate from two to five per cent on loans to REA cooperatives, (2) the elimination of REAP, (3) the elimination of disaster loans to farmers, and (4) the elimination of the water bank program.

These actions were taken suddenly, swiftly and with no warning or consultation with congressional leaders or with the farmers who are most affected by the results.

Further, the actions were taken against programs approved and funded by Congress; in the case of REAP, the appropriation amounted to \$225 million.

Any discretionary powers given the Secretary of Agriculture in the original REAP legislation were far exceeded by the executive action taken by the Office of Management and Budget.

It is necessary that a bill similar to those submitted to reinstate REAP be given a favorable report by this committee and approved by Congress. Such action also will serve to help return to the legislative branch its rightful powers.

I urge action by this committee to further that end.

STATEMENT OF HON. GOODLOE E. BYRON, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF MARYLAND

Mr. Chairman, I have co-sponsored H.R. 2107, and I support its passage early in the 93rd Congress. It is a pleasure to be able to submit this statement on behalf of this legislation before your distinguished committee.

The Rural Environmental Assistance Program in its present and past forms has played an important role in the Sixth District of Maryland and throughout the rural areas of America. One cannot overemphasize the fact that this is a cost sharing program and that REAP has been an *effective* cost sharing program. It is estimated that the December cancellation of REAP would cost the farmers and rural residents of Maryland over \$800 thousand. Of this total, \$237 thousand would have gone to six of the counties in the Sixth Congressional District.

Last year in the 92nd Congress, the Rural Development Act was passed to aid rural communities in developing economically and to assist in keeping young people in rural areas. It provided incentives for rural citizens to remain on their farms and in their homes. Cutbacks in agricultural programs and the cancellation of REAP may be portents of things to come in the area of rural development. I hope not. I urge you and the members of this distinguished committee to give favorable consideration to H.R. 2107 and its companion bills.

With the increased interest not only of urban citizens, but of farmers and rural residents in the environment, it seems senseless that a program which requires equal participation from the private sector and which results in a healthier environment and increased land productivity should be cancelled. I thank you for the time you spent in considering my views, and I am grateful for early consideration of this important legislation.

STATEMENT OF HON. WILLIAM S. COHEN, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF MAINE

Mr. Chairman, I am pleased to have this opportunity to submit my views and certain information regarding the Rural Environmental Assistance Program before the House Committee on Agriculture.

As you may know, I am co-sponsoring H.R. 3007 with Congressman Scherle to revive REAP and require Federal funding at the level set by Congress. More specifically, the legislation would require that the Secretary of Agriculture carry out a Rural Environmental Assistance Program and that he *shall* make payments on grants of other aid to agricultural producers, including tenants, in an aggregate amount *not less* than sums appropriated by Congress.

In my judgment, REAP has been one of the most successful approaches to rural development. It has served as an invaluable mechanism for conserving soil, land, and forests, preventing land erosion, combating farm-related pollution, and providing habitat for wildlife.

In the State of Maine, REAP, formerly known as the Agricultural Conservation Program, has been operating since 1936. Our total Federal funding, in the form of cost-share assistance to farmers and landowners for carrying out conservation practices, from inception through the 1971 program has amounted to \$32,073,219. Participants have more than matched this amount with their own money.

Maine's share of the Federal funds allocated for REAP under the 1972 program was \$1,220,000. Our share of the amount released by the Office of Management and Budget for operating the 1973 program was set at \$940,000. Termination of the 1973 program will result in the loss of all but a small portion of our 1973 allocation. Approximately 4,000 participating farmers and landowners will be affected.

The following is a summary of some of the conservation work performed in Maine under REAP during the period 1936-1971:

<i>Measure</i>	<i>Extent (acres)</i>
Permanent Vegetative Cover Established.....	1, 262, 148
Permanent Vegetative Cover Imported.....	451, 388
Trees Planted.....	17, 321
Timber Stands Improved.....	48, 409
Sod Waterways Constructed.....	7, 892
Diversion Ditches Constructed.....	6, 106
Water Impoundment Reservoirs Constructed (1,668)	

Our State REAP Development Group had targeted 90 percent of available 1973 funds for five major conservation and pollution problems. I would like to briefly review these problem areas.

First, there is a widespread need for conservation work in forestry management on small woodlots. Resurvey figures released by the U.S. Forest Service indicate that 90 percent of Maine's total land area is now forested, making it the most heavily forested state proportionally in the nation. Over 75 percent of the commercial forest land needs one or more conservation treatments. There is a particular need for timberstand improvement work on the small ownership tracts.

Second, disposal of farm wastes is a problem in every county in the state. The poultry industry alone is producing over one million tons of manure annually. As farms have grown in size, the volume of animal waste has also increased. One adult cow produces enough waste in a year to fill a space 12' by 15', three feet deep. The importance of REAP funds for the construction of manure storage structures and waste disposal systems cannot be overemphasized.

Third, the erosion of soil and the pollution of water resources by sediment continues to be a major problem in nearly every county in Maine. Some annual soil losses have run as high as 16 tons per acre. It is essential that farmers be assisted in establishing more protective conservation measures such as sod waterways, diversions, filter strips, water impoundment reservoirs, and permanent vegetative cover.

Fourth, nearly all Maine soils are excessively acid. Over 50 percent of the soil sample analysis reports in some counties show a pH of 5.0 or less. Most crops, including conserving cover crops, will not grow efficiently below a pH of 5.0. We must therefore encourage the addition of a soil sweetener.

Finally, one of the most popular misconceptions about the State of Maine is that our land resources are inexhaustible. This is hardly the case. In fact, land areas with soil characteristics that allow a diversity of optional uses are scarce. In recent years, there has been widespread destruction of various areas more suitable for wildlife habitat than other uses. Accordingly, we must place a new priority on the establishment of permanent vegetative cover, in addition to the development and management of shallow water marshes.

Mr. Chairman, these are not imaginary problems. These are real problems which the Rural Environmental Assistance Program has been helping to alleviate. This is why I was so disturbed when REAP was terminated by the Department of Agriculture on December 22, 1972.

One of the reasons given for terminating REAP is that net farm income increased to a record level in 1972. I do not think this is a valid reason. I know from my own campaign walk through 600 miles of the Second Congressional District of Maine that while income of the larger farm interests has certainly risen in recent years, the family farmer is still far behind in obtaining his fair share of income in this country. I stayed with these farmers, enjoyed meals with them, and walked their farms, and I know the hardships that they have endured.

I also feel that terminating REAP for inflationary reasons is unfair and a misdirection of priorities. No office sympathizes more than I with President Nixon's desire to limit Federal spending for fiscal 1973 to \$250 billion. I think this is an appropriate figure, but I also feel that there is much fat in the Federal government to be cut before eliminating this particular program, which has been proved to be so successful and for which there is such an obvious need.

Mr. Chairman, I think we in the Congress have a responsibility to make the Rural Environmental Assistance Program mandatory and to require the expenditure of all appropriated funds. At a time when our environment is increasingly threatened and when the family farmer is being driven off the land, we can ill-afford to cut back on a workable program that effectively deals with these problems. As President Nixon said in 1971:

"The public lands belong to all Americans. They are part of the heritage and the birthright of every citizen. It is important, therefore, that these lands be managed wisely, that their environmental values be carefully safeguarded, and that we deal with these lands as trustees for the future."

Mr. Chairman, REAP has been protecting these same values for the farm lands in a successful manner since 1936. If we are indeed to serve as trustees for the future, it is our responsibility now to ensure REAP's survival.

STATEMENT OF HON. DAN DANIEL, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF VIRGINIA

Mr. Chairman and members of the Committee, I wish to thank you for this opportunity of giving my views with respect to H.R. 2107 and other similar bills, which would require the continuation of the Rural Environmental Assistance Program.

First, I want to commend your committee for the positive and forthright approach which you have taken in dealing with this problem which is such great concern to millions of our rural people all across America. The fact that you have scheduled such early action on these bills is indicative that you mean business. You may be assured that I stand behind you in these efforts to preserve REAP and the other programs which have meant so much to rural America.

Since the first of the month, like other members of Congress, I have received countless letters, telegrams and telephone calls from people who are genuinely concerned over the ill-advised action which the Administration announced on December 26th, to the effect that it was terminating REAP and recognizing only those commitments made on or before December 22nd. Obviously, this announcement was timed so that it would create the least possible excitement, but the reaction was not long in coming.

Frankly, I consider the Rural Environmental Assistance Program one of the most beneficial programs being conducted by the government towards the conservation of our natural resources. It has functioned efficiently, reaped significant rewards and stood the test of time. Its cost-sharing features are appealing to those who believe in self-sufficiency and its principal focus has been on the "small farmer". The program has been participated in widely and it has won many friends—both from within and outside the farm community.

Under the auspices of REAP, thousands of ponds have been built all over the country and provided recreation for millions. The program has brought about vast improvement in hundreds of streams, stopped the movement of silt in many places and introduced and expanded soil conservation practices on thousands of farms. The list of REAP's achievements is long and impressive and the steadiness with which these objectives have been reached is within itself a source of pride to the millions who have had a part in their making.

Thus, it is all the more unfortunate that a good program be discontinued when so many of much less-proven value are being retained. As I view the actions taken by the Administration in the past month, there seems to be a disproportionate attention to rural programs as sources of budgetary cuts and redirection of financing. REAP has been terminated, rural electrification is being hard hit, the Farmers Home Administration is being cut back in many of its programs and rural-oriented activities are being adversely affected in other ways. At the same time, I see no corresponding attention being given to urban programs as possible targets for economy. On the contrary, some of these programs are actually being increased to benefit city dwellers.

This is neither fair nor prudent. Budget economies in general certainly have my support and I find no fault with the current attempts to bring Federal expenditures more in line with our income. However, fair is fair and I do not believe that we can expect our rural people to sit idly by and watch their longtime programs of proven worth be dismantled or sharply reduced while welfare spending and social experimentation in the cities goes unchecked.

In addition, we might consider what is being cut out by the termination of REAP. I have always felt that any program designed to conserve our natural resources can be made cost-effective, if it is properly administered. REAP is a splendid example of this, for every Federal dollar that has gone into the program has been matched by a farmer dollar. In many cases, the cost-sharing has brought forth higher farmer participation. These people, who were the first environmentalists of our time, have seen the value of conservation practices and have taken pride in their achievements. Many of these will continue their efforts, whether there is a Federal program or not, but most of them simply cannot do so because they do not have the means. The government has led them along, encouraged them in their endeavors, recognized their limited resources and given them the hope that was needed. Now those hopes are being dashed.

Most of these rural people recognize that Congress has consistently given good support to REAP and they are looking to us again. Let us not disappoint them. Let us show them that we not only support their efforts but see a definite need for a continuation of the conservation practices which they have carried on so effectively. It makes little sense to spend billions in pursuit of new-found ways of improving our environment and at the same time cut out a program which has done the job.

STATEMENT OF HON. WILLIAM L. DICKINSON, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF ALABAMA

Two of the major issues which face the 93rd Congress and the nation are pollution abatement and fiscal responsibility. I appreciate the opportunity to speak in behalf of a program which incorporates both these principles and urge you, the distinguished members of the Committee on Agriculture, to report out the measure to require the Secretary of Agriculture to carry out the Rural Environmental Assistance Program (REAP).

The objectives of REAP are to:

1. Prevent or abate agriculture-related pollution of water, land, and air for community benefit and the general public good.
2. Reduce significantly the loss of agricultural soil, water, woodland, or wildlife resources and assure their efficient multipurpose use in providing an adequate supply of food, fiber, water, wildlife, open space, and outdoor recreational opportunities for the future and for the general improvement of man's total environment.
3. Encourage enduring conservation practices in sound land use systems to deal with critical conservation problems on farms and ranches, especially on average to small size family farms.
4. Achieve annually established goals, objectives, and priorities in a manner consistent with community and national needs now and for the future—while moving as rapidly as feasible toward effectively meeting conservation, pollution prevention and abatement, and other environmental needs.
5. Limit and direct federal cost-sharing assistance to those situations where a partnership between the public and farmers to benefit both is clearly proper and fitting.

Certainly, the above-named objectives are in keeping with national priorities, and it is inconceivable to me that we should do away with a proven program with which local communities are involved and familiar while we are going to

be asked to devote millions of totally federal dollars to similar but unproven programs.

The REAP program is important to the Second District of Alabama, which I represent, and I would be remiss as the Representative from that District if I did not support the REAP program. However, more than that, I would be remiss as a representative of the American taxpayers who are trying to survive in a polluted world if I did not support REAP. I hope you will do the same.

Thank you, Mr. Chairman.

STATEMENT OF HON. WALTER FLOWERS, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF ALABAMA

Mr. Chairman, I wish at this time to add my voice with those of my colleagues in favor of continuing the funding of the Rural Environmental Assistance Program (REAP). As we all know REAP is a program in which the federal government shares with farmers and rural citizens of our nation the cost of carrying out needed conservation and environmental protection measures. Under this program, the emphasis has been on those practices which help to provide long-range preservation of the environment and return great benefits to the public as a whole.

We in Alabama have averaged receiving over \$4 million in federal funds annually in recent years under REAP. This money has been matched on a dollar-for-dollar basis by Alabama farmers—just as it is throughout the nation.

I think the termination of REAP by the Administration is totally uncalled for. The cutting off of these funds to assist rural areas in conservation measures is a disservice to Alabama and the entire nation. It is amazing to me that the Administration would find it necessary to cut off funds to a program such as REAP which eventually benefits all of our country's citizens, while at the same time, it continues to fund fully some of the domestic programs which have proven to be unworkable and costly.

The last December 22nd—without warning or advance notice—the Department of Agriculture terminated the entire program at the end of that day's business. This action was taken without consulting Congress which had approved the program through June of this year and which appropriated \$225.5 million for this year's program.

For these reasons, I ask this committee to promptly report this bill to the House floor.

STATEMENT OF HON. L. H. FOUNTAIN, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF NORTH CAROLINA

Mr. Chairman: I am thankful for this opportunity today to appear before the distinguished Committee on Agriculture on a matter of such pressing importance to us all. The recent announcements of the Department of Agriculture regarding across-the-board cuts in essential farm programs have hit us all very hard. I cannot remember the last time we witnessed such a strong bipartisan reaction to a farm problem. Letters from my constituents, who are at the same time angry, hurt and confused, have been pouring into my office daily, and I know this to be the case in every office on Capitol Hill.

Over the years farmers have had every right in the world to be angry and to wonder about who was champion for their causes. Heavens knows they have drawn the short stick time and time again. What other industry has increased its productivity so much and kept the prices of its products so low? What other single industry employs so many men and women? What other industry provides such vital functions as feeding and clothing human beings? And what other industry has had its magnificent accomplishments taken so much for granted? The farmer's struggle to make ends meet has too often met with a lack of understanding. Programs upon which many farmers depend for their very survival have been criticized as excessive subsidies. Every rise in the retail cost of food products has been blamed on the farmer.

Mr. Chairman, those of us who come from farming and rural communities know the tremendous contribution of our farm sector to the strength of this great nation's economy. We know well the hard work and the endless effort that is a part of farming. We knew the adversity which has haunted so many farmers and has driven so many from the lives which they knew and loved.

It is these people who know rising production costs, sky-rocketing land prices and unchecked tax rises who feel the Department's action most deeply. It is these people who cringe to watch an administration move from a posture of simple indifference to something far worse.

The programs which the Department of Agriculture has so coldly dismissed must be reinstated. They have advanced the state of American agriculture beyond comprehension. They have enabled farmers to make American Agriculture the most efficient industry in the country. Rural electric and telephone loans, now severely affected by administration cuts, have introduced the 20th Century to millions of our farms. Today, over 21 million farm and rural people in 2,700 counties in 46 states across our nation have the conveniences of modern electric machinery and appliances.

Farmers Home Administration grants for rural water and waste disposal systems, recently eliminated by the Department, have helped in the planning and construction of thousands of rural systems and have been essential elements in the orderly growth and development of rural communities.

Mr. Chairman, I am profoundly concerned about the consequences of cuts in the Farmers Home Administration disaster assistance program. In North Carolina we have had two years of harsh weather. Many of our crops have been ruined and many of our farmers have had their backs pushed flat against the wall. In several counties of the Second Congressional District we have been awaiting word from the Administration for quite a long time, as to whether or not we would be extended the financial assistance we need so desperately. Not long ago we received our answer in a curt news release—the same news that hundreds of thousands of other farmers across the country have received—the Department of Agriculture will not help us. It now falls on our shoulders to rebuild our crops, our land, our farms and our lives. Many farm leaders fear that the ultimate result of this denial of help will be that many rural families will be driven onto the welfare rolls.

Curtailment of the emergency loan program leaves many farmers across the country with urgent credit needs resulting from their losses. These losses seriously jeopardize their ability to qualify for credit from customary commercial sources and for the regular FHA operating loans.

I am the co-sponsor of legislation to require the reinstatement of the Rural Environmental Assistance Program. I feel that REAP is one of the most important Federal conservation programs we have ever had. Under REAP annual payments have helped land owners install approved conservation and pollution abatement practices which benefit all people. The program is cost-sharing and not an income supplement as some of its critics would have us believe.

Such investments in the future of America are not subsidies solely for the benefit of landowners. I think the program has been quite effective in its intended purpose. This Federal program of cost-sharing should be continued for these soil and water conservation practices and structures which contribute to the attainment of pollution prevention, enduring conservation and environmental enhancement.

Farmers are ready and willing to bear their fair share of the *necessary* cuts in Federal expenditures, but they cannot be asked at this time to bear an inequitable burden. I do not feel that this is the time to shift the burden of the soil conservation and the rural anti-pollution battle onto the backs of our farmers.

The legislation which I have co-sponsored will change the existing law to require the Secretary of Agriculture to reestablish REAP. In light of the Secretary's recent display of disregard for the problems and needs of our farmers, I do not think it is wise to leave their fate in his hands any longer. I think we must make the REAP a mandatory program. I hope that this bill or one like it will receive immediate attention so that we can give back to our farmers the help which should never have been taken from them in the first place.

I come from a rural district composed of people who have helped to build and preserve this good land, people who are interested in conserving and handling down to generations yet unborn a land with an abundance of good, fertile topsoil, of clean water and un-polluted air.

We should not let them down.

Thank you and the other members of your Committee for holding these hearings and giving me an opportunity to testify.

STATEMENT OF HON. DON FUQUA, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF FLORIDA

Mr. CHAIRMAN. Let me commend you and the members of the committee for holding these hearings on this legislation which I, and so many of our colleagues, have presented. We feel strongly that the REAP program should have a high priority of concern because of its importance to our nation in many areas.

The question before us is whether the Executive or the Congress will make that determination of priorities. This program was authorized by the Congress and funds appropriated. It was signed into law by the President.

Now we have a situation confronting us where the Executive summarily cancels the entire program. It presents a clear question of which branch of the government shall set those priorities, and quite frankly, such action makes the Congress less than an equal branch, as was intended.

I think we can make a case for the REAP program. It gets to the small farmer and is designed to protect and preserve our precious natural water and soil resources. I don't think that a program that has worked, such as this one, should receive such a low national priority.

I think it deserves a very high priority.

It seems to me that it represents a lack of understanding of the impact of this program on the part of those officials who had it under consideration. This is probably true because of the small number of Americans who are actively engaged in farming, but who produce bounty for this land.

I would urge the Congress to make this program mandatory and require the expenditure of all appropriated funds.

Our nation will be richer for such action.

STATEMENT OF HON. RONALD "BO" GINN, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF GEORGIA

Mr. Chairman, I would like to go on record in strong support of your efforts and the efforts of the Committee to save the Rural Environmental Assistance Program from burial in the bureaucratic graveyard of the federal government.

In the name of economy, we have seen REAP summarily executed at the whim of the Office of Management and Budget. This action raises the serious constitutional question of the right of the President to kill a program created by the Congress. And it raises an important question about the willingness of our government to give its farmers a fair deal.

I know the Committee is well aware of the many benefits of REAP, and so I will not attempt to list them here. Suffice it to say that REAP has done a tremendous job for our nation, and much more work is yet to be done. It is not a perfect program because it was designed by human beings. But its shortcomings can be prepared through proper management.

I have heard the administration that the number of farmers participating in REAP is small, and so it should be eliminated. To those who would kill REAP under that logic, I would like to say that in my own First Congressional District, 2,108 farmers were provided \$489,323 in assistance during 1971, the latest year for which statistics are available. More would have participated had more money been available.

Finally, I have heard the administration say that REAP is a low priority item and so should be killed in this time when spending must be brought under control. I would like to know what changed in REAP since September 29, 1972, when the Department of Agriculture issued an official press release on REAP for 1973.

At that time, the Department saw REAP as a project that "will strengthen conservation and diminish air and water pollution . . . Practices emphasized are those which will help to provide long-range preservation of the environment and return greater benefits to the public."

On December 26, three months later, the Department issued a press release announcing the termination of REAP and the Water Bank program. That press release defined REAP and the Water Bank as "income supplements for farmers" and are "no longer needed."

This bureaucratic double-talk would be funny if it were not at the heart of a "termination" that is a serious blow to the people of Georgia and the nation.

It brings to my mind a speech made by Secretary of Agriculture Earl Butz on Nov. 22, 1972, to the North Carolina Farm Bureau Federation. Mr. Butz told the farm group, "You and your leaders recognize the risks of becoming dependent on an increasingly urban Congress which, in a whim of legislative arbitrariness, could pull the rug out from under you."

I have the greatest personal respect for Mr. Butz. He is a friend of the farmer, but he must also serve as the loyal spokesman for the policies of the administration.

I believe the time has come to ask him who has pulled the rug out from under REAP and the farmer. I believe that is a question that demands an answer.

All of the citizens of the First District of Georgia, in my opinion, are ready to join with the rest of the nation in tightening our belts during this time of high inflation and government spending gone wild.

But I believe that all Georgians and all Americans want government to examine its priorities. I am confident that REAP will rank high on the list of those programs that should be saved.

Thank you, Mr. Chairman.

STATEMENT BY HON. JOHN PAUL HAMMERSCHMIDT, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF ARKANSAS

Mr. Chairman, during my tenure in Congress I have seen much progress made throughout rural America in soil conservation. At a time in our history when the federal government is joining with urban and industrial America to wage battle against the advancing realities of environmental pollution, one of the best cost-sharing programs in the history of our Republic is being terminated.

Those who have devoted their lives' work to agriculture are, by nature, close to the earth. It is directly from our environment—the soil, air and water—that the farmer earns his livelihood. If our natural resources are not pure, are not properly cared for, or are not tenderly preserved, the tools of a farmer's trade cease to work. In order to receive a yield from nature, he must work hand and hand with it.

Protection of our Earth's endowments is a value that has always been in the hearts of rural America. Because of this unique relationship with nature, our agricultural communities throughout the nation—for close to two centuries—have quietly abided by a deep respect for conserving our once abundant resources.

In this decade, all of America has been awakened to the ominous dangers of continued discharge of industrial pollutants, hazards to national health by inadequate waste disposal methods, dangerous realities of seeing the air we breathe, and the effects of jet-age noise in all communities. We have committed ourselves to a high-priority confrontation to ebb this tide which seeks to destroy our values of life across our vast country. States will work along with the federal government in cost-sharing programs designed to return our pure lakes, clean air and all resources which have absorbed the poisons of our technological advancement.

It is inconceivable to me, in this perspective, to justify the termination of the Rural Environmental Assistance Program. Since the 1930's, this pioneer pollution control program has applied federal funds, matched dollar for dollar by farmers, to those very goals which we are finally striving for today throughout our society.

America's farmland is some of the most beautiful in the world. REAP has been a major factor in erosion control, siltation prevention, wildlife and woodland conservation, drainage system development and bodies of water free from pollutants. The farmer began years back "re-cycling" his environment. With the help of REAP funds and ASCS guidance, land that was once useless has now been turned into good pasture land that can be used for generations to come.

In our search to stave off inflation and reduce the federal budget, do we want to turn our backs on a program which is in line with current national priorities, and—even more important—a program that has worked and yielded tangible results for forty years?

REAP is not only highly effective with a history of demonstrative results, but it is economical to operate. The total Congressional authorization for 1973 totaled \$225.5 million. The announced budget amount for release in 1973 was

\$140 million. This is a comparatively small sum to be filtered down through 3,000 farmer-elected County Committees and, from there, to the individual farmer who must contribute 50% of the money.

I am in full accord with the Administration's efforts to hold federal spending within a \$250 billion ceiling. I am concerned over deficit spending and programs enacted into law with no method to provide financing. I am cosponsoring the "Fiscal Responsibility Bill" which seeks to institute a workable and responsible fiscal process into the framework of the Legislative Branch of the government.

We now have numerous federal programs "on the books" for which the need is recognized but for which the success in meeting those needs is questionable. In my judgment, we are taking contradictory action in terminating a low-cost, time-proven program for pollution abatement in a period of high commitment to environmental protection.

Our agricultural communities have sustained severe blows in the wake of government cost-cutting. The Water Bank Program was terminated along with REAP, Rural Electrification 2% direct loans have been ceased, Farmers Home Administration subsidized housing assistance has been halted and quotas on agricultural imports have been liberalized in an effort to hold down food costs.

It is difficult economy in this decade for the small farmer. Increased costs of mechanization, labor and the effects of inflation have not made life easy. Yet—throughout our rural communities—we still find that the individual farmer is the backbone of our principles of self-determination, economy and conservation of our environment.

I urge the Committee on Agriculture to give favorable consideration to legislation which would restore the Rural Environmental Assistance Program. It is critical for the best interests of the nation that the farmer be included with the rest of his countrymen in continuing efforts against all forms of pollution.

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

Mr. Chairman and Distinguished Members of the Committee. I appreciate this opportunity of presenting this statement in support of legislation which I cosponsored which would make the REAP program mandatory and require an expenditure of funds which Congress has appropriated. I am especially grateful to you for scheduling these hearings so early in the 93rd Congress. The importance of this agricultural program is obvious, and I believe that the recent Executive Order which terminates it deserves a careful re-examination by the Congress.

Our concern for the future of REAP must extend also to other agricultural programs whose curtailment has likewise been announced by the Executive Branch. I suppose everyone can understand that the Federal Government needs to apply greater fiscal discipline. The President's effort in this area is to avoid future tax increases and inflation. I feel, however, that spending priorities should be rearranged and the programs for rural areas that have been drastically cut should be re-examined and re-tailored to continue what is more in the nature of a national investment than a subsidy. I have written a letter to President Nixon urging him to do this.

As concerns the REAP program in particular, thousands of farmers in Idaho have benefited from the cost-sharing provisions which provide the incentive for farmers to establish extensive soil and water conservation practices. The goal of preserving our natural resources is one of the nation's highest priorities and the benefits of the program have extended to all Americans. If those who have benefited from the program are suddenly deprived of all economic assistance from the Federal Government, their own costs will naturally rise. As a basic tenet of economics, we realize that these increased costs will eventually be passed along to the consumer who is already concerned over the retail price of food. This is why I say that we all have an interest in the REAP program.

Again, I emphasize that the REAP program can certainly be improved upon. However, such improvement and restructuring of the program will not be possible if the arbitrary order terminating it is allowed to stand.

I am, therefore, hopeful that the Committee will carefully study the evidence which will be presented in the next two days and will come forward with a legislative recommendation which will be in the best interest of the American people.

STATEMENT OF HON. RICHARD H. ICHORD, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF MISSOURI

Mr. Chairman: "Of what priority is the Rural Environmental Assistance Program"? is not only a question of entangling ramifications, it is also the first round of a series of confrontations as to whom will decide the direction of this nation.

Personally, I applaud the President in his announced objectives of trying to balance the budget. This is an area where Congress and the Executive Branch both have dirty hands. It is necessary, I believe, if we are to win the battle as to who is to establish priorities that we exercise restraint and devise some effective method of expenditure control. However, I believe that the Executive Branch has proceeded too hastily and unwisely in establishing priorities by terminating the Rural Environment Assistance Program. To clearly illustrate the exceedingly poor judgment of the Executive Branch, I wish to extoll the values of the REAP Program.

The history of the Rural Environmental Assistance Program since its inception in 1936, is in itself a study of the durability and adaptability of a virile federal program. Its ability to withstand executive branch budgeteers, not only attests to its wide spread bipartisan support, but also to the programs ability to constantly modify its structure to meet the ever changing productional and environmental needs of this nation.

The accomplishments of this program since its inception a little over thirty years ago, are its best testimonials. The program has aided in the construction of more than 2,000,000 water storage reservoirs and almost 1,100,000 permanent soil waterways, and the reforestation and stand improvement of over 10 million acres of trees. In my own Eighth Congressional District, over 12,581 farms have participated at least once in the REAP program during the past five years. In this same time span over 10,000 acres have been improved to the extent that they now typify good conservation practices.

Moreover, what Washington supplies in REAP grants is matched, dollar for dollar, by the participating farmer. In fact, it has been determined that government's contribution averaged only 30 percent of the total cost of the project. Clearly, the REAP program has been one of the best federally sponsored cost-sharing programs. In my final analysis it should be the objectives of the program that determines its right to exist. Has REAP improved the general fertility of land now in agriculture production, has it adequately dealt with agriculture-related pollution of water, land, and the air, and finally, has the public directly benefited from the program?

Gentlemen, these are the merits that Congress must decide upon and frankly I believe that Rural Environmental Assistance Program itself, has established its own priority.

STATEMENT OF HON. MIKE McCORMACK, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF WASHINGTON

Mr. Chairman, I deeply appreciate the opportunity to submit to you, and to the members of the Committee, my statement on the legislation I have cosponsored concerning the preservation of the Rural Environmental Assistance Program.

It has been an unfortunate necessity during the last twenty years for Members of Congress to come to this Committee, and to the House Committee on Appropriations, in similar and almost annual attempts to preserve the program's authorization, and to ensure that it is properly and fully funded. There is certainly little to be added to the testimony which this Committee has collected over this period of time relative to the necessity and the value of the Rural Environmental Assistance Program.

It is incumbent on us this year, Mr. Chairman, to see that this program is not terminated merely by the stroke of the President's pen.

In its broadest application, the REAP is a simple program that has given the American farmer the tools he needs to save his land, to cut his costs of production, and to insure for himself and his neighbors a high quality environment.

The Rural Environmental Assistance Program is the oldest program of its kind. Since its creation in the mid-thirties as a counter to the effects of the Depression on our rural areas, the program has grown into one of the most sophisticated and viable services extended by this Nation to its people in their

fight to protect the natural environment. The enactment in 1936 of the Agricultural Conservation Assistance Program, which was later renamed the Rural Environmental Assistance Program, brought application of environmental technology that has grown; and a new awareness of our surroundings has developed from this growth. For more than three decades the ACAP-REAP has provided funds of a dollar-for-dollar basis to farmers for the construction of more than two million storage ponds for water conservation, for terracing operations to control soil erosion and to arrest silt flow at its source, for the preservation of the natural integrity of our rivers and streams in our rural areas, for the preservation of wildlife habitats, for large area covercrop and grassland plantings, and for watershed protection and scenic enhancement.

In 1970, the re-christening of the program as the REAP signalled the greater emphasis that would be placed on preservation of the environment and on long-term conservation practices. Changing its name and intensifying its focus, clearly enhanced its reputation as one of the oldest and most successful programs dealing with federal aid to agriculturalists, particularly in terms of return for each dollar spent.

The Administration has attempted to quiet Congressional criticism by stating that the farmer, having seen the value of the practices which have been subsidized by the REAP, will continue to undertake similar conservation measures even though in the future he must bear 100% of the cost. These assurances from the Office of Management and Budget are simply not founded in fact, and our Nation cannot afford the sort of "penny-wise, pound foolish" attitude toward conservation in economically depressed rural areas.

That same inflation which the Administration claims it is trying to reduce by its arbitrary termination of the REAP has, since the turn of the century, been striking hardest at the American farmer. How can the farmer, who has experienced not only the inflationary spiral, but also an increasingly heavy burden due to the cost-price squeeze, afford now to take measures he could not afford at the turn of the century? It is obvious that the Congress must not allow the REAP to die. We must not merely sit and lend credibility and tacit approval to the Administration's termination of a program which is equally in the farmer's and the Nation's interest. If we do, then we virtually assure a vast regression away from protection of the natural environment in rural America, and the necessity of far greater expenditures in the future to reclaim our damaged rural environment.

We have all been contacted by the rural residents of our respective districts, representing the aggregate feeling of millions of farmers and ranchers across this Nation, and ultimately of every citizen of this country who believe in conservation of our land, water and air, for scenic, recreational and productive purposes.

I would like to outline briefly, Mr. Chairman, what the REAP means to my constituents in the Fourth Congressional District. In 1971, more than two thousand farmers in the Fourth District of the State of Washington were able to employ conservation practices with the aid of federal cost-sharing provided by the REAP. In the past six years, over eight thousand farmers have implemented over ten thousand projects under this program. This intensive support is equally evident in the dollar amounts requested by Washington State farmers and ranchers. In 1971, the REAP budget was \$2.1 million for Washington, an allocation which was only 83% of that requested by the farmers. A preliminary report by the Chairman of the Yakima County Agricultural Stabilization Committee shows that Yakima County, Washington, had been allocated \$171,369 for fiscal 1973. At the end of 1972, approximately 1600 applications had been approved at a cost of over \$390,000. Clearly, Mr. Chairman, there is a massive demand for the use of funds under this program. With the Chairman's permission, I would like to present to the Committee the following letters of protests over the proposed cancellation of the REAP. They include desperate but eloquent pleadings from the program's ultimate beneficiaries, the farmers and ranchers, who attest to the vital necessity of the action we all hope the Congress will take with respect to the legislation the Committee today is considering.

Ultimately the termination of the REAP is but a part of the major problem which confronts rural communities all over this Nation. Mr. Chairman, a crisis has developed in rural America. It is a crisis of credibility; it questions the Constitutional authority of the Congress to set national priorities and to ensure that those priorities are met without the interference of the Executive Branch.

On September 29, 1972, the Office of Management and Budget allocated to

the REAP \$140,000,000 of a fiscal 1973 Congressional authorization and appropriation of \$225.5 million. Although this was not a full commitment, we all felt that the Administration realized the utility of the REAP and was giving at least partial support to the program. Then, on December 22, 1972, the Administration suddenly and arbitrarily terminated the REAP.

Will this Congress capitulate to the abrogation of Congressional authority? I don't believe so, Mr. Chairman. This is why we are here today. The crisis which is upon us, Mr. Chairman, is not a crisis of over-spending. It is incumbent upon the Congress, after thorough study and hearings, to set limitations and priorities. The Constitution of the United States gives the Congress the right to create, the right to approve, the right to disapprove, and the right to terminate any program now being undertaken or contemplated for creation. It gives the President no such power without consulting with and receiving the approval of the Congress.

In the coming weeks and months, this issue will undoubtedly be debated extensively within this Committee and within many other committees of the House and the Senate. I am confident that, as this Committee realizes that a program as valuable and successful as the REAP cannot and should not be terminated, we will reassert our Constitutional authority and concurrently reinstitute and revitalize this vanguard of rural environmental preservation.

(Letters referred to above follow:)

ELLENSBURG, WASH., *January 11, 1973.*

Congressman MIKE McCORMACK,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. McCORMACK: I am writing in regard to the President's cancellation of the U.S. Dept. of Agriculture's REAP program.

I have been working for ASCS for six months, after having worked in education for six years. I am totally impressed with all of the people who work for the Department, and the interest they all have in their jobs. I have not found this to be true anywhere else I have worked.

Did the President ever consider the value of the public relations when he cancelled out this program, and from the looks of things, plans on cutting into more? Granted, public relations isn't important (or is it?) when cutting budgets. But, to cut in to a program that gives people incentive to work such as The REAP program did, is beyond my understanding.

With the President's cuts, I will most likely lose my job, which I certainly can accept, but it's very hard to accept his hurting the farmers, and doing away with a lot of other people than myself, who have worked so hard to keep the farmer and the government on the same side of the fence.

All of the ASCS employees I have met are very dedicated people. Can we say the same for employees of the railroads, Lockheed, and other big business that government also subsidized? Are they really working to keep people and the government working together?

Sincerely,

DOROTHY CARLSON.

EPHRATA, WASH., *January 5, 1973.*

HON. MIKE McCORMACK,
Member of Congress,
Longworth Building, Washington, D.C.

DEAR SIR: The rural empire of America has been dealt a serious blow through termination of the Rural Environmental Assistance Program for 1973.

More than 6 months ago, the Congress approved the REA Program at \$225.5 million. A few months ago, the Budget Bureau overexercised its authority by cutting the program to \$140 million, a similar measure dealt to the 1972 REAP. Only a firm approach by Congress and other powers to be could salvage the program at \$195.5 million.

On December 22, 1972, the Budget Bureau completely blasted the REAP from the reach of the American farmer, accusing it to be an "income supplement" to the farm rather than an incentive program, thereby categorizing it as "low priority."

As a private citizen, I condemn the approach of the Budget Bureau, led by head Dictator Casper Weinberger, and appeal to you for your assistance toward reinstatement of this much needed and worthwhile program. Thank you.

Sincerely,

BEN J. DAVIS.

WHITMAN COUNTY,
CONSERVATION DISTRICTS COUNCIL,
Colfax, Wash., January 10, 1973.

HON. MIKE McCORMACK,
U.S. House of Representatives,
Washington, D.C.

HON. REPRESENTATIVE McCORMACK: It was with deep regret farmers and city dwellers witnessed the death of the "Rural Environmental Assistance Program." This past year R.E.A.P. assistance was provided to approximately 265 farmers amounting to about \$145,808 dollars in Whitman County.

Practices such as C-5 Diversion Terraces, E-1 Stubble Mulching, I-1 Animal Waste Facilities and J-1 Sediment Retention and Water Control was just a few of the R.E.A.P. practices used for a cleaner environment.

Without R.E.A.P.'s cost-sharing assistance, some other means must be found, such as the Columbia-Snake-Palouse Conservation Bill, or erosion could become more severe causing economic loss to farmers, landowners and city residents in the Palouse Country.

Your assistance would greatly be appreciated in establishing cost-sharing assistance to landowners establishing conservation measures that benefit the public as well as the landowner.

Sincerely,

HERBERT HARRIS.

INLAND EMPIRE UNIT,
WASHINGTON STATE DAIRYMENS FEDERATION,
Mead, Wash., January 11, 1973.

HON. MIKE McCORMACK,
House Office Building, Washington, D.C.

DEAR SIR: Whereas we have recently learned through the media that the rural environmental assistance program (REAP) was terminated by executive order as of December 22, 1972, as of close of business and,

Whereas this was a program authorized by our Congress of these United States and funding authorized, we wish to go on record in full support of the reinstatement of this program. We have found and feel strongly that this is one of the most important programs in rural America. It has helped not only our farmers but all Americans—through the conservation of our total environment.

Dairymen, in particular, in recent years have come under heavy criticism from various sources and are being forced into establishing costly pollution control measures that do not directly benefit production or increase income. Even with REAP assistance at a maximum cost-share rate of \$2500 per individual the cost of many of these projects create a heavy financial burden for us to carry out.

As dairymen, obviously our main interest is in the pollution abatement practices; however, we also recognize the need for other practices that benefit other segments of our agricultural industry.

We therefore respectfully encourage your support and action in seeing that this program is reinstated and back in operation at the earliest possible date.

Respectfully yours,

LYLE MANLY, President.

KITTITAS COUNTY ASC COMMITTEE,
Ellensburg, Wash., January 10, 1973.

President RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. NIXON: I am writing to protest the recent cancellation of funds to continue the REAP program.

In the first place, I respectfully suggest that if this program is to go out the window, then why not the subsidies to the airlines, the railroads, and Lockheed Aircraft? These programs involve many more dollars than the REAP program.

Secretary Butz suggests that there was a low participation in the program. This, Gentlemen, was induced by the reduction of cost-share rates to a point where farm operators could not come up with the 70% plus to match the approximate 30% they could receive in cost-shares, so farm operators were unable to afford to do needed conservation work. You are well aware that under this program, the most a farm operator could earn in any one calendar year was \$2,500. At a 30% participation level this would mean spending in excess of \$8,000. After water, taxes, operating costs, and family living, operators are few and far between that have that amount of money left to invest in the improvement of their farms. This is the reason for the low average of the amount earned per farm.

You talk about how farm income has improved, but you play down the other side of the coin—that farm operating costs are at an all-time high. Many families have walked off of their farms broken both in body and spirit because increased water and tax rates and increased operating costs and equipment costs, etc. made it impossible for them to meet their financial obligations. Many operators today are finding it necessary to sell part of their operation to keep the remainder.

I'm sure you are well aware that American agriculture produces in the neighborhood of 250 commodities. Of this number, less than ten are involved in a federal farm program on a direct payment basis, while the REAP program was such that all producers could participate in it. It carries a small price tag for the benefits involved, and certainly will be of great assistance in the future as greater ecological pressures are brought to bear on the agricultural community.

This program generated work for many people outside of agriculture—heavy equipment operators, cement companies, pipe manufacturers—just to name a few.

May I close with this comment: your theory that “the REAP program does nothing for anybody” has a lot of holes in it.

Very truly yours,

GLENN GREGORY, *Vice Chairman.*

STATEMENT OF HON. CLEM ROGERS McSPADDEN, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF OKLAHOMA

Mr. Chairman, I am happy to join in support of legislation which would reestablish a program vital to the farmers and ranchers of Oklahoma and America—the Rural Environmental Assistance Program.

I do not question the Administration's efforts to keep spending in check and will, in fact, vote for certain reductions in expenditures. However, I do question the wisdom of killing a program of proven value to conservation while at the same time approving federal participation in urban-oriented programs on an ever increasing scale.

I would point out that a total of over a million and quarter dollars was spent in Oklahoma's 2d Congressional District under this program during 1972 to establish vegetative cover of a permanent nature, for reforestation, the impoundment of water, construction of terracing, establishment of cover crops, for sediment retention and for the establishment of permanent wildlife habitat.

REAP has proven throughout the years to be of value, not only to farmers, but also to the general public as well, while controlling soil and water losses and easing stream pollution.

I would also point out that these functions have been performed with a minimum of public dollar expenditures and sometimes several more farmer dollars have been spent for each federal dollar expended. It has proven to be one of the least wasteful of programs in that federal funds must be matched almost dollar for dollar.

The popularity and usefulness of the program has been proven year after year as the Congress, in its wisdom and responsiveness to the constituency, has funded the program, frequently over Administration objections, in the past as well as the present.

REAP is not a giveaway program. It is a function the farmers have come to use with respect. They deserve, and the public deserves, the natural resources conservation which REAP provides. They should be allowed to use maximum private dollars with minimum federal dollars for the continuation of the Rural Environmental Assistance Program. I urge speedy action by the Congress to see that this vital tool for the farmers is returned for their use.

STATEMENT OF HON. BILL NICHOLS, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF ALABAMA

Mr. Chairman, I appreciate the opportunity to submit this statement in support of legislation which, if passed, would restore the Rural Environmental Assistance Program and require expenditure of all funds appropriated in fiscal year 1973 for this purpose.

I was greatly disappointed to learn of the announced abatement of this most worthy Soil Conservation Program which has greatly enhanced the standard of living in rural America.

While I tend to agree with efforts being made to hold federal expenditures at a responsible level, I believe the Administration's decision to terminate this program to be a serious mistake. Since REAP's establishment in 1926, our nation has benefited greatly from the basic soil conservation activities fostered by this program. One of the greatest benefits has been in the area of environmental quality. REAP monies have been used extensively to prevent soil erosion. As you know, soil erosion is one of the greatest pollutants of our rivers and streams. In addition to polluting waterways, soil erosion represents a great loss to our economy in terms of decreased agricultural production.

Mr. Chairman, the REAP Program, unlike so many programs, involves input by the individuals being assisted as well as in-put by the federal government. If we are to encourage people to help themselves, it seems to me that programs administered like REAP would be the most desirable.

I, therefore, respectfully urge that this legislation be favorably reported to the House as soon as possible.

STATEMENT OF HON. J. J. PICKLE, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF TEXAS

Chairman Poage, members of the Agriculture Committee, I represent the 10th Congressional District of Texas. My District has had the Rural Environmental Assistance Program in all counties. This program is commonly known as REAP.

I am here today to endorse my bill, H.R. 2375, a bill to require the Secretary of Agriculture to carry out REAP.

Since the bill I introduced is the same as Chairman Poage's, H.R. 2106, I thus endorse wholeheartedly the Chairman's bill.

Mr. Chairman, today I could tell you how important REAP is and how much good it does in the rural areas of my District. But I am sure the very knowledgeable members of this committee already know all this, so I will not.

Mr. Chairman, today I could tell you how the Executive Branch promised to fund REAP, but then changed signals and canceled the program. But I am sure the members of this committee know these facts down to the last penny.

Instead I want to emphasize in my brief testimony the very serious challenge the cancellation of REAP represents to the Constitutional balance between the Executive and Legislative Branches of our government.

I have joined nearly 100 of my colleagues in proposing a process by which the Congress could control Presidential impoundment of Congressionally appropriated monies. I am very proud and pleased that Chairman Poage is among our group.

I have also joined an amicus curiae brief in a lawsuit in Missouri. This lawsuit challenges the right of the Executive Branch to impound Highway Trust Fund monies. The State of Missouri originally brought the suit in a Federal District Court in Missouri. The District Court ruled that the Executive did not have the authority to impound Highway Funds.

The amicus curiae I joined was filed in the Eighth Circuit Court of Appeals, where the Executive Branch has appealed the District Court's decision. Twenty-three U.S. Senators and five House members signed the brief.

Both the legislative and judicial actions, which I have taken, basically boil down to my belief that the Executive Branch should spend the money Congress appropriates. I have on several occasions gone so far as to maintain, in many cases, the President has no legal or Constitutional authority to impound appropriated monies.

Even though I certainly make no pretense of being a great Constitutional lawyer, I do bank on the fine legal knowledge of Senator Sam Ervin of North Carolina. He has made clear his feelings that the Constitution gives the Executive very little, if any, authority to impound monies.

Thus it is clear that I strongly disagree with the Executive arm of the government reducing the amount of money Congress appropriated for a program.

If I am upset when the President reduces money for a program, then you can imagine how upset I became that the President by fiat eliminated REAP. He did not just reduce the monies; he wiped out the whole REAP.

Technically, REAP still is law. The President and OMB just decided zero amount of money should be spent on REAP.

Are we, as Members of Congress, a body which is supposed to be equal in power to the Executive, led to the point that we can create programs in name only?

This will be the case if the President's action with REAP stands.

If we allow REAP to be eliminated, if we do nothing to challenge the President on his actions, then we are a willing accomplice in creating a frightening precedent.

This precedent would be tantamount to Congress recognizing that it is a ceremonial ratifier of decisions.

Therefore, Mr. Chairman, I cannot urge strong enough that the committee group pass your bill out as quickly as possible for floor action, with a recommendation that H.R. 2106 do pass. Thank you.

STATEMENT OF HON. TOM RAILSBACK, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF ILLINOIS

Mr. Chairman, members of the subcommittee, I was particularly distressed when the Administration announced the termination of the Rural Environmental Assistance Program (REAP), as I know how important it is to many individuals and groups in my Congressional District in Illinois. I commend you for holding these hearings, and thank you for providing me with the opportunity to submit, for the Committee's record, my statement, decrying this poorly timed and ill-conceived termination of a very important program.

REAP was initiated back in the 1930s to provide cost-sharing incentives to farmers to install soil and water conserving practices on their lands. The program has been exceptionally successful in demonstrating the value of conservation as good farming practice. Since its conception, REAP has been responsible for some two million storage ponds and the terracing of 31 million acres of farmland. In addition, limestone and other fertilizers have been spread to enrich the soil. REAP has been popular with the farmers and conservationists and the Congress, and is certainly in harmony with our environmental goals.

Unfortunately, the President decided last month that REAP was of a low priority status which could be eliminated without serious economic consequences. His action to impound money approved by the Congress was justified as a means to ward off a tax increase or inflationary deficit—to hold 1973 Fiscal budget outlays to about \$250 billion.

One explanation of the REAP decision was recently put forward by Undersecretary of Agriculture J. Phil Campbell. He stated the Administration's action was necessary to help farmers by curbing urban opposition to passage of a major new farm support bill later this year. Personally, I am not at all convinced such strategy will be reassuring to the farmer and conservationist.

I do agree with the President that Federal expenditures have far exceeded any rational limit. However, I believe the Congress should maintain control over the budget, and am therefore this week introducing legislation providing the very mechanism for ensuring such a system. The President, in my opinion, should not curtail funds for programs which the Congress has already legitimately appropriated. The decision on REAP will not only effect agriculture, but it is also a direct challenge the Congress' authority.

Earlier this month, I sent a letter to Secretary of Agriculture Earl Butz. I expressed my disappointment in the way the decision was reached, and suggested that consideration be given to eliminating other less effective programs. One which I particularly noted was the annual limitation on payments to individual farmers. The text of my letter was as follows:

HON. EARL L. BUTZ,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: On December 22, the Department of Agriculture issued a bulletin announcing the abrupt termination of the Rural Environmental Assistance Program (REAP) and the Water Bank Program (WBP) without any hearings.

I am fully cognizant of the Administration's reasons for this termination. I would be the first to admit that Congress needs to thoroughly re-evaluate and reform its system of appropriations if this government is to ever realize a balanced budget. However, I am convinced that the termination of such valuable programs as REAP and WBP is not the best means of curtailing such spending activity.

This past weekend while I was back in Illinois, I had the opportunity to meet with members from three county Soil and Water Conservation Districts. Understandably enough these men were most distressed by your Department's recent announcement. I found it most difficult to explain how an Administration which has long been a good friend of the farmer could justify the termination of these effective programs. They and I were most particularly concerned that a decision was made at a time when most farmers had already planned for assistance in 1973.

One member of the Henry County Soil and Water Conservation District showed me an outline of their 1972 REAP cost-sharing program, which I must add, was most impressive. Included were such environmental improvements as: establishment of permanent vegetative covers; planting trees or shrubs; water impoundment reservoirs; and improving stand of forest areas.

Mr. Secretary, I cannot understand why funds for such beneficial programs as REAP which seeks to protect and improve our environment can be terminated when loud protests are being made over the deplorable state of our nation's lands. It seems to me there are several less effective programs which could be eliminated.

One which comes to mind and which I hope will be reduced is the annual limitation on payments to individual farmers under the cotton and feed grain program from the present \$55,000 to at least \$20,000.

Personally, I have been an enthusiastic supporter of most of the Department of Agriculture's programs, and I have applauded your leadership at the same time. But in this case I would like to urge that the Department's decision be reconsidered. If it is not, I will urge that hearings be held in the Committee on Agriculture at the earliest possible opportunity.

Thank you for reviewing my remarks.

Most sincerely,

TOM RAILSBACK, *Member of Congress.*

This weekend I received the following response to that letter from Mr. Elvin J. Person, Acting Administrator of the Agriculture Stabilization and Conservation Service:

January 24, 1972.

HON. TOM RAILSBACK,
House of Representatives.

DEAR MR. RAILSBACK: Secretary Butz has asked us to reply to your letter regarding the discontinuance of the funding of REAP and the Water Bank Program.

An overwhelming problem that we all face is that of inflationary pressures on the economy. As we all can appreciate government spending is one of the main causes of inflation. The Administration has announced that it intends to meet this national problem by restricting 1973 Federal budget outlays to \$250 billion.

In order to do that, it is necessary to trim many programs, as good as they are, and eliminate some of lower priority. It isn't that these lower priority programs aren't useful, but we must terminate some programs in order to meet the budget limitation and successfully counteract the critical problem of inflation. Given

that choice, you eliminate those programs of lower priority in Agriculture and in all Departments. On this basis, funding for the REAP and the Water Bank Program was terminated.

We have made considerable progress in the last four years in increasing farm income, which has been a major objective. Realized net farm income in 1972 has risen to \$18.9 billion, 28 percent higher than in 1968. The average net income per farm from farming in 1972 is 39 percent higher than in 1968. Those net income figures would be even higher were it not for the inflationary pressures that raised farm costs.

We will continue to concentrate on those programs that do enhance farm income—as well as accenting those programs and decisions that enable farmers to have more control over their own farm management decisions and to get more of their income from the marketplace.

Sincerely,

ELVIN J. PERSON, *Acting Administrator.*

I was disappointed that reply did not comment upon my suggestion that programs such as farm subsidies be reviewed. I also believe the Administration's determination that REAP is no longer necessary is misleading and demonstrates a lack of comprehension of the program. Further, I do not understand how this Administration can cancel out REAP at a time when environmental protection is considered so important.

Senator Gale McGee, Chairman of the Senate Appropriations Subcommittee on Agriculture, has stated he will not consider the Department of Agriculture's budget for next year until funds for REAP are freed. Chairman Jamie Whitten of the corresponding House Committee has predicted REAP money will be restored, just as it has been at least 18 times in the past. And you, Mr. Chairman, have certainly taken a leadership position among your colleagues in the House.

I feel very strongly about the need for REAP to receive funding because: (1) Congress must maintain its rightful control over the purse strings; and (2) REAP must be permitted to continue its long range objectives which benefit the entire public.

Perhaps there can be no better testimony to the need for REAP than the many letters I have received on this matter from friends in Illinois. I ask permission that excerpts from samples of these many communications also be inserted in the Committee record.

ILLINOIS CITY, ILL.: "I just received a letter stating that this program (REAP) was going to be terminated. I feel this would be a grave mistake. After this fall and the increase in prices and the shortage of grain and fuel, I would think you would believe this too."

LYNN CENTER, ILL.: "I was very sorry to hear that the REAP Program has been cancelled. In 1965, I purchased a small farm which had ditches and wash-outs large enough to bury a tractor in. With government conservation help, tile and sod waterways were established which saved and preserved the land for future generations."

OSCO, ILL.: "Personally, we were looking forward to financial help with a project to protect and improve a serious erosion condition forced on to us by the building of Interstate 74. The costly project will be out of the question if no money is available to help us construct new lines and waterways to control runoff."

From Directors of 98 Soil and Water Conservation Districts in Illinois: "We provide local leadership to conservation efforts. Good progress is being made, but the job is only about one-third done. We feel that a cost-sharing incentive program is essential to the environmental well-being of this nation."

Members of the Izaak Walton League of America in East Moline, Ill.: "We hope you'll use your influence to help maintain projects and quickly restore the funds that are vital to the Rural Environmental Assistance Program. REAP is the logical stopper to soil erosion and fast siltation that kills river backwaters and the so-called flood-control reservoirs. It's the essential route to ending massive pollution from animal wastes, too."

Chairman of one of the Soil and Water Conservation Districts in Illinois: "We feel rainfall control is beyond the economic power of the average farmer—particularly here in Lee County and the midwest section of the U.S. We are in the excess rainfall belt—even before the plow flooding and erosion existed as is evident by the meandering of streams and rivers."

"The REAP program was perhaps the best overall farm program. The \$2,500. payment limit per farm per year allowed the smaller landowner who usually owns the poorer land (and through which the drainage flows from larger units) a relatively fair economic opportunity to control his and his neighbor's water."

CAMBRIDGE, ILL.: "This program is a benefit to pollution control, environment and recreation, and, if not handled by the farmer, . . . the urban areas suffer as well.

"Although net farm income is up a little this year, history has taught us that this is likely only to be a temporary situation. The farmers' ability to afford conservation work will fluctuate in future years."

Mr. Chairman, members of the committee, your initiative in holding these hearings is to be commended, and I again thank you for letting me share my thoughts with you. In conclusion, I would just like to emphasize that REAP is a cost-sharing program. In view of the numerous subsidies which place a burden on the average taxpayer, it is refreshing and encouraging to see the success of a program where both the individual and the government contribute. Hopefully, the full House membership will have an opportunity to vote on reinstatement of funds for this program in the immediate future. REAP's importance to both rural and urban America cannot be denied nor should funds be deprived from this program as already appropriated by the Congress.

STATEMENT OF HON. WILLIAM R. ROY, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF KANSAS

Mr. Chairman and members of the committee, I am pleased to testify in support of legislation to require the Secretary of Agriculture to carry out a Rural Environmental Assistance Program, i.e., to make the program mandatory and require expenditure of all funds appropriated by the Congress.

The Rural Environmental Assistance Program was terminated by Administration action effective December 2. This program, under which farmers and the federal government worked cooperatively in soil erosion control and other agricultural pollution control programs, has been of benefit not only to the farmer, but to the American public as a whole. Silt, often precious topsoil, is the number one pollutant of our streams and rivers.

It is important to remember that REAP is a cost-sharing program . . . that over one million Americans each year contribute their money and their labor to preserve land and natural resources for future generations. Congress provided for a \$225 million program. These funds were to pay 30% of the cost of conserving the land; each individual farmer was to contribute 70% of the cost plus the labor involved.

REAP has been very important to Kansas farmers. The 105 conservation districts of Kansas have a good record of installing land treatment practices to protect the state's soil and water resources. As one example, 272,000 miles of terraces have been placed on Kansas land. A substantial portion was made possible by the Rural Environmental Assistance Program and its predecessors.

There is much work of this type left to be done on the nearly 50 million acres of Kansas agricultural land. It is to the benefit of present and future generations to conserve this land—a large contributor to the nation's current and future food supply.

It appears that the Administration believes conservation to be one of our nation's lower priorities: Witness the veto of the Water Pollution Act in the 92d Congress (overwhelmingly overridden by the Congress), in addition to the termination of REAP.

Congress has the power to authorize programs and to appropriate funds therefor. It is imperative that the Congress prevent the executive from "unmaking" laws by refusing to spend moneys appropriated by the Congress for them.

I strongly urge that this Committee approve legislation to make the Rural Environmental Assistance Program mandatory. The funds appropriated are small compensation for the vital resource conservation and environmental protection work done.

I would also like to call the attention of the Committee to the attached statement of Leon Lallier, Chairman of the Wyandotte County Conservation District Board of Supervisors.

WYANDOTTE COUNTY CONSERVATION DISTRICT,
Kansas City, Kans., January 26, 1973.

Congressman POAGE,
Chairman, House Agriculture Committee,
Washington, D.C.:

Mr. Chairman and Members of the Committee, R.E.A.P. funds have been cut off as of December 26th. We in eastern Kansas are concerned and are prepared to act to aid in restoration of this program.

I am Leon Lallier, a dairy farmer, Chairman of the Wyandotte County Conservation District Board of Supervisors. I have been a member of the Board since 1953 when our district was organized. We have used government incentive payments to build 424 farm ponds, 47 miles of terraces, 471 acres of waterways in Wyandotte County, and we are the smallest county in the state.

The benefits of this program are far reaching, even beyond the present generation of people. This county is a better place to live, to farm, and enjoy because of this program. Our streams discharge less silt, and flooding has been reduced by these structures.

I was a member of the Kansas State Conservation Commission for six years until January 1, 1973. I appeared on two occasions to ask for increases in the R.E.A.P. Program, in 1971 before the House Subcommittee on Agricultural Appropriations and in April 1972 before the Senate Subcommittee on Agriculture, Environment, and Consumer Protection. I am on record as asking R.E.A.P. appropriation be restored to 220 million and that no executive cutback of these funds be permitted.

I am also vice-chairman of the Mid-America Association of Conservation Districts, which is an organization of conservation districts in Missouri of Cass, Clay, and Ray; and three in Kansas, Johnson, Leavenworth, and Wyandotte. This group in executive session, January 26th, voted unanimously to oppose the freeze on funds for R.E.A.P.

We in Kansas feel the R.E.A.P. cost-sharing to be a "public interest" incentive to landowners to engage in constructive action for resource conservation and environmental protection. The cost share to any one landowner has not been great, but it has made the difference to many landowners each year between taking action or not taking action. We have come a long way, but much is yet to be done. I know of no way to better protect the environment of our country than to continue this program.

The watershed program in Kansas has been going strong. We have a backlog of watershed plans. The watershed approval depends on the land treatment in the area above the structures. With cutoff of these funds, land treatment will be practically eliminated, thus hindering the watershed program.

As a representative to the above organizations, as a farmer, I strongly urge you to restore this program, particularly as it pertains to permanent practice.

LEON LALLIER, *Chairman.*

STATEMENT OF HON. GARNER E. SHRIVER, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF KANSAS

Mr. Chairman and colleagues, may I at the outset compliment you on these timely hearings on legislation which I have co-sponsored with some of you to restore funding for the Rural Environmental Assistance Program. I appreciate this opportunity to relay to you some of the concerns expressed by my constituents regarding the cutback of this program by the Office of Management and Budget.

REAP is one of several programs, such as the Hill-Burton hospital construction program and the impacted area education assistance program, which has led a precarious life through Administrations of both political parties. Through strong "grassroots" support which has been relayed to elected representatives in Congress, we have been successful for many years in retaining these programs.

One would think they would quit trying, but such is not the case. So again we must initiate a rescue attempt.

Legislation before you this week is designed to remove from this Administration and future ones all discretionary authority over REAP. If this bill is enacted, the Secretary of Agriculture would be legally required to spend all of the money appropriated by Congress for REAP.

This is not a simple step to take, and I regret that it is necessary. I have generally accepted the Executive Branch's administrative responsibility over immediate budgetary and fiscal matters. But at the same time, the Executive Branch must recognize that Congress has again and again established REAP, or the Agriculture Conservation Program, as it was formerly known, as a high priority item. When we appropriated these funds, we fully expected to have them spent.

As a member of the House Appropriations Committee, I can assure you that expenditures of public funds for any purposes are carefully considered. Long and intensive hearings are held with representatives from the Executive Branch. Priorities are weighed. Indeed, this is the Constitutional role of the Appropriations Committee and the Congress.

This process occurred with REAP, and Congress voted to spend \$255 million for this high priority program in fiscal 1973. OMB has summarily vetoed this action.

On the top of similar actions regarding the rural electric subsidized loan program and the emergency farm loan program, it appears that the budget axe is falling disproportionately on America's farmers.

The practical effect of the Administration's action will be to kill the REAP program for the entire calendar year of 1973. Most Midwestern farmers apply for Federal cost-sharing assistance, ranging from 30 to 50 percent, at the same time they sign up for the wheat and feed grain programs during the winter months. Such practices as terracing, strip cropping, tree planting and erosion and sediment control dams must be instituted during the spring months.

The REAP program has prompted participation of 55,230 Kansas farms on a cost-share basis. Without these cost-share benefits, many farmers could not have financed these conservation practices, and our limited soil and water resources would have been further depleted.

I know this Committee is well aware of the benefits of the REAP program—you have been its staunch supporters through many crises in the past. I urge you to come to the rescue once again, and I offer my full support on the House floor to explain the environmental and food supply benefits of this program which are enjoyed by all of the citizens of our country.

STATEMENT OF HON. WILLIAM A. STEIGER, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF WISCONSIN

Mr. Chairman: I sincerely appreciate the opportunity to speak in favor of H.R. 2107, a bill to require funding of the Rural Environmental Assistance Program (REAP).

This program over the years has been very successful in advancing the cause of conservation, good land use, and the quality of life in rural America. Few programs of the federal government have done such good for a small investment as has REAP.

Although I fully agree that federal spending must be curtailed to control inflation, ending programs like REAP is the wrong way to impose those limitations. I am convinced more money can be saved within the Department of Agriculture by cutting more unproductive programs. For example, the Department could gradually liquidate its commodity stocks to a large degree, eliminate price supports for such commodities as tongue nuts, end the cotton promotion program, and revise the wool production incentive program, to name a few.

In my state of Wisconsin, over 12,000 farmers participate in the REAP program at a cost of three and one-half million dollars. At this rate I challenge anyone to point to a single federal program that involves this large number of persons in good conservation and soil building programs for such a relatively small cost.

Mr. Chairman, the Rural Environmental Assistance Program has enjoyed outstanding success, and it has a wide base of small farmer participation throughout this country. Its cost-sharing provisions have contributed significantly to maintaining the quality of life in rural America. At this time of continuing out-migration from rural areas to cities, we must do all we can to improve the environment in rural areas. The conservation practices of REAP are increasing good land management and are decreasing pollution of our streams and lakes.

I thank the Chairman for the opportunity to testify and I urge the Committee to report this legislation to the House at the earliest possible date.

STATEMENT OF HON. GENE TAYLOR, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF MISSOURI

Mr. Chairman, let me congratulate this committee for the expeditious way it is moving to reinstitute the will of the Congress so as to assure the farmers of this Nation that their efforts to preserve our God given resources of soil and water will continue to be funded and encouraged.

I will not dwell at length on this subject for I know that there are others who desire to be heard. However, I would like to speak in behalf of the many individuals from Southwest Missouri who have written to protest the termination of the Rural Environmental Assistance Program, and to demonstrate my interest in seeing that it is continued.

The farmers of Southwest Missouri, many of whom literally "carved" their acreage out of the rocky hills of the Ozarks, know the importance of building up the land so that it will yield a suitable crop or provide needed pasture, and of storing precious water so as to have it available for the dry season which inevitably occurs. Were it not for practices such as R.E.A.P., and its predecessor the A.C.P. over the past thirty or more years, I believe that much of our topsoil would now be lost or depleted, and efforts to replace it, if at all possible, would cost billions.

Mr. Chairman, our farmers have not asked for a "handout" from their government, but have willingly paid their share of the cost with the full knowledge that the benefits accrued would not be theirs alone, but would be shared by the population as a whole. They are aware that this conservation program would help preserve the land for generations to come, and would make it possible for fertile soil to be stored and available for food production should the need arise, and there are many who say that such a time will surely come to pass.

It was the will of the Congress that legislation to provide a Rural Environmental Assistance Program should be enacted. This intent was signed into law by the President, and funds to implement same not only earmarked but expended. It is shocking to me, that the Office of Management and Budget should then flout the law of the land and terminate the program because of a questionable semantic interpretation.

Mr. Chairman, I join with the members of this committee, in urging that a new authorization be passed, one that would make clear the intent of the Congress and would in no uncertain terms require that this vital farm program be carried out as specified.

STATEMENT OF HON. ROY A. TAYLOR, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF NORTH CAROLINA

Mr. Chairman, I am pleased to testify in support of legislation that would continue the Rural Environmental Assistance Program and require the expenditure of funds appropriated by Congress for this purpose. REAP, formerly the ACP Program, was initiated during the thirties under the Franklin Roosevelt Administration to encourage farmers to adopt soil and water conservation practices. It came at a time when farmers were largely unable to afford the burdens of such projects alone. Through REAP, the federal government has been matching on a dollar-for-dollar basis some of the money farmers spend each year for fertilizing and seeding pasture lands. This fund has been used widely in the 17-county 11th Congressional District of North Carolina which I represent in Congress and has provided matching funds for drainage systems, reforestation, cover crop planting and other small-farm conservation projects.

In Haywood County, a typical Western North Carolina largely-rural county, 1600 farms have been participating with an average federal expenditure of \$78 per farm.

In the Western North Carolina district that I represent, this program reaches more farm people than any other phase of the entire agricultural program. Continuation of REAP on at least the same level as in recent years is probably more vital to the farmers of Western North Carolina and throughout the 200-odd counties of the southern Appalachian area than in other sections of the country. With our very small farms, heavy rural population, steep fields, and limited land resources, it is most important that every encouragement and assistance be given that will help to conserve and restore the productivity of these farms. Failure to do so can only mean a continued and chronic low-income situation such as we already have.

Much progress has been made in healing the gullies, stopping the washes, eliminating the broomsage and planting trees on the steep slopes in Western North Carolina. Any curtailment in these efforts will be a step backward for the area.

We cannot afford to lose ground in our efforts to conserve the soil and water resources which are so essential to the well-being of our nation. It is the responsibility of this generation to pass on to future generations the natural resources that will insure the basic necessities of life. REAP gives the essential encouragement and guidance in this direction.

The farmer's economic status does not permit him to bear the entire cost of conservation. Conservation is a matter of concern to all segments of our population. We must realize that protecting and improving our soil and water resources is a national responsibility and a concern to all American citizens.

Congress last year passed the Rural Development Act to bring hope and purpose to rural sections of our nation and reverse the rush to the cities. Recent presidential action in freezing funds for REAP and other rural programs is a step in the opposite direction. Using federal funds to encourage a strong rural economy is in the national interest.

Presently we are the best-fed country in the world, with only 2% of the people producing food and fiber for the rest of the population. But with an increasing number of farmers going out of business and moving to urban areas, how long will this continue?

STATEMENT OF HON. VERNON W. THOMSON, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF WISCONSIN

Mr. Chairman, I speak on behalf of H.R. 2623, a bill which combines legislation I introduced in the last Congress (H.R. 2383, 92nd Congress) to revise and strengthen REAP, and that of the gentleman from Texas (Mr. Poage) to eliminate the Secretary of Agriculture's discretionary authority to spend REAP funds appropriated by Congress, H.R. 2107.

REAP is a sound program. It has proved its effectiveness over the years, whether it has been named the "Rural Environmental Action Program" or the "Agricultural Conservation Program". It has resulted in the implementation of sound conservation practices which have improved soil fertility, retarded soil erosion, and helped clean our streams. In fact, long before the "environmental crisis" farmers fully understood the impact and need for conservation, and with the assistance of REAP made great strides.

I find it ironic and disheartening that after all these years the first environmentalists and their cause no longer appear important. Beginning in the late 1960's, this government has been spending progressively more to solve the "environmental crisis" to the end that today the cost is measured in billions. Yet doesn't it seem strange that while we spend billions on the "environmental crisis", we cannot spend \$200 million on our greatest single water pollutant, silt, as well as other agricultural pollutants. Today we face an "energy crisis"; we have come to the realization that our energy-producing minerals are exhaustible. Yet few seem concerned that our most valuable and in fact only essential resource, the soil, is depletable. Hopefully, it will not take a "food and soil crisis" to make an urban American public and an urban-oriented Congress understand.

Mr. Chairman, I urge action to require the Secretary of Agriculture to spend the funds appropriated by Congress for REAP. It has been argued that REAP is a subsidy to farmers. But who benefits from clean water and soil fertility? The public does. Furthermore, the farmer contributes to the cost of any project undertaken. Thus it is the money provided by individual farmers as well as other segments of the public, which is spent for the good of all Americans.

But at the same time, Mr. Chairman, I also urge this committee to review REAP and to strengthen it. The Congress should legislatively establish priority types of projects and eliminate those with less merit. I recall, for example, that REAP funds were used for several beautification projects in Iowa last year. In other instances, they have been used to drain wetlands and bring that land into production. These types of projects should not be pursued with government funds. Instead, we should focus on long term projects such as wind rows, collars on streams, small ponds, etc.

I also feel that we should define the terms "farmers" and "ranchers" so that persons actually working with the land will have first opportunity to use avail-

able money. While soil erosion and other types of pollution are caused by all rural residents, extensive use of soil for growing or grazing causes greater pollution.

I also recommend that the Federal government's share of an approved REAP project be based on a sliding scale with an individual's wealth a factor in determining each party's contribution. Secretary Butz indicated in the announcement abolishing REAP that record high farm income permitted individual farmers to undertake their own conservation practices. In the case of some farmers the Secretary is correct; but in the case of many others (frequently those needing to implement sound conservation practices most), the Secretary is incorrect. Record farm income has not affected all farmers equally in addition to not accounting for cost increases.

I have presented these suggested revisions in H.R. 2623. With them, I believe REAP can prosper and continue to operate effectively for the benefit of all Americans.

STATEMENT OF HON. JOE D. WAGGONER, JR., A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF LOUISIANA

Mr. Chairman, I am here today to testify on behalf of legislation which I am co-sponsoring with many others that would revive the Rural Environmental Assistance Program, recently terminated by the Executive branch, and require Federal funding at the level set by the Congress. To my way of thinking, REAP is one of the most constructive and worthwhile programs ever authorized because it is of continuing benefit to both our environment and our economy, and it encourages self-initiative. Unlike so many federally funded projects, REAP is an investment type program; it is not a giveaway program. It is the principal means of sharing with farmers, ranchers, and woodland owners the cost of carrying out practices for soil, water, woodland, and wildlife conservation and for agriculture-related pollution control on their land. Several years ago, this program was re-directed in such a way as to give increased emphasis and higher priority to pollution abatement.

According to a 1972 report by USDA, a typical recent year's accomplishments on the national level included:

- (1) 45,000 water storage reservoirs, directly serving 4 million acres to control erosion, to provide wildlife habitat, to conserve water, and to provide recreational opportunities.
- (2) 600,000 acres served by terraces to control erosion, stabilize land, and reduce stream pollution.
- (3) 1 million acres served by sod waterways safely dispersing excess water, preventing erosion, and reducing pollution of downstream land, waterways, and reservoirs.
- (4) 300,000 acres of contour and field stripcropping, protecting soil from wind and water erosion and reducing air and water pollution.
- (5) 300,000 acres of trees and shrubs planted or timber improved for forestry purposes, erosion control, wildlife habitat, and pollution abatement.
- (6) 9 million acres of enduring cover, grasses and legumes, for soil or watershed protection or land-use adjustment with extensive antipollution benefits.

The Rural Environmental Assistance Program has proved to be highly successful in Louisiana generally and in my own Fourth District in northwest Louisiana in particular.

The Department of Agriculture rationale given for the termination of REAP was that in order to restrict 1973 Federal budget outlays to \$250 billion, many of the Federal programs would have to be trimmed and those of lower priority eliminated entirely. The Department claims that the American farmer has reached an earnings level which will enable him to bear the full costs of these conservation practices on his farm and, therefore, insists that REAP is a low-priority program. I disagree with this premise. Mr. Chairman, no Member of Congress stands for economy in government and holding down Federal spending more than I do. I have introduced legislation in every Congress since I have been in Congress which would accomplish those ends. The President has indicated

that he will be firm in holding down Federal spending this year, and I applaud and support his efforts. That is something that many of us here have suggested for a long time. Unquestionably, there is a crying need to establish priorities, to trim the fat off wasteful Federal programs, and to abolish Federal giveaway programs. Taxes which are being used to pay for these programs are already too high. The hardworking American taxpayer has been abused too long. However, REAP is not a giveaway type program. It is a cost-sharing assistance program that is an investment for conservation and pollution control. In the final analysis, cutting this program will not be a savings, but will represent a cost to the government and the taxpayer when other ways are devised to pay for conservation and pollution control. The elimination of REAP is particularly disturbing at a time when the public is demanding that our environment be cleaned up and when the Environmental Protection Agency is invoking new regulations daily.

The Agriculture Department also realizes the importance of this program. Barely three months prior to the termination date, the Department took the position that:

Cost sharing under REAP is available for conservation projects that the individual farmer or rancher would not otherwise undertake. Such projects frequently yield greater benefits to the community as a whole than they do to the producer directly involved.

Up until now, the Department has recognized its responsibility in meeting the much needed cost-share for soil and water conservation practices and for environmental improvement practices, which it has noted, benefits *all* of the American public, not just the farmer. To take the position now that REAP is a low-priority item, the Department in contradicting its own basic premise four months ago, is saying, in effect, that conservation and pollution abatement are low-priority items.

About 95 percent of the 1971 funds under REAP were invested for enduring conservation measures; this percentage is up from 92 percent in 1970 and 87 percent in 1969. Practices primarily for pollution abatement, which also conserve soil or water, earned \$8.8 million in 1971.

There has been much talk about the over crowded cities and of revitalizing rural America. There has been a great deal of attention directed in recent years to the question of how we can keep people on the farms. One thing is for certain; we most assuredly will not find the answer by eliminating constructive farm programs or by imposing regulations which result in hardship on rural residents. This Nation needs to do everything possible to make farm life attractive.

Mr. Chairman, I feel that there is a need to continue REAP; and I hope that the Committee will see fit to report out legislation in the near future. Thank you.

The CHAIRMAN. The committee will stand in recess until 10 o'clock tomorrow morning, at which time we will hear the proponents on this legislation.

(Whereupon at 12 noon, the committee recessed to reconvene at 10 a.m., Tuesday, January 30, 1973.)

RURAL ENVIRONMENTAL ASSISTANCE PROGRAM

THURSDAY, JANUARY 30, 1973

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The committee met, pursuant to call, at 10 a.m., in room 1301 Longworth House Office Building, Hon. W. R. Poage (chairman) presiding.

Present: Representatives Poage, Stubblefield, Vigorito, Jones of North Carolina, Alexander, Rarick, Jones of Tennessee, Melcher, Mathis, Bergland, Denholm, Bowen, Rose, Litton, Gunter, Teague, Wampler, Goodling, Mayne, Zwach, Price, Sebelius, Mizell, Findley, Baker, Thone, Symms, Young, Johnson, and Madigan.

Also present: Christine S. Gallagher, chief clerk; Fowler C. West, staff consultant, and John Rainbolt, assistant counsel.

The CHAIRMAN. The committee will come to order.

For the record, I would suggest that the Republicans will come to order and the Democrats won't bother you.

We are continuing the hearings this morning on the legislation intended to restore the REAP program. Our first witness this morning is Mr. Clell Carpenter. We are always glad to hear from Mr. Carpenter, who is the vice president and director of public affairs of the Midcontinent Farmers Association, which some of you did know as the Missouri Farmers.

We are glad to have you, Mr. Carpenter.

STATEMENT OF L. C. (CLELL) CARPENTER, VICE PRESIDENT AND DIRECTOR OF PUBLIC AFFAIRS, MIDCONTINENT FARMERS ASSO- CIATION, COLUMBIA, MO.

Mr. CARPENTER. Thank you very much, Mr. Chairman. I apologize for being a little late. I got hung up on an elevator out here.

Mr. Chairman, this is a rather short presentation, and inasmuch as I am the first witness, I guess I will not be repetitious, so I will quickly go through it.

My name is L. C. "Clell" Carpenter. I am here today speaking for the Midcontinent Farmers Association with headquarters in Columbia, Mo., and representing over 152,000 members in Missouri, Arkansas, Oklahoma, Kansas, Nebraska, Iowa, Illinois, and other adjacent States.

We appreciate this opportunity to appear here today before your committee and extend our unqualified support for H.R. 2107, to require that this vital soil and water conservation activity known as the rural environmental assistance program (REAP) be continued.

REAP, formerly ACP, is the oldest continuous program of the Department of Agriculture. It has been extremely popular with farmers and the Congress. It has contributed and continues to contribute to the improvement and maintenance of the Nation's soil and water resources far more than it costs.

Since this very worthwhile program was initiated in 1936, farmers have built terraces, dikes, and diversion structures in accord with the program's standards to protect more than 4.4 million acres of farmland from excessive runoff; they have constructed nearly 2.2 million dams for water supply and erosion control; they have in recent years established annually from 9 to 15 million acres of vegetative cover for the control of erosion, soil protection, and improvement.

The worth of these practices, implemented under the encouragement and assistance of REAP, is immeasurable. They greatly reduce the loss of irreplaceable topsoil, slow stream and river flow following excessive rainfall—thus reducing the threat of floods and sedimentation in river channels—improve the fertility of the land, provide cover for wildlife and encourage forest planting.

In the early days of the program more than 4 million farmers each year carried out one or more conservation practices authorized under the program. By the 1960's this number had fallen to about 1 million; in 1970, total number of farmers participating amounted to 839,000. This reduction in participation is due to a combination of fewer farms, fewer dollars allocated, and significantly, the increasing cost of establishing specific practices. The cost of earthwork, of seed and fertilizer, and land preparation has continued to increase just like every other cost.

We would have no pollution problems in rural areas if we had more money available for soil and water conservation for farmers have generally been environmentalists at heart, conservationists by nature, and ecologists by profession. Farmers have learned how to husband, amplify, and supplement nature rather than subdue and exploit her.

Mr. Chairman, the farmer-members of MFA have consistently urged full-funding of these conservation programs. Four, Iowa, Missouri, Illinois, and Kansas, of the top five States in dollars spent for cost-sharing practices are in the midcontinent area where MFA is most active. REAP is not a scheme, as some erroneously suggest, to pay farmers for something they ought to do themselves. It is a practical and economical way for the Nation to share with the farmer the cost of protecting our precious soil and water resources. As you know, something less than half the cost of a practice is paid by the Federal Government. And, as some apparently do not realize, this cost-sharing payment is made only on the condition that the farmer comply with specific quality standards.

We were shocked and dismayed when the abrupt and arbitrary ending of REAP was announced. At a time when the people of this country are so concerned about the quality of the environment—even to the point of funding new antipollution and conservation measures to the tune of billions of dollars—it is hard to believe that the administration would attempt to discontinue such a practical, effective, and proven soil and water conservation program.

How could REAP rate such a high priority for abolishment when it is designed and required to help family sized farmers to meet their

ecological improvement responsibilities? Could this be a deliberate attempt to adopt the Paarlberg plan suggested in 1970, to reduce the number of farms in the United States to 550,000 to 600,000?

Could this be President Nixon's version of revenue sharing? I noticed a recent article which stated a recent survey indicated suburban areas benefited the most, with rural areas benefiting the least if at all.

Is the Nation prepared for the reduction in farmland conservation that obviously will occur?

How can we assure that the construction of ponds and terraces and the fertility and seeding of permanent vegetative cover be done right? This question is highly significant.

Are we to give up our proven approach to total watershed protection as a means of reducing flood threat and water pollution from silting?

Missouri's executive secretary of the clean water commission stated, "The end of REAP means more pollution for the Missouri River. Farmers in Missouri use that program to build retention basins for solid wastes for their cattle and hog pens—runoff from animal wastes is the biggest water pollution problem we have. It will be a bigger problem now."

What will be the effect on the loss of control over conservation practices now exercised by the county ASC committees? These farmers, elected by their neighbors and devoting much of their services for free, have done an excellent job of guiding farm programs. Some 3,000 farmer-elected county committees carry out this program today. However, unconfirmed reports indicate nearly one-third of these committees will be eliminated.

These are questions that must be faced.

Mr. Chairman, members of the committee, we fully recognize the necessity for establishing priority in Federal spending. The effectiveness of Federal programs should be continually reviewed. Those ineffective should be revised or eliminated.

REAP has been effective. It is a low-cost and efficient way to conserve and improve the vast acreage of the Nation's farmland. Look at the record of performance. It is right there on the land for all to see; ponds, terraces, grass cover, new forest plots. Our land today is in better shape than it ever has been. Fertility is higher, soil loss is less, the threat of flooding is diminished—much of the credit is due to these conservation practices carried out under the auspices of the programs this bill seeks to reinstate.

Mr. Chairman, in conclusion, as a farm organization representing farmers in the grain belt of the Nation, we will do everything in our power to push for enactment of H.R. 2107. We agree with Speaker Carl Albert in his statement Sunday on a CBS broadcast wherein he stated:

President Nixon's refusal to spend funds for domestic programs approved by Congress constitutes an assault on congressional prerogatives. Presidents have used the power to impound funds temporarily or for reasonable cause, but President Nixon is trying to make a legislator out of himself, and it is not the business of the President to do that.

Thank you for the opportunity to be heard.

The CHAIRMAN. We are delighted to have had you, Mr. Carpenter. We appreciate this presentation. I believe you are familiar with our

practice. I would like to say to the rest of the witnesses who will appear here today that in order to expedite the hearings, we have found that it generally saves time if we could have a number of witnesses questioned at the same time, because there will be exactly the same questions presented to most all of you and it will save the repetition.

I trust you can stay with us, Mr. Carpenter, until we have heard other witnesses? Then we will ask the panel to present themselves for questions.

Mr. CARPENTER. I will be here, Mr. Chairman.

The CHAIRMAN. Thank you, sir.

Our next witness will be Mr. Charles L. Frazier, director of the Washington staff of the National Farmers Organization.

Chuck, we are glad to have you and we will be glad to hear from you.

STATEMENT OF CHARLES L. FRAZIER, DIRECTOR, WASHINGTON STAFF, NATIONAL FARMERS ORGANIZATION, WASHINGTON, D.C.

Mr. FRAZIER. Thank you, Mr. Chairman.

Good morning, gentlemen.

Mr. Chairman, the National Farmers Organization deeply appreciates this hearing on the proposed legislation that would remove all doubt as to the intent of Congress regarding the rural environmental assistance program. You and other members are to be commended for introducing bills that reserve the arbitrary announcement of the Department of Agriculture on December 26, 1972, terminating the environmental assistance program and the water bank program. We support your efforts and urge immediate action by the Congress to save these programs that are so vital to the continued application of needed water and soil conservation practices, particularly on the small farms and ranches of this country.

In a letter to Secretary Earl L. Butz on December 29, 1972, President Oren Lee Staley stated:

The precipitous termination of all practice approvals under REAP is the last straw in a vicious circle of announcements coming out of your Department. This is the little farmer's program. The money involved is not large comparatively speaking. It is the one action program in the conservation area that is practical . . .

His complete letter representing the unanimous will of our national board and dealing also with recent USDA actions on the water bank, FHA emergency loans and other programs is attached for the record. Since the elimination of direct REA electric and telephone loans on December 29, 1972, is an important piece of the pattern of actions taken by the administration since the November election, our January 3 message to congressional leaders and members of this committee is also made a part of this record.

NATIONAL PRIORITIES

Any responsible citizen or organization must realize that we cannot continually operate the Federal Establishment by running huge national budget deficits each year. It may very well be in order to exam-

ine each segment of the budget including agriculture, to search for administrative economies. Most of us who are close to agriculture might even come up with suggestions for close scrutiny in the agricultural budget if invited to do so.

We are primarily concerned, however, because the action programs of USDA seem to have been chosen for discriminatory treatment. We do not accept the proposition that rural people must stand such a heavy curtailment of programs without congressional concurrence, and without any reassurance that similar reductions are actually being made in the Department of Defense and other large spending segments of the Government. Although the \$250 billion spending limit was used as the excuse for terminating REAP, the water bank and other program curtailments, the larger question before us is even more significant.

The vital question is whether the executive branch has the authority to terminate duly authorized and funded programs without any consultation or concurrence on the part of the Congress. This challenge must be accepted. If we can no longer rely on the written laws properly passed by the Congress and related appropriations originated in the Congress and approved by the President, then we must expect a serious deterioration of faith in our Government.

A prominent columnist recently attributed to the White House staff an interpretation of the message contained in the President's election victory in this manner:

Taxes are too high, the Federal Bureaucracy is too big and the social programs are too expensive.

He went on to speculate about whether the administration seeks to create a forced spending issue equal to forced busing in the minds of the voters.

Perhaps this is only the opening move in a game plan that calls for termination of all categorical aid programs and substitution of special revenue sharing as the Federal answer to the Nation's domestic problems. We would have absolutely no confidence in such a plan—and even worse, what happens if the plan falters? The rural environmental assistance program will be out of existence and rural people will have borne the brunt of a meat-ax approach in adjusting the national budget.

Rural environmental assistance program: This program has been administered locally through the ASC-accepted farmer committees who have accepted responsibility for selection of needed practices, eligibility of participants, and allocation of funds. Prominent advantages of this approach to the problems of soil and water conservation are well recognized:

The Government contribution is more than matched by the participant at his own expense.

There is a limitation of the size of payment, insuring availability to the small producer.

Thousands of water retention and runoff control measures have lessened the burden on large dams and reduced the silt load in our streams and lakes.

Desirable legumes, grasses, and forest plantings now occupy millions of acres once subject to dust storms, heavy water erosion or, at best, the production of undesirable weeds and scrub timber.

Standards of performance for all practices are prepared with the cooperation of technicians of other agencies who are well informed on local problems, thus providing acceptability and practical accomplishment by owners and operators.

Some other facts are noteworthy. There were over 611,000 farms participating in 1971 when the program was only authorized at the \$195 million level. Requests for approvals normally run about double the amount that can be approved and this is only part of the story—requests are discouraged at the county offices when dollar commitments approach the amount of funds available each year.

An increasing proportion of the funds have been used on pollution abatement practices. Many of them bear no promise of economic gain for the operator. It is foolish to assume that rural people will assume the whole cost of installing these measures just to improve the environment for someone who may live hundreds of miles downstream.

The contention that farmers will continue to install needed conservation measures and pollution abatement devices at their own expense has often been argued by deskbound bureaucrats in Washington who are not familiar with actual field operations. This contention assumes that essential suppliers of materials and operators of heavy dirt moving equipment will always be available at reasonable prices. If they cannot be assured of a given amount of business in a community, as is the case with an active program, they will turn to other sources of income. Even those producers who are able and willing to pay the whole costs of certain practices will then be deprived of the necessary custom services.

Two specific suggestions are offered with respect to the bills before you. First, that the committee report and other legislative history make it very clear that the directive to utilize the program at the full appropriation level specifically means that the Department shall plan each program for the coming year at the level authorized by the applicable appropriation. For example, the 1973 agricultural appropriation bill provided \$195 million to pay the 1972 program commitments, but authorized a planning program at the \$225-million level for calendar year 1973. Using this example, I am sure that you would expect the Department to plan a program at the \$225-million level even though the actual appropriation would not be made until a later date. Incidentally, last year's appropriation language specifically explains that the increase in funds for 1973 is intended for pollution abatement practices while continuing needed soil and water conserving measures at a minimum acceptable level.

There is a related question of policy that is equally significant in the successful operation of this program: That is, whether the local ASC county committees responsible for administration of the program, with advice of representatives of the technical agencies working with them, have authority to determine what practices will make up each local county program. From time to time, Washington administrators have made an effort to make this decision for all counties in the country. Although this has been dealt with in appropriation language, it is desirable that this committee also make its attitude quite clear. The wide variety of problems relating to wind and water erosion, and pollution abatement, as well as the need for local support for the program on the part of producers, makes it imperative

this this authority be retained in the hands of the elected farmer-committeemen who administer the program at the local level. It would be ironic to save the program and then have it made ineffective through administrative determination.

In summary, the program must be reinstated if we are to avoid a disastrous decline in needed conservation activity. It is quite important to do so without delay, in order that capable personnel will not be disbanded and the momentum of program operation will not be lost.

Thank you.

(The above referred to documents follow:)

NATIONAL FARMERS ORGANIZATION,
Washington, D.C., December 29, 1972.

HON. EARL L. BUTZ,
Secretary, U.S. Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: Considering your substantial contribution to the President's reelection in November, I am both surprised and chagrined at the scope and finality with which nearly all USDA action programs are being severely curtailed at the producer's expense. The precipitous termination of all practice approvals under REAP is the last straw in a vicious circle of announcements coming out of your Department. This is the little farmer's program. The money involved is not large comparatively speaking. It is the one action program in the conservation area that is practical, and it had promised to be of value to producers who are now hard pressed to meet the stringent demands of EPA and other environment-oriented agencies who are demanding new measures, of no financial value to producers, to control pollution in behalf of all our people.

Perhaps these actions are not solely your determinations, but you are the one who spoke of fighting like a wounded steer and spending money like a drunken sailor on behalf of farmers. These actions seem to me to be very deliberate efforts to accomplish budget cutting at the federal level solely at the expense of farmers and ranchers:

The 1973 feed grain program is an open invitation to grain farmers to overproduce without any adequate assurance that large exports will continue to take the grain at reasonable prices. The announcement that producer payments will be reduced by approximately one billion dollars on feed grain and cotton seems to have been the major consideration in designing these programs.

The December 11 announcement that loans on millions of bushels of wheat and feed grains under extended loan would be called has the effect of forcing this grain on the market in the next few months regardless of whether it may actually be needed. The net result will be a negative influence on farm prices and again budget considerations seem to have dominated the decision.

The cotton program announcement highlighted the saving of \$100 million dollars and this will, of course, directly reduce producer income by that amount.

The flue-cured tobacco announcement that 10% more should be produced in 1973 plainly points to a rebuilding of reserve stocks at the cost of producers whose prices will suffer if a surplus is put on the market. The concurrent removal of the 5-cent export subsidy on this crop indicates a desire to hold or expand our export position and have the producers pay the bill.

The severe revision of the provisions of the farm storage facility loan program and the decision to sell all the buildings on the grain bin sites in 1973 and 1974 invites the commercial warehousemen to increase the cost of grain storage for producers and the CCC.

Emergency FHA loans that were first promised to farm families at the local level have later been denied. Your most recent USDA announcement indicates a complete shutdown of these loans and leaves many disaster stricken families at the mercy of private lenders.

I've noted no similar actions to stop the huge over-runs on defense contracts. Increases in salaries have been announced for all government employees. There are conversations about the Government reopening the controversial SST proposal that would benefit a few manufacturing corporations. Other news reports

indicate a likelihood of dropping the limitation on profit margins in the program to control inflation.

Turning again to the elimination of the REAP and your reference to net farm income of 18 to 19 billion dollars in 1972. I want to emphasize that this practice program has great significance at the local level in battling soil erosion and water pollution. The program is locally directed by farmer-elected committeemen. Producers traditionally have shared the costs of these conservation practices. Elimination of the program simply means that in many counties there will not be any organized effort to make available a consistent supply of good quality ground limestone for agricultural purposes. Quarry operators would rather concentrate on highway and construction markets. Similarly, heavy equipment necessary for engineering practices will not be readily available to sustain a broad conservation effort.

If you persist in killing this program you are terminating the one federal effort of long standing in the farm field that meets most of the requirements of the President's Revenue Sharing Program. You are terminating the single program that puts the technical advice of the SCS and the Extension Service to practical use on thousands of farms run by individual owner-operators. Even though some farm and ranch operators can afford conservation practices they may no longer find resources available to carry them out at reasonable costs.

The effect of these recent announcements were succinctly summarized in a public statement by Senator Herman Talmadge of Georgia—"I believe Secretary Butz is an honorable man who would not turn on farmers in this way. But I believe his hands are tied by budget cutters who don't even know how to spell cow. I believe in government economy as strongly as anyone. But when I see our government spending \$14 billion to garrison Europe and \$500 million to collect moon rocks, and billions more to be Santa Claus to the world, it seems to me to be time to re-examine our priorities."

Mr. Secretary, I call on you to reverse the decision on the Rural Environmental Assistance Program and the Water Bank Program, and to lend your influence in the Administration toward re-examining our priorities.

Sincerely,

OREN LEE STALEY,

President, National Farmers Organization.

NATIONAL FARMERS ORGANIZATION,
Washington, D.C.

Telegram to: Leaders of the Congress, Members of the House Committee on Agriculture, Members of the Senate Committee on Agriculture and Forestry.
Dated: January 3, 1973.

President Nixon's decision not to administer the REA is an arrogant gesture of defiance of the Congress and the American people. He has no right legally or morally to veto an existing law.

Congress has given the Rural Electric program increasing support in recent years. It has done so because this program is vital to modern farming and the development of opportunities for jobs and a decent standard of living in many rural communities.

Farm people and their electric cooperatives have relied on the credit system operated through the REA. This system was not set up as a temporary measure and has not been regarded as such by the Congress or the people. This credit system is a part of the economic fabric of rural America. When the President tells us we can no longer rely on the REA credit system for rural electrification loans, he is in fact telling us we can no longer rely on legislation enacted by the Congress. This wholesale defiance of the law must be challenged now.

Sincerely,

OREN LEE STALEY,

President, National Farmers Organization.

The CHAIRMAN. Thank you very much, Mr. Frazier. We are glad to have you express your interest in this bill. We are always glad to have you do so.

The next witness will be introduced by our colleague, Mr. Bowen.

Mr. BOWEN. Mr. Chairman, we are very happy to have with us today Mr. Warren Oakley of Starkville, Miss., in Oktibbeha County. He is

a constituent of mine. He is one of the three vice presidents of the Farm Bureau for the State of Mississippi.

Mr. Oakley is, Mr. Chairman, a gentleman and a farmer but not a gentleman farmer. He is a hardworking, middle-sized operator who has farmed all his life. He studied agriculture at Mississippi State University. He has about 200 head of Ayrshire dairy cattle, 200 head of commercial beef. He farms corn and sorghum. He would like, I think, this morning simply to talk to us about some of his personal observations and experiences with the REAP. We are very happy to have someone here representing the Farm Bureau and happy to have Mr. Oakley with us.

Thank you.

The CHAIRMAN. We are glad to hear from him.

STATEMENT OF WARREN OAKLEY, VICE PRESIDENT, MISSISSIPPI FARM BUREAU FEDERATION, STARKVILLE, MISS.

Mr. OAKLEY. Thank you, Davey.

Mr. Chairman, members of the committee. The rural environmental assistance program is one of the most effective programs administered by ASCS. Throughout the countryside we see the results of this program at work, helping control pollution, conserving our land and natural resources for the production of food and fiber for a growing population, and providing for wildlife and space for outdoor recreation. Alongside the results of this far-reaching program we see the continuing need for the program.

The county ASCS committees have given high priority to long-lasting conservation and pollution-control practices as contrasted with short-term measures. Right here, I would like to say that it kind of made me, I would say, a little mad at the time when we had these short-term programs and they started to phase them out. They had to do with fertilizers on pastures and things like that. As time goes on, I have found that we are moving into these long-time programs and I think they are really the thing to have in place of these short-term programs. In my immediate area, two practices are receiving high-priority ratings are animal waste disposal systems and timber stand improvement. With reference to animal waste lagoons, I can cite from my own personal experience—and experience speaks mighty well for a man. As Davey said, I am a man out there on the farm working. You do not get your hands rough and dirty ground down in it if you are not down in there working. That is the way mine are, with the fingernails knocked off.

In 1971, the first lagoon in the area was constructed on a dairy farm several miles from my own. This, I would have to say, was a "pilot" waste disposal system. It was watched and studied and continues to be watched by many dairymen seeking a solution to one of agriculture's special problems. I would like to say this lagoon was more or less forced on this party with this dairy because the city people put a golf course adjacent to his dairy farm. The waste was running down over this golf course and it never reached court, but they were threatening him with a lawsuit if he did not do something to dispose of this waste from his dairy herd.

I was among those dairymen who watched this "pilot" project with much interest, and early in 1972 I applied for assistance through REAP for construction of a lagoon to handle the manure from my dairy operation. It was approved and construction was completed at an actual cost of approximately \$4,000. Of this, REAP paid \$2,500, my share was approximately \$1,500. Now, this \$4,000 does not include my actual labor or labor from my farm labor on the place. It is not included in that. I does not include some timbers and things that were salvaged from a bridge that was being torn out. I expect the actual filing would be close to around \$6,000 that was spent on this lagoon if I had to account for all the labor and for the chemists to go and get this lagoon in operation.

This is one improvement that I probably would not have taken entirely on my own at the present time, as I would not want to invest \$4,000 in something still in the experimental stage. They tell us they do not know how long these lagoons are going to last or how well they are going to last, but it looks like it is really the thing. I think they have been improving so far as disposal of waste from cities.

Prior to the construction of the lagoon, it was taking two men approximately 20 hours a week to clean feeding and holding areas and spread manure from my 100-cow herd. Now one man in 3½ hours per week can do a better job of cleaning. Disposal of manure in this manner eliminates pollution problems.

Dairying is a twice-a-day, 7 days a week job. Labor has been hard to find. I have to go out there and help milk those cows many a morning and many an afternoon myself, and this situation is not likely to improve because of the regularity required of workers in this occupation. The lagoon then answers two problems—waste and labor—with what promises to be a long-term solution.

Two other animal waste disposal units were constructed in my county in 1972 with assistance from REAP. Several other farmers have become interested, with indications that, with REAP assistance, eight or 10 lagoons would be constructed in this dairying center in 1973. I doubt now that a single one of these will be built unless REAP is restored. Streams will continue to be polluted, or dairymen will close their operations because of health regulations or the price squeeze.

In Mississippi last year, \$140,817 of REAP funds helped build animal waste disposal systems, representing only 2½ percent of the State's \$5,214,000 allocation. This important pollution-control measure could rapidly become one of the major cost-sharing practices in the number of farmers participating as well as in the benefits of improved environment for the public.

At one time cotton was the major crop produced in my area. I live in the hill area of Mississippi—and it is still "king" in Mississippi. But many acres of hill land became eroded under the intensive cultivation cotton requires. On these acres cotton has yielded to reforestation programs and the establishment of permanent vegetative cover. Good pastures are now seen throughout our State. No better way can be found to maintain soil fertility, stabilize the soil, and at the same time bring prosperity to a community.

As county chairman of the Soil and Water Conservation Commission, I have witnessed the buildup of a great interest in timber stand improvement practices through participation in "tree-planting week"

sponsored by our group and others. What is tree-planting week? It is something that we as county commissioners have established with soil conservation and with the ASC office in which we go to schools and distribute a tree to each child, seventh grade and below, once a year. Incidentally, it is going on in my hometown right now. But it really makes you feel good to see those little children come by and reach out for their tree and the ones that got them last year come back by and tell you how their tree did and how their tree survived. It is simply to create interest in the adults through the children and planting trees and growing and it has really caught on and it is something big in our community.

Much cutover land, suitable only for growing timber, has been and is being put to productive use with trees. Through this practice, erosion of the soil is controlled, further reducing the silt pollution of our streams. REAP's share of the cost of these benefits was \$145,532 in Mississippi in 1972.

The beef industry is growing in Mississippi as farmers turn to cattle in order to utilize the grass from the newly-established pasture lands. Consequently, more ponds are needed for livestock water. In 1972, \$400,298 of the REAP funds allocated to Mississippi went toward the construction of livestock ponds or deepening shorelines on existing ponds. These practices have gone a long way in putting idle acres and wornout land back to work, helping relieve a shortage of beef and holding food prices down. Prices seem high, but we can't help wondering just how high prices on food products would be if it were not for the land management practices that were initiated so many years ago under the agricultural conservation program (ACP) and which have played such an important part in making the American farmer the efficient producer he is today.

This points up just one of the benefits the public receives as a return on its small investment. Another benefit is in the form of greater opportunities for outdoor recreation as provided through improved hunting, plentiful fishing areas, and unpolluted streams and lakes for water sports. Right here, I would like to say that I allow hunting and fishing on my particular farm, I allow it to college students and I do not know their names, if they will come by and ask me. But just let me catch one down on my place without permission, I have a little gimmick of removing the wheels on the automobiles, and believe me, they will come by and let you know before they leave when they start looking for that wheel that they have been on the place. But if he will come by and ask permission and not even give me his name, he is welcome to come. I tell him, when you want to go again, you come back by and ask me and it will be all right. If it had not been for funds made available through our programs of assistance through cost sharing, many of these opportunities would be nonexistent today.

These practices yielding long-lasting benefits are mentioned from my own experience, as I am most familiar with them. Yet there are other valuable practices that will go lacking if some assistance is not made available in the form of funds that can be used toward the correction of conservation and environmental problems. The nature of the soil in some parts of Mississippi and the periods of heavy rainfall we frequently experience have combined to cause erosion of the land into severe gullies. For this reason, those corrective measures that work

to stabilize sources of sediment have been widely practiced. Without assistance from REAP, few of these areas would have been treated. Rather their condition would have become worse.

Sediment control pipes in connection with gully control and ditch work are being proven effective in preventing erosion as well as slowing down the waterflow and lessening the pollution buildup in our streams.

Land-levelling works to increase efficiency of land use by eliminating potholes, improving drainage, and making possible better management practices such as allowing for larger fields which will accommodate larger equipment and reduce labor costs.

In the Delta area of our State, 65 to 80 percent of REAP money in recent years has been spent on sediment control, and over 10 percent on land-levelling, with the remainder going for temporary or short-term practices. Gully controls and sediment control pipes together accounted for \$1,161,033, or over 22 percent of the State's 1972 REAP funds.

The farmer may hold the title to the land during his lifetime, but after all he is really only the caretaker today for this generation, the trust officer for generations to follow. Under REAP, the public assumes a share of the responsibility of guaranteeing that our resources will be passed on to future generations in the best possible condition. Yet the farmer, too, bears part of the cost. Being required to invest some of his own funds, he will consider carefully the best use of the land, and will take better care of it when he sees the completed project go to work.

The statement "There will never be any more land" comes to my mind often. As large portions of the earth are being covered with asphalt and concrete for shopping centers, homes, and industries, it becomes necessary for us to take the best possible care of our remaining acres. REAP is one means of insuring this care during this generation and the protection of resources that will be needed by future generations. We need sufficient funds for carrying out the long-lasting programs that will provide us this insurance. Right now the American farmer is sold on this idea. No good salesman would turn his back and walk away if he already had his foot in the door.

In 1972, 23,464 Mississippi farmers took part in this program on a voluntary basis, with 806,518 acres being improved in some way as a result. Last year 36 percent of the State's total REAP allocation went toward these longlasting practices I have mentioned to you. A definite trend in this direction has been established, and a higher percentage of future allocations would be designated for the permanent-type practices that would generate lasting public benefits.

Now, on behalf of 91,000 Farm Bureau members in Mississippi, I urge you to not lay down your share of the load, but to continue to accept part of the responsibility for the condition of the agricultural resources of this Nation.

Thank you.

The CHAIRMAN. Mr. Oakley, we are very much obliged to you and we appreciate this good statement. We hope that you can stay with us so we can ask some further questions.

Mr. OAKLEY. I can, sir.

The CHAIRMAN. Our next witness will be Mr. Gordon K. Zimmerman, whom we all know, the executive secretary of the National Association of Conservation Districts.

Mr. Zimmerman, we are glad to hear from you.

**STATEMENT OF GORDON K. ZIMMERMAN, EXECUTIVE SECRETARY,
NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS, WASH-
INGTON, D.C.**

Mr. ZIMMERMAN. Thank you, Mr. Chairman, members of the committee. First let me compliment you and all the other members who have joined in sponsoring this legislation and also for the promptness of these hearings. I am appearing here today in behalf of the National Association of Conservation Districts to express our support for H.R. 2107 and similar bills which would require the Secretary of Agriculture to carry out a rural environmental assistance program.

NACD represents the 3,019 conservation districts organized in accordance with State law in the 50 States, Puerto Rico, and the Virgin Islands. These districts, as all of you know, are managed by over 18,000 men and women, who serve voluntarily and without compensation. These districts exist for the purpose of planning and carrying out needed land, water, forest, and wildlife conservation practices on the privately owned lands of the Nation. Let me say there are 2 million private landowners who cooperate in these programs and on these 2 million pieces of property, there are in most part thorough-going conservation plans that are comprehensive, scientifically designed, and are being put into practice, are being applied to the land, with one of the most essential of all the tools we have had at our disposal for well over 30 years—specifically, the cost-sharing programs of ACP and now REAP.

Conservation district leaders have been working for environmental improvement in the American countryside for over 35 years. Their accomplishments, achieved with the assistance of cooperating Federal, State, and local agencies, have helped to transform the landscape. The results are reduced soil erosion, more efficient water management, better hunting and fishing, prevention and reduction of floods, improved forests, and accelerated economic growth in many rural areas.

The vital work of land and water conservation which our districts are engaged in are largely dependent on the availability of support from the U.S. Department of Agriculture in terms of education, research, technical assistance, and cost-sharing. Let me say we regard this not as a three-legged but a four-legged stool, each dependent on the other. We do need research, we do need education, the kind of education provided by the Agricultural Extension Service, the research provided by our agricultural experiment stations. It is vital that we have the technical assistance of the soil conservation service and equally important that it is the cost-sharing that is provided under the REAP program. Like a four-legged stool, if it loses a leg, the stool can topple over. It is our position that adequate amounts of cost-sharing are needed to insure the establishment of these critical measures of soil, water, forest, and wildlife conservation that benefit the entire public as well as the owners of the land upon which they are installed.

For this reason, NACD has consistently supported the continuation and the expansion of the rural environmental assistance program, formerly known as the agricultural conservation program.

I would just like to take a minute to quote from our current policy on this subject: "We regard Federal cost-sharing as an extremely important aid to conservation progress in the United States. It provides valuable support for the programs of conservation districts. We believe that technical assistance and conservation cost-sharing, used in combination, are effective aids to farmers and other landowners in getting conservation measures applied to the land. The services provided by SCS technicians in the application of practices with cost-sharing help has advanced district programs of planned conservation for entire farms, ranches, and watersheds.

We support increased funding for the rural environmental assistance program, recognizing the expanded emphasis on sediment control from agricultural lands as well as the relatively high construction costs of such necessary environmental measures as animal waste lagoons.

Over the years, we have advocated changes in the rural environmental assistance program in order to make it more effective in achieving its purposes. For example, we have recommended that priority be given to the use of REAP funds for long-term, enduring practices; and that there be additional emphasis on pollution abatement, recreational, and other environmental measures. During the past several years, at the direction of Congress, there has been substantial progress in these directions.

In addition to the importance of REAP to American agriculture, I would like to underscore its value in connection with another of the most critical problems of our times—water pollution from sediment. I am not, in my statement, going into an elaborate recounting of all that has been accomplished under REAP. I was here yesterday and I heard the testimony of the distinguished Members of the Congress. The gentlemen who have preceded me this morning have gone into it thoroughly and all the people in the country who understand REAP are sitting in front of me now. I do want to say that as time moves ahead, the importance of this program in controlling and restricting sediment and the pollution of the lakes and rivers of our country is going to be increasingly important. The total annual sediment movement nowadays is estimated to exceed 4 billion tons in an average year. This is an estimate of the Soil Conservation Service. It is difficult to deal with because it originates from thousands and thousands of places across the entire country.

Rough estimates available to us indicate that the suspended solids reaching the streams and rivers of the country from surface runoff are at least 700 times the loadings caused by sewage discharges.

About 500 million tons a year are moved by our rivers into the oceans and the Gulf of Mexico. Very importantly, let me say that more than a billion tons of sediment are deposited each year in our major reservoirs.

A substantial share of this sediment load comes from the farms and ranches of the country. Our only hope of cutting it down is through a thorough conservation program—including the kind of cost sharing provided by REAP.

More than soil is involved. When water flows over the land it picks up and moves anything that is movable, including not only soil particles but organic residues, plant nutrients, pesticides, manure, and all manner of infectious organisms.

Without REAP I am convinced there will be a slowdown in conservation progress in our country. It will hurt agriculture, private forestry, wildlife, recreation, watershed protection, and pollution abatement.

Cost sharing for conservation on the farms and ranches of America does not represent an "income supplement," as it was referred to in the termination announcement by the Department of Agriculture. Instead, we believe it is an important incentive to farmers and ranchers to move ahead with the application of conservation measures. The money is just enough, in thousands and thousands of instances, to cause farmers to invest in conservation rather than in other alternatives open to them for the use of their limited funds.

We favor conservation cost sharing in the districts of America. We do not believe the executive branch should take it on itself to "terminate" programs that have been established lawfully by the Congress. NACD therefore supports the enactment of H.R. 2107 which would re-establish the rural environmental assistance program and require its operation by the U.S. Department of Agriculture.

I would like to add one more comment if I may.

The CHAIRMAN. Surely.

Mr. ZIMMERMAN. The United States has the largest single area of fertile land on earth, far exceeding that of the Soviet Union. We have been engaged in this business of erosion control, conservation, and resource improvement now for over 30 years. In my work, and I started out with the privilege of working beginning in 1935 with Hugh Bennett of the Soil Conservation Service, I have had people ask why it takes so long, why we have not accomplished more, with all these years and with all this money; why has not the United States done more in solving the conservation problem, in preventing erosion? And indeed, we have made enormous progress. I simply remind all of you, as I am sure you need not be reminded, that in a country as enormous as ours, with the changing patterns of ownership, with far more intensive use of our resources, this is a tremendous job which we are making headway on. We really ought to be making faster headway than we are. We need all that we can get from REAP. There ought to be a larger REAP program, in our judgment. We are, as many people have said, shocked by the action taken by the President, and those associated with him in the summary termination of this absolutely vital program to the protection of these renewable natural resources in the country.

Mr. Chairman, members, I thank you for this opportunity.

The CHAIRMAN. We thank you, sir. We are always glad to have you wish us. We appreciate this statement. We trust that you can stay with us to subject yourself to any questions that might be asked.

Now, the next witness will be introduced by our colleague, Congressman Jones from Tennessee.

Mr. Jones?

Mr. JONES of Tennessee. Thank you, Mr. Chairman, members of the committee. I am glad today to present a witness supporting the REAP

program in my native State of Tennessee. Mr. Chester McConnell is a wildlife biologist from the Tennessee Game and Fish Commission. As I have said, he will be testifying in favor of the Poage bill and the bill that many of us have introduced on REAP. Mr. McConnell comes from Alabama and is now living over in middle Tennessee. He has a master's degree in wildlife management from Auburn University. For the past 8 years, Mr. McConnell has been a wildlife biologist with the Tennessee Game and Fish Commission. He is also chairman of the farm game committee in 16 of our Southeastern States. He is considered by all of his colleagues to be outstanding in his field. It is really my pleasure to have Chester McConnell with us today, Mr. Chairman, to testify in favor of our legislation as proposed.

The CHAIRMAN. Thank you, Mr. Jones.

Mr. McConnell, we are glad to have you here and we will be glad to hear from you.

STATEMENT OF CHESTER McCONNELL, WILDLIFE BIOLOGIST, TENNESSEE GAME AND FISH COMMISSION, NASHVILLE, TENN.

Mr. McCONNELL. Thank you, Mr. Poage.

Mr. Chairman, members of the committee, I am glad to appear and express our views relating to agricultural programs. I am a game biologist with the Tennessee Game and Fish Commission and chairman of the farm game committee. The farm game committee jointly serves the Southeastern Section of the Wildlife Society and the Southeastern Association of Game and Fish Commissioners. The committee is composed of wildlife biologists representing 16 Southern States.

One of the most phenomenal events in the history of man has been the agricultural progress in this Nation. Our Nation is blessed with an abundant supply of excellent food in addition to many other material things. This agricultural progress did not just happen but it was made to happen. One cause for this progress has been the legislative action initiated by Congress. Another cause has been the U.S. Department of Agriculture farm programs which have guided and assisted our dedicated farmers. Our Nation should be proud of your actions, those of the Department of Agriculture and of our farmers, which have resulted in our abundant food supply.

During the process of developing and administering the farm programs, another dramatic event has occurred. Our wildlife which lives on farmlands has been seriously neglected and has suffered. Many of the farm programs having outstanding results when production is emphasized have caused highly detrimental results to our farm wildlife. This situation could have been avoided. We can easily have an abundance of wildlife and agricultural production on the same land. Farm wildlife needs and agricultural practices can be compatible.

The vast majority of our farm wildlife populations are produced on private lands. During the past two decades, there has been an almost continual declining trend of this wildlife. The decline has been caused primarily by a loss of quality and quantity of wildlife habitat on farmlands. The habitat loss is primarily due to changing land use and modern agriculture practices. We certainly have no desire to return to the old farming methods because wildlife management can also be best accomplished with modern methods. The most promising

approach to wildlife management is to provide and maintain the proper environment for wildlife to express its own reproductive potential. Food and cover establishment and farm pattern manipulation are considered to be among the most important management techniques in providing proper environment.

State wildlife agencies have the responsibility for statewide habitat improvements, but have found it very difficult to encourage management on private lands. These agencies know how to manage habitat to increase wildlife, but cannot accomplish the job alone. We recognize that most farm wildlife is presently produced simply as a byproduct of farm operations. The landowner, with few exceptions, has always determined the use of his land. In most cases the landowner has little economic incentive to develop wildlife habitat, or to encourage its utilization. Thus wildlife production must be assisted in order to compete with other economic interest on the land.

We feel that, in our present society, a realistic approach is to provide financial incentive to landowner for providing the habitat for farm wildlife. This habitat must literally be purchased in terms of the amount of corn, beans, hay, or other crops that the farmer would have to sacrifice. Landowners should not be expected to pay for habitat preservation or improvement when they could possibly use the land or money to increase their income. In most cases, the general public receives the most benefit from the wildlife resource. Therefore, funds from the general public should finance the program. Hunter license fees are paying for many programs of benefit to the public at large. However, they cannot, and should not be expected to pay for all farm wildlife needs, particularly when the need for expensive habitat improvement is necessitated because of programs financed by public funds.

The general public has an interest and responsibility in effecting and perpetuating sound management policies for all natural resources. During the past several years this public has probably become more aware and interested in the environment than during all previous history. Congress, governmental agencies and private industry have responded to this awareness by altering policies and devising programs beneficial to the environment.

This Nation urgently needs a good, sound program which will enhance wildlife on farmlands. More people are near farm wildlife and can enjoy it in comparison to other forms of wildlife. Congress and our Presidents have very wisely established park systems, wildlife refuges, wilderness areas, and wild streams. We commend these accomplishments but these areas are normally long distances from the majority of our citizens. The approximate 460 million acres of cropland and 630 million acres of grazing lands are more closely located to our people and urgently need attention. We feel that our Nation has a moral obligation to our wildlife resource and the time has come for a serious program which considers wildlife needs on farmlands.

The rural environmental assistance program included goals and objectives which considered the wildlife resource. This was one of the few agricultural programs which considered wildlife and now it has been eliminated by the President. The REAP was not a program to provide supplemental income. It was an incentive program designed to encourage those who control the land to preserve and protect it for

use by future generations. Statistics for the 1971 REAP show that more than 90 percent of the funds expended under the program went for long-term, enduring conservation practices designed to control erosion and prevent pollution of our streams and waterways. The greatest single pollutant of our streams and lakes has been identified by the Soil Conservation Service as silt and sedimentation. This program strikes directly at this problem by helping to keep the soil in place on the land where it belongs and reduction of pollution of our waters is of benefit to our fish and wildlife resources.

The Tennessee Game and Fish Commission and other wildlife agencies are vitally interested in the REAP wildlife practices. We have been working with Agricultural Stabilization and Conservation Service officials on the National, State, and county level, and with many individual farmers, to encourage more participation in wildlife practices. We had gained a large grassroots interest in the wildlife practices. During 1972 various wildlife agencies and organizations including the International Association of Game, Fish and Conservation Commissions, the Southeastern Association of Game and Fish Commissioners, the Southeastern Section of the Wildlife Society, the National Wildlife Federation, and many local organizations went on record in support of improving and encouraging the REAP wildlife practices. Will the desires of all these and other conservation organizations be ignored? Are we to be completely overlooked when programs are being developed which vitally affect our wildlife? We ask you to allow us to assist in developing any future agriculture programs and in improving existing programs.

The most practical method of compensating landowners for wildlife habitat within our present governmental organization would appear to be through the U.S. Department of Agriculture. This agency presently has the organizational structure through the ASCS and SCS to administer wildlife habitat programs. Historically agricultural agencies have had more influence on the land than wildlife agencies; therefore, it is only reasonable that if wildlife is to be enhanced on farmlands, both agricultural and wildlife agencies must work together.

The new farm bill presently being developed will become effective with the 1974 planting season. The enactment of the Rural Development Act of 1972, section 605, makes it possible for long-term agreements. Now is the time to develop a sensible farm program which will consider wildlife needs. Wildlife practices utilizing proper perennial cover could be developed on the lands diverted from crop production. Under long-term agreements diverted cropland could provide an abundance of wildlife habitat at little or no added cost. This is not feasible under annual diversion programs.

Payments to farmers for cropland diversion are astronomical compared to budgets of wildlife agencies. In 1970 farmers received \$3.4 billion for diverting 57 million acres from farm production. The Nation's hunters spent only \$114 million for hunting in the form of license fees, special stamps, and Patman-Robinson Federal excise taxes. Obviously the effects of a \$3.4 billion program could hardly be offset by hunter sponsored programs totaling \$114 million.

We urge this committee to do what it can to reinstate the beneficial aspects of the REAP and to incorporate practices beneficial to wildlife in any program which pays landowners to divert cropland from production.

Based on previous experience we also request that two points should be considered in any U.S. Department of Agriculture program involving wildlife.

1. The funds allotted to wildlife practices should be earmarked and not be competitive with funds for other farm practices.

2. Wildlife practices should be made a compulsory part of State and county programs.

Mr. Chairman, and committee members, I again say thanks for the opportunity to be here to express our views. We will be available to assist you at your request when programs affecting wildlife are being developed.

The CHAIRMAN. We are happy to have had you, Mr. McConnell. We will ask you to await a time when we are all available for questioning.

Thank you very much.

Mr. McCONNELL. Thank you.

The CHAIRMAN. Our next witness will be Mr. Robert M. Koch, president of the National Limestone Institute.

Mr. Koch, we will be happy to hear from you. We have been reading about you in the newspapers. We are glad to hear from you.

**STATEMENT OF ROBERT M. KOCH, PRESIDENT, NATIONAL
LIMESTONE INSTITUTE, INC., WASHINGTON, D.C.**

Mr. KOCH. Thank you, Mr. Chairman. First let me apologize for being late. Two of my vice-presidents have been covering these hearings. I have just come from Senator Ervin's hearings, which I am sure all of the gentlemen here will very much appreciate. Members of both parties, 50 Senators in all, have joined him in cosponsoring his bill. The hearing started this morning. I felt I should be there, because he has asked me to testify Thursday.

Mr. Chairman, let me state for the record, my name is Robert M. Koch, president of the National Limestone Institute, which is an organization of more than 600 limestone producers scattered all across this great Nation of ours. Let me further state that we have recently formed a federation called the National Crushed Stone Institute with our sister organization, the National Crushed Stone Association. They have a membership of nearly 200; thus, I am testifying today as an NCSI representative in behalf of nearly 800 producers, some of which produce no agricultural limestone but all of whom are vitally concerned as citizens for this Nation's basic conservation program.

Mr. Chairman, and members of this committee, I very much appreciate the opportunity to testify today in support of the chairman's bill, H.R. 2107, and the one introduced by Congressman Scherle, H.R. 1164, and cosponsored by 68 other Members, representing the broadest possible political spectrum in the Congress to stop the elimination of REAP, more commonly known as ACP. It is also my understanding that over 20 other similar bills have been introduced.

Actually, I suppose it is wasting your time because my associates and I, from our numerous contacts with members of this committee, recognize that an overwhelming majority of this committee, as well as the entire Congress, fully appreciate the value of this program which was started by the Congress when it enacted the Soil Conservation and Domestic Allotment Act in 1936.

As I wrote the President, a copy of which is attached—and as you all know, it was my privilege to start my professional career after receiving my degree in agriculture from the University of Massachusetts in 1935 as the first county office manager in my home county of Franklin, Mass., administering the old AAA.

I had never met a limestone producer but the county agent, the late Joe Putnam, and I spent many a night over the next 5 years holding meetings all over Franklin County to explain to the farmers the advantages of using aglime under the program. To help the limestone producers of our area? Of course not. We took agronomists from the University of Massachusetts when we could get them and thousands of illustrated charts and bulletins to explain the importance of aglime in the growing of clover, alfalfa, and other legumes. To benefit farmers? Of course. But equally important, to benefit consumers.

It was not until the Congress passed the enabling legislation which provided for this partnership arrangement with over 1 million of the Nation's farmers and their Government that our basic conservation efforts got off the ground. As I have previously written, the Nation's outstanding Extension Service which had been established in 1914 with all the technical know-how provided by the agricultural experiment stations and the promotional work of the limited limestone industry of that time could never get the farmers to use more than 3 million tons of aglime a year.

The partnership arrangement quickly pushed the use of aglime to 30 million tons of aglime a year—still far below the 80-million ton figure the land grant colleges of this Nation say should be used annually. A bonanza for the limestone industry? Hardly. This is only 4 percent of the total sales of the limestone industry although some of our members sell a much larger percentage of their total sales in aglime than that. However, let me tell you what one of my directors told me after our congressional banquet a week ago last Thursday night. He said, "Bob, our sales of aglime are less than one-half of 1 percent of our total sales, why do you spend so much of your time on this REAP program?"

Gentlemen, there are several answers. First and foremost, is that contrary to what Secretary Butz tried to get across to the Washington Press Corps when he waved my "mean and nasty" letter before them is that I am not the only one in this Nation concerned about the elimination of REAP. Certainly all of you can testify to that.

Second, I honestly believe the American taxpayer gets more from this program for his tax dollar than almost any other Federal program. And as you all know, there are many other conservation practices involved besides the growing of legumes which conserve the soil and the water.

Third, I am attaching to this statement¹ one of the most learned treatises ever written about the fundamental value of limestone. And, calcium which comes from limestone. And who wrote this? Dr. J. B. Peterson, recently retired head of the Department of Agronomy from Earl Butz' own Purdue University.

Fourth, I would remind this committee that somewhere in your files—unfortunately, I couldn't find it in mine since we have moved

¹ The article referred to, "The Role of Agricultural Limestone in National Health," by Dr. J. B. Peterson, may be found in the files of the committee.

our office—there is a complete study made by Dr. William Albrecht of the University of Missouri of the draftee rejections during World War II. He clearly pointed out the correlation of calcium in the soil with the unusually heavy rejections for health reasons of the draftees in the South, compared with those from Colorado, a State outside the humid area where the soil is still rich in calcium.

I will leave it to you gentlemen, after reading Dr. Peterson's article, whether this program which has been so abruptly terminated by the stroke of a bureaucrat's pen, is more of a consumers' subsidy than a farm subsidy.

Since the Secretary has made me relatively famous—or should I say infamous—by his attack on me, I have had calls from reporters from the Wall Street Journal, Time, Inc., the Washington Post, Joseph Alsop, et cetera, just to mention a few, nearly all of whom want to know why the farmers who are so well off have to be subsidized by the Government.

So just a word about why farmers don't carry out these long-range conservation practices by themselves. Human nature as we all know is a funny thing. You know I get a reasonably good salary but yet my wife and I constantly find we don't always spend our money in our best long-term interests. Somehow there are always too many places to put our money and never quite enough to go around all the things we would like to do. It is all too easy to consider the short term rather than the long term. And, gentlemen, in spite of all Secretary Butz's statements to the contrary, the American farmer is a long way from prosperous. Furthermore, even putting that argument completely aside, the farmers' record of long-range conservation during the ideal parity period we hear so much about was pretty dismal. We are naturally a nation of exploiters. That is one reason why we are such a great nation. Fortunately, the Good Lord gave us a nation abundantly rich in natural resources. But as everyone on this committee knows, India, China, and all of the other similar nations, have exploited their soils through the generations. And yet until the Congress turned us around by that classic bill in 1936, we were destroying our soil and water resources at a fantastically greater rate than either of these nations ever had.

As I told Secretary Butz during our very fine luncheon which he invited me to in his office—and may I say before I realized REAP was terminated—people our age would not be concerned if the liming practice were eliminated as the USDA was rapidly accomplishing by restrictive regulations because of the tremendous reserves already built up since 1936. However, after these reserves are exhausted, future Secretaries of Agriculture would not be able to negotiate sales to Russia, and send food to India, et cetera, because our farm lands would no longer have their present productive capacity.

Now I could go into why Secretary Butz deceived me and Chairman Jamie Whitten during those discussions which, coincidentally, were held on December 20. And I could also discuss at length the moral questions entirely aside from the merits of REAP of announcing to the farmers of the Nation prior to the election an initial allocation of \$140 million for the 1973 REAP. How in good conscience this could be terminated for any reasons short of an absolute national financial disaster is beyond me. As I told Secretary Butz when he was telling

me of the President's problems of balancing the budget, and the pressures he was getting from OMB, our members to a man would back the President's goal of balancing the budget. However, we greatly differ with the way OMB is trying to reach that goal. As I told the Secretary we firmly believe that the Secretary of Agriculture should make the final decisions about cuts in agriculture and not anonymous individuals in OMB.

Gentlemen, I prefer to rest the case for the most practical national conservation effort ever conceived by man with members of this committee. And I hope that you can expedite legislation such as the chairman's bill so that we can get on with the job the farmers have been doing so well for 36 years in behalf of all of us in conserving our greatest natural resources—our soil and water.

Thank you, Mr. Chairman and members of this committee, for the privilege of appearing before you today.

(The above referred to document follows:)

NATIONAL LIMESTONE INSTITUTE INC.,
Washington, D.C., December 24, 1972.

President RICHARD M. NIXON,
Key Biscayne, Miami, Fla.

DEAR MR. PRESIDENT: As you and I try to enjoy this perfectly delightful weather in South Florida this week, I find it imperative to write you again. Last Friday, Mr. Weinberger pulled one of the worst boners of his career. Not only did he terminate the most successful soil and water conservation program ever devised by man, but he once again demonstrated his utter contempt of Congress in our entire Democratic Process. Here we have a Program, developed over the years (since 1936) by the 3,000 farmer-elected County Committees on which the 3,000 County Agricultural Extension Agents sit as ex-officio members and with the technical advice provided by the Nation's Land Grant Colleges, nullified by the stroke of a pen by a non-elected official. This, in spite of the fact that Congress has repeatedly told you and him not only not to curtail this Program, but this last year to expand it.

According to Mr. Weinberger, it is all right to spend billions through the Environmental Protection Agency creating new Regional, State and County Offices, but to use a time-proven existing agency which rose to the occasion in World War II to do all kinds of unrelated things is wrong. By abolishing the 1973 Rural Environmental Assistance Program, which is only spending \$140 million under his enforced restrictions, at 5:00 p.m., December 22nd, 1972, is only the first step in dismantling the most efficient government operation in the land.

Here we have a Program that used to spend \$500 million a year in the 30's and 40's when our Gross National Product was only a fraction of our present National Government's Budget, first reduced to \$140 million, while "advisors" in the Soil Conservation Service are still spending in excess of \$200 million for salaries and administrative expense alone, and now eliminated. Is Mr. Weinberger consistent? Of course not. All he sees are programs that in his opinion "waste dollars" and are bringing our country to the brink of financial ruin. Try as hard as I could, I could not get him to see the difference between a Program where farmers match with their own money, money provided by the government (the rest of us taxpayers) to carry out on the land basic soil and water conservation practices and a Program (the SCS) where money is only spent for salaries and administrative costs of bureaucrats who simply offer farmers advice.

Of course, it could be that your voting record on ACP-REAP could have inspired Mr. Weinberger to this drastic action. Certainly no Representative, Senator, or Vice President, and now President has made such a "perfect" record of voting against or scuttling the Agricultural Conservation Program which has been in effect since 1936 and more recently renamed the Rural Environmental Assistance Program as you have. While your record as Representative and Senator is clear that you voted against the ACP at every opportunity, and as Vice President you cast the tie-breaking vote to defeat a move by the late Senator Dick Russell, then Chairman of the Senate Appropriations Subcommittee on Agriculture, to prevent a drastic cut in this Program, and you eliminated

this Program from your budget and no later than this month, eliminated it from your 1974 fiscal budget, I somehow cannot believe that you, yourself, with all your other problems, could have ordered the incredible action last Friday.

I had taken my family to the Hotel Fontainebleau for the opening of the Ann-Margaret Show and so did not hear until after midnight that OMB had forced the USDA to send out by telex to every one of the 50 States late Friday an order cancelling the 1973 REAP Program. Terminating this Program, as of 5:00 p.m., Friday, December 22nd, may make sense to a man like Caspar Weinberger. But are you aware, I know he isn't, that some states have nearly completed their sign-up for the 1973 Program and others have not even started? Can't you just imagine the Congressional pressure that this will develop next January 3rd? And I am sure that you are aware that I shall do everything in my power to see to it that the 9,000 farmer-elected County Committeemen and the 100,000 Community Committeemen know exactly how this drastic action was brought about. If the Country is in such dire financial straits, why shouldn't the "advisors" to farmers be cut back before the payments for actually getting the basic soil and water conservation practices on the land? Obviously, Mr. Weinberger has a higher regard for bureaucrats than he does for farmers or coservation of our natural resources. His elimination of the action Program which costs \$140 million and cut of only \$20 million from the over \$200 million of SCS salaries is completely unrealistic *and indefensible*.

I have been objecting for some time to the undue pressure which OMB has been putting on the USDA during your entire administration. This culminated in Secretary Butz inviting me to a private luncheon last Wednesday for which I broke into my Christmas vacation with my family to fly up to Washington. As I spelled out the many variances, many of which he, himself, disagrees with, he not only agreed to discuss this further with Chairman Jamie Whitten, but went that very afternoon to the Hill to discuss this and other matters with Congressman Whitten.

Now, before you or your assistants get the idea that this is just another "pressure group", let me restate for the record:

1. I became an ardent supporter of ACP back in 1936 when I was the first County Office Administrator in my home County (Franklin County, Massachusetts) of this vital Program when it was set up by Congress under the Soil Conservation and Domestic Allotment Act.

2. For five years the County Agent and I, who were both strong Republicans and anti-FDR men, urged the farmers of our County to carry out these basic soil and water conservation practices which the Experiment Stations of the humid area had been urging ever since they were established by President Lincoln and which the Extension Service had been carrying to the farmers ever since it was set up in 1941. The use of agricultural limestone was basic to most conservation practices in the humid area and I had never met a limestone producer! Under ACP, the use of aglime went from 3 million tons a year to over 30 million tons a year. This means more and better legumes and soil held in place rather than polluting our waterways.

3. For the second five years I was in the South Building of the USDA in Washington and was in charge of the Conservation Materials Program for the 9 Northeastern States (rather a strange place for a Republican who had voted against FDR twice!). During this period, I saw the Eastern part of the U.S. literally blossom with legume production because of aglime use and the soil of the dust bowl was kept there and not on the window sills of Washington offices.

4. Then the American Farm Bureau Federation, that great "farm" organization that doesn't represent farmers any more than Wall Street stockbrokers do, began attacking this Program as did the so-called economizers.

5. I then left the USDA to organize this organization.

6. I put the American Farm Bureau Federation in their place by extensive farmer surveys. The record will show that after the farm bureau criticized my 48-state (we didn't have 50 then) survey as being unrepresentative, I took just the Iowa Farm Bureau Township Directors who had been elected by the Farm Bureau Members in their communities, and they voted more overwhelmingly to disagree with their state and National Farm Bureau leadership on this Program than the rank and file farmers I had previously surveyed. I took these ballots which had been signed to the respective Congressional Committees, to backup my own testimony. Ever since then, the American Farm Bureau Federation has stopped their Public Campaign to eliminate this Program although they have continued to snipe at it. As a member of your Administration told me just last

week, The American Farm Bureau Federation highly approved of the drastic restrictions I was objecting to and as you can testify, they will applaud this latest action.

7. A point I want to make is that while many try to make a big thing out of the limestone industry's private gain from this Program—actually only 4% of our sales are aglime—the real fact of the matter is that the 9,000 County ASCS Committeemen and the 100,000 Community Committeemen—all elected by their peers—are enthusiastically behind this Program. You and some of the OMB staffers will say it is because they benefit from it. True, but to a minor degree, and when 1,000,000 farmers will match the money put up by their government to carry out basic soil and water conservation practices in the greatest conservation effort ever developed by man, it should not be tossed off by the stroke of some bureaucrat's pen. And don't forget the average payment ranges from \$100 to \$200. And the benefits are long-range, not immediate.

8. Caspar Weinberger is a very able man—but also a very ignorant man. I don't say that in a derogatory or mean sense at all. When I first went to see him over 2 years ago, he told me, "Mr. Koch, this isn't a National Program, only the farmers of Vermont and Tennessee are interested in this Program, the farmers in the other states don't care about it!" Obviously, his staff—and let me point out the old budget bureau and present Office of Management and Budget contains some of the same people and much of the same thinking that they were trying to pass off on President Truman about this Program—*were letting him make decisions with only part of the facts*. He proceeded to expound on the Vermont and Tennessee angle. What had happened was the late Senator Wynn Prouty of Vermont, where this Program is extremely popular, under a very strong attack (he then thought) by former Governor Phil Hoff for his seat, brought all kinds of pressure on Mr. Weinberger. In fact, it was so intense that OMB even tried to get the USDA just to announce the Program for the upcoming year in the State of Vermont! Fortunately, the USDA officials pointed out the fallacy of this approach. And in Tennessee, Senator Albert Gore was making such an issue of it, then Congressman Brock, who tried successfully to unseat him, also implored OMB to release the announcement of the Program.

9. You must also know that your own very able Secretary of Agriculture Earl Butz, not only made an issue of the \$55.5 million of REAP funds a year ago, that OMB had impounded, but was able to announce their release.

10. As I told Secretary Butz during our luncheon last Wednesday when he made an impassioned defense of your effort to balance the budget, no group wished him or you more success than ours. But as I told him, first I think the Secretary of Agriculture should have something to say about Agricultural priorities. And second, as I told him, do you realize that if every program had taken it's proportionate cut, that this program has, *the U.S.A. would have no deficit today?*

11. This action by Mr. Weinberger has made a joke out of Evans-Novak column which appeared in the *Miami Herald* December 22nd. When they wrote "but with Super-Cabinet member Butz taking policy-making in National Resources away from the Interior Department, Morton becomes a limousine puppet." Weinberger has proven once again that this non-elected official can overrule the entire Congress and even Super-Cabinet member Butz. So we find the Program which has done more for protecting the environment than any other ever developed stopped in its tracks by a telex sent from Washington last Friday afternoon—by whom? A non-elected, non-informed man who has overruled not only Secretary Butz but the entire Congress and the majority of the Republican Members of Congress. For example, the following men have fought for this Program throughout their Senatorial careers: Senator George Aiken of Vermont—Dean of the Senate, Senator Milton Young of North Dakota, Senator John Sherman Cooper of Kentucky and I could go on and on.

I know of no Program that accomplishes so much and costs so little and has so much bi-partisan Congressional support. Nor do I know of any way you can stop a massive grass roots reaction that will eventually overrule this actually very stupid action. I could literally write a book about other aspects of this Program and its effect on the health of the Nation and so forth. But I think I will close and hope that you will arrange to listen to men like Earl Butz, George Aiken and Milton Young.

Respectfully yours,

ROBERT M. KOCH,
President.

The CHAIRMAN. We are delighted to have your views and to have your presentation here. We would appreciate it if you would stay with us until we have an opportunity to question you.

Mr. KOCH. I will be glad to.

The CHAIRMAN. Thank you.

Our next witness is a gentleman the committee has known in the past, Patrick B. Healy, secretary of the National Milk Producers Association.

We will be glad to hear from you, Mr. Healy.

STATEMENT OF PATRICK B. HEALY, SECRETARY, NATIONAL MILK PRODUCERS FEDERATION, WASHINGTON, D.C., ACCOMPANIED BY JOHN ADAMS, DIRECTOR OF CONSUMER AND ENVIRONMENTAL AFFAIRS

Mr. HEALY. Mr. Chairman, my name is Patrick B. Healy, and I am the secretary of the National Milk Producers Federation.

The National Milk Producers Federation is the oldest national farm commodity organization and represents dairy marketing cooperatives and their dairy farmers' members. The views of the National Milk Producers Federation represent the only nationwide expression of dairy farmers and their cooperative marketing associations.

The federation membership consists of virtually every dairy cooperative association doing business throughout the 50 States of the Union. It has represented dairy farmers for more than 50 years.

On behalf of dairymen across the country, the National Milk Producers Federation wishes to offer its complete and unequivocal support for H.R. 2107 to require the Secretary of Agriculture to carry out a rural environmental assistance program.

The announcement by the U.S. Department of Agriculture of December 26, 1972, terminating the rural environmental assistance program, came as a shock and surprise to dairymen and other farmers across the country who have long participated in the agricultural conservation program, more recently known as REAP, to establish approved soil, water, woodland, and wildlife conservation and pollution abatement practices on their land in the national interest and for the public good.

Upon learning of the termination of REAP, the federation immediately went on record in complete opposition to the suspension of this most valuable program. At a time when much public concern is being focused on high food prices and the need for improving our environment, the demonstrated need for REAP is greater today than ever before.

The rural environmental assistance program is a necessary link in the structure of Federal programs that have provided the incentive for American agriculture to meet the growing demand for high-quality, low-cost food. The American housewife today spends a smaller portion of her family's income for cheaper, more abundant food supplies than ever before. This results directly from the operation of programs based in the total agricultural system of laws, and moves to alter or tear down this agricultural complex can only result in penalizing the consumer who is the ultimate beneficiary of these programs.

Great public concern is being expressed over the level of food costs, and dairymen are facing a severe cost-price squeeze. In view of these facts, any measure reducing or hindering production of a vital food item such as milk must be viewed with alarm. Dairy producers, faced with high investment costs, rising feed prices, and stringent environmental pollution control regulations, at both the Federal and State level, will leave agriculture or seek other, less demanding ways to earn a reasonable return on their investment unless some incentive remains to continue to produce for the ever-growing demand for high-quality, low-cost food.

Just over a year ago, Secretary of Agriculture Butz recognized the importance of continuing and maintaining the REAP when he announced the availability of an additional \$55.5 million for the 1972 program. On October 8, 1971, former Secretary of Agriculture Hardin announced that REAP would operate at a \$140 million level for 1972. Shortly thereafter, Dr. Butz was named Secretary of Agriculture and on January 4, 1972, he announced that he had obtained the release by the Office of Management and Budget of the additional \$55.5 million Congress had approved for REAP for 1972.

In announcing the 1973 REAP program on September 29, 1972, the U.S. Department of Agriculture emphasized that:

Through REAP the Federal Government shares with farmers the cost, usually on a 50-50 basis, of carrying out needed conservation and environmental protection measures on their farms. Practices emphasized are those which help to provide long-range preservation of the environment and return greater benefits to the public.

It was further pointed out that REAP "will strengthen conservation and diminish air and water pollution."

This has been the case insofar as dairy operations are concerned in that more and more dairymen have taken advantage of REAP to establish pollution abatement practices.

To illustrate how important an incentive REAP is as a program to further our national efforts to improve our environment and abate pollution in rural America, the percentage of total U.S. REAP cost-shares earned for animal waste pollution control practices alone increased from less than 1 percent in 1970 to 3.15 percent in 1971, to more than 5 percent in 1972.

Just how REAP has served to provide a cost-share incentive for dairymen to meet the objectives cited above is illustrated in a feature article contained in the June 1971 issue of Soil Conservation published by the U.S. Department of Agriculture, Soil Conservation Service, entitled "Hello, Lagoon—Goodbye, Pollution." This article describes how Charlie McDaniel, a dairyman from Wilmar, La., was able to solve his problem of eliminating the animal waste from 150 head of cattle by installing an approved animal-waste lagoon system, designed and laid out in cooperation with the Soil Conservation Service.

Mr. James Sumrall, another dairyman mentioned in the same article, was also able to keep pollutants out of nearby streams by building an approved Soil Conservation Service lagoon system. The cost of the lagoon system and pipe, including excavation, fencing, and sodding of levees, were reported to range from \$600 to \$1,000. In this particular case, Mr. Sumrall received a cost-share of \$250. Certainly, this example cites the real value and incentive that REAP has provided to thousands of other dairymen and millions of farmers.

One of the reasons given for the termination of the program is that it is utilized by a relatively small percentage of farm operators. The actual level of participation is not a true measure of the need for program assistance. For example, ASCS has estimated that 611,000 farms out of a potential 4 million participated in 1971. This is only 15 percent participation, but the program use was severely restricted because only \$150 million was available that year—the lowest level in the program's history.

A more accurate measure of the need for the program is the fact that requests for cost-shares were three times as high as could be approved with the funds available. This means that if adequate funds had been available, more than 40 percent of the farms would have participated in the program in 1971. Thus, rather than arguing that the program is little used, the case can more properly be made for expanded funding to fully meet the needs of our Nation's farmers.

Due to lack of funds, many requests for cost-share incentives could not be processed. Many States and counties had to impose cost-share restrictions ranging as low as \$250 per farm, well below the legal national payment limitation of \$2,500.

The estimated cost for pollution control runoff facilities for large dairy herds range between \$8,000 to \$20,000 with the majority of costs averaging \$10,000 to \$12,000. This represents, for the most part, direct overhead outlays. According to USDA, the average cost-share received per farmer for dairy animal waste pollution abatement projects in a 15 State area amounted to \$1,414 during 1971. With these facts in mind, it is not difficult to see the value and need for the REAP program and the need to continue it to further our pollution control efforts.

The higher costs mentioned above, however, continue to be a strong deterrent to completion of project requests which have received cost-share approvals. A USDA summary report of REAP animal waste pollution abatement projects from five counties in each of 15 States, January 1972, reveals that when the total cost of a project rose above \$5,000, twice as high a percentage of individuals failed to complete the practice as those who completed their projects costing under \$5,000.

Of the 293 dairy animal waste pollution abatement projects surveyed, 28 percent of the projects were estimated to cost more than \$5,000. Another 58 percent were estimated to cost between \$1,000 and \$5,000 and those projects costing under \$1,000 represented the remainder or approximately 14 percent.

Thus we have a situation where a most valuable and needed program has been terminated without due consideration being given to the true value and benefit which REAP provides. Not only does it serve as a great incentive to further our great progress in combating pollution, but in the process it serves to assist in bringing about added efficiencies of production which have provided the basis for American agriculture to meet the ever-growing demand for high quality, low-cost food.

For these reasons, we support quick reinstatement of REAP with adequate funding to accomplish the objectives of preventing or abating agriculture-related pollution of water, land, and air for community benefit and the general public good.

We, therefore, offer support for H.R. 2107.

The CHAIRMAN. Thank you, Mr. Healy. We are very much obliged to you.

If Mr. Durr is here, we will be delighted to have you, Mr. Durr. We would be glad to hear from you at this time.

Mr. Durr is president of the National Association of Elected County Committeemen.

STATEMENT OF FREDERICK DURR, PRESIDENT, NATIONAL ASSOCIATION OF ELECTED COUNTY COMMITTEEMEN, SHERIDAN, IND.

Mr. DURR. Thank you, Mr. Chairman, members of the committee. I am Frederick Durr from Sheridan, Ind. I operate a 700-acre grain and livestock farm in central Indiana, and have served as an ASCS committeeman for 10 years. It was my honor to have been elected president of the Committeemen's Association at our national convention December 1972.

This national organization represents a tremendous dedicated group of farmers who have been elected by their neighbors to administer farm programs in their local counties. These committeemen throughout the Nation have more grassroots knowledge as to the tremendous accomplishments that have been made the past 40 years with the ACP-REAP funds than any other group.

They also are very knowledgeable concerning the continuing needs for the REAP program to aid in the soil and water conservation of this Nation. It is incredible that this needed and basic program was terminated by appointed officials in direct defiance of the Congress. The excuses for canceling this program given by Department of Agriculture officials were that it was of low priority and farmers were able to do any needed conservation measures themselves due to their increased income.

This program should be of the highest priority—there is nothing of greater need to the future generations of this country than to have a productive soil and clean water. The abundance of food provided to the American housewife in the supermarket did not just happen. It originated by the dedication, hard work, and expert know-how of the American farmer.

As to the economic picture of agriculture, it is calculated that the parity ratio of farm income for 1972 was 74 percent which seems to me is not an outstanding economic position. The Agriculture Department Economic and Research Service announced last Friday that farm net income or take home pay will be down in 1973. This will be due to an increase in the amount of money farmers will be compelled to borrow, increase in interest rates, increases in investments in land and machinery, and much higher production costs.

It has been characteristic throughout the history of ACP-REAP that requests have far exceeded the funds available. Supporting data for this statement is contained in annual statistical reports available here in Washington. These reports are true—and accurate—and in themselves reflect the sincere wish of farmers to perform conservation measures far beyond the present accomplishments. But even so, these statistics do not include the many farmers who probably felt like doing something about conservation, but who were not able to get help—and quit asking.

An excellent summarization of what ACP has done is compiled in a booklet entitled "ACP—A 35 Year Summary, 1936-1970," published by ASCS. This booklet is a monument to the Congress which has supported the program, to the ASCS committees who have administered it in each of the 3,000 odd counties throughout the country—and to the farmers whose inherent love of the soil led them to more than match, dollar for dollar, what was granted in cost sharing.

According to a conservation needs inventory recently completed, it would take approximately \$173 million just in Indiana, to do it all in 1 year. And every year we wait, the problems multiply.

Thirty-five year statistics: Statistics can be used in many ways, but these few are indicative of how ACP has been used in Indiana: 21,500 farm ponds constructed; 630,000 acres of permanent vegetative cover—5 years; 130,000 acres of rotational cover—2 years; 1 million acres of improved vegetative cover; 6,000 acres of strip cropping; 35,000 acres of trees have been planted; and 113,000 water retarding structures have been built to slow flood waters on the farmland before it gets to streams.

In this period, the Congress has granted us \$180 million. The farmer, on his own, has added an additional \$200-\$250 million.

I mentioned the conservation needs inventory: It reflects that 13-million acres of the approximately 21 million acres of the agriculture land in Indiana is in need of treatment to reduce erosion. Some of it is losing topsoil at the rate of 10-15 tons per acre per year. Around large subdivisions in our growing cities, the loss is estimated at 25 tons per acre per year.

The above statistics are based on Indiana. I used these because I am more familiar with the situation in my home State. However, in my visiting other States and receiving information from county committeemen from throughout the country, I am convinced the conservation needs and pollution abatement needs are as great as or greater than in my home State.

ASCS and the county committees have been the leaders in bringing farmers to conservation—they have been equitable in their dealings with their county neighbors—they are the same kind of people, and can talk to each other in a real dialogue which results in better understanding and mutual support. They stand ready in every county in the Nation to support all conservation efforts—all they need is the continued support of this program.

In summary, we of the Committeemen's Association urge the Congress to exert its rightful constitutional authority to reinstate and fund the REAP program and its continued administration and supervision by the county committees.

I thank you, Mr. Chairman and members of this committee, for the opportunity to present this grass roots statement concerning this vital subject.

THE CHAIRMAN. We are very much obliged to you for your appearance.

If there is no one else to testify, we will ask all of those who have testified this morning to appear at the table.

I am going to start at the bottom of the list and call on the members in turn to ask any questions they might have. I want it understood that the rules do not require any member to question the

witness. You may question if there is something you really want to know about. Your presence will be noted and you do not have to take up the time of the committee just to present a record that you were here.

Mr. Litton, we will start with you.

Mr. LITTON. I want to make a comment about the gentleman from Mississippi. I note a lot of eyebrows were raised when he indicated that he took the tires off the cars that were parked on his property when people went hunting or fishing on his property without his permission. I want to state that in Washington, when you park without permission, they take your car.

I was happy to have a gentleman from Missouri, Mr. Carpenter, here to testify. I know the senior members of this committee are acquainted with Clell Carpenter. For the newer members of the committee, there is no man in the State of Missouri who is considered more knowledgeable in the field of agriculture than Mr. Carpenter and I appreciate his coming to testify. I would like to address a question to him. Secretary Butz indicated to this group that inasmuch as farmers did so well last year, they were now able to afford these conservation practices themselves. I notice he indicated in a speech in El Paso yesterday that conservation practices formerly subsidized under the REAP pay for themselves these days in increased productivity and land values.

Do you think that the farmers in your State, in the four States that you represent, are equipped financially to carry out these programs now, since they had such a tremendous year last year?

Mr. CARPENTER. Congressman, I think that may be overstated just a little bit. Farmers are not really that affluent in Missouri, as you well know, because you happen to be an operating farmer there.

Now, it is true that we have fairly good prices, but it is also true that we have had almost a devastating crop harvest period and have had much difficulty in getting crops out.

I think that begs the question, however. That is purely his cover up on how to do away with REAP. REAP is much deeper than that, Jerry, as you well know, and the spark that causes farmers to carry out these environmental practices that we should do and in fact, it looks like with the Federal Register, we may have to do. I understand they are now redoing that report that was in the Register not long ago in which each national farmers, anyway, has to report and pay 10 bucks for a license. So that is rather important that we get that in, too.

Mr. LITTON. Do you think the farmers in the States that you represent can now afford to do these things or would do them without REAP?

Mr. CARPENTER. Jerry, I am not sure about their being able to afford it, but I am sure that the emphasis and the desire to do it will not be as great if REAP is deleted.

Now, maybe they can afford it, but if they do, something else will have to fall between the cracks, because our rising costs are going on all the time, as you well know.

Mr. LITTON. I noticed the Secretary indicated that the land values were going up. That hardly puts dollars in the pockets to spend for conservation practices, does it?

Mr. CARPENTER. That really does not help you very much until you decide to sell it or pass it on to somebody else to sell it.

Mr. LITTON. No other questions.

The CHAIRMAN. Thank you, Mr. Litton.

Mr. JOHNSON?

Mr. JOHNSON. Mr. Chairman, I would like to get some information these two gentlemen mentioned.

Mr. DURR, could you get me a copy of that document you referred to the ACP summary?

Mr. DURR. Yes, sir.

Mr. JOHNSON. And Mr. Healy, could you provide me with some of the copies of regulations you mentioned in your statement relative to farmers cleaning up their operations?

Mr. HEALY. Yes, sir. I think this is one of the matters that Mr. Carpenter referred to. Of course, it falls right on dairymen. As a matter of fact, in some areas of the country, we may have to relocate the whole dairy industry. Chino Valley, right outside Los Angeles, supplies most of the milk to that city, and today, it may be that under the new pollution control devices which are being enforced or about to be enforced, we may have to move all the dairymen out of Chino Valley. I will be glad to get that for you, yes, sir.

Mr. JOHNSON. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Johnson.

Mr. Denholm?

Mr. DENHOLM. Thank you, Mr. Chairman.

First, I compliment all of you for your statements of value to this committee. Do any of you have any idea that anybody in the administration questions the merit of the program? Is that the crux of the problem?

Mr. DURR. Mr. Denholm, in the releases that I have seen that have come to the county offices, the reasons given for terminating REAP were the two facts that I brought out in my testimony: The fact that income is up. In agriculture, we as producers do not need this income; plus the fact that we must balance the budget and it was in a low-priority status.

Mr. DENHOLM. I think you are the witness, Mr. Durrr, that mentioned that they considered it was of low priority. I think that gives us our first indication that they—the administration—question the merit of the program. Is that correct?

Mr. DURR. Yes, sir. I asked the question of the Department who situated this in a low priority and I was told, basically, OMB.

Mr. DENHOLM. I think that is an accurate observation and I will go into that when the opponents appear here.

Were any of you asked any questions about the merit of the program before this action was taken? I suppose that Mr. Koch might have been the last man to talk with the executives of the Department.

Do you care to respond, Mr. Koch?

Mr. KOCH. The reason I was there Mr. Denholm, was just the opposite. We have been objecting rather strenuously the last 3 years. The use of our material has dropped off from 30 million tons to 23 million tons—that is 7 million tons down. We think the reason it has gone down is the very restrictive regulations that Mr. Frick and the people administering the program have imposed. I have been fussing with them the last 3 years about these restrictive regulations.

When I first talked to Mr. Butz about it, he seemed quite surprised that they were following them that way. He thought the so-called grandfather clause of allowing the county committees to go back to the practices and payment rates that were in the 1970 appropriations bill was in operation. I said, Mr. Secretary, if that were true, I would not be here.

The reason I was there on the followup meeting on the 20th was because he was going to explore and find out just why the county committees could not go back to the 1970 practices and payment rates as provided in the original appropriation. As I said, our entire discussion, which was most friendly, was about his coming up here on the Hill to talk to Mr. Whitten about the understanding of these practices. I had the impression through the entire luncheon that the program was still in, and that we were going to have some updating of the practices already in effect. So I was actually astounded, as you know, about not being consulted. We were just talking about improving the existing regulations. So it was anything but my being told that something like this was about to happen.

Mr. DENHOLM. Thank you.

The thrust of all the bills before the committee is for the same objective. That is to implement the program and fund it consistent with the annual appropriations allowed by the Congress, with the exception of H.R. 1489, which I introduced and that includes the water bank program in section 2 of my bill which purports to amend title 16, United States Code, section 1302. I presume that all of you would support that, too. That should be corrected with the same strong language that we are attempting to correct and amend section 598, subsection 8(b) of title 16. The objective of both is identical.

Mr. HEALY. This goes without question, yes.

Mr. FRAZIER. Yes.

Mr. DENHOLM. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Mr. Denholm.

Mr. Thone?

Mr. THONE. Mr. Chairman, we had a full opportunity yesterday to express our support for this program, and I think this excellent array of witnesses here this morning representing a broad spectrum of agriculture gave solid testimony pretty much speaking for itself. So in lieu of expressing any brilliance of profundity on my part here for the benefit of the committee, I will pass.

Thank you very much.

The CHAIRMAN. Thank you very much.

Mr. Bergland?

Mr. BERGLAND. Thank you very much, Mr. Chairman. I want to commend this panel of experts for their initiative and their demonstration of support for the program.

I would like to direct a question to Mr. Frazier.

You spent some 20 years in the administration of the farm program prior to your assuming the mantle as a representative for one of the really outstanding farm groups, the NFO. Mr. Frazier, I have here a copy of a form entitled re-245, which is the request for cost-sharing under the REAP. When a farmer signs this form, he signs and certifies to the following statement:

I request cost-sharing under the rural environmental assistance program to perform the practice shown above. Practice is needed to conserve soil or water resources on the farm identified above, and would not be performed to the extent requested and needed by me without Federal cost-sharing.

The farmer signs the statement to the effect that that is true and accurate—in other words, that he needs the money in order to carry out the practice. Some of the critics of the program have alleged that the cost-sharing is unnecessary because there has been a recent surge in farmers income. There are those who say we have traditionally provided cost-sharing to those who did not need it. My question to you as a longtime administrator is, what was the policy of the Department during the times that you were there with respect to the approval of cost-sharing for people who did not need it? Was this provision enforced?

Mr. FRAZIER. Yes, sir; Congressman Bergland. I might comment for a moment on the background of the requirement. I believe our first critical experience in administering programs from the standpoint of large, rich, well-to-do people who own and operate farms was the handling of a feed disaster program in the 1950's. Some of you may remember, we were rather severely criticized in the Department because some racehorse owners who were quite rich and well-to-do, were obtaining assistance under that program. Soon thereafter, if my memory serves correctly, the question arose as to whether the benefits under the ACP program should be extended to those who are or were financially able to carry out their own practices. And I believe that the statement to which you refer originated in discussions in the Appropriations Committee. It generally was adopted in the Department in the spirit of providing guidance to the elected farmer committees who actually make the selections and the approvals of the different farms who will be eligible for assistance.

In carrying it out, it was my observation, these country committees are always faced with requests, substantially in excess, of the funds they have available. So it is generally a judgment matter that rests with the local county committee to decide who may be able to carry out practices without financial assistance. I think generally through the years, these committees have done an excellent job of making these decisions. They generally tend to ask the large, well-to-do farm operator, who perhaps has income from substantial business outside of farming, to carry out his own practices without assistance under the ACP (in recent years, the REAP program.)

Mr. BERGLAND. So if this provision were enforced and administered properly, it would be impossible for a person to get cost sharing if he did not really need it?

Mr. FRAZIER. That is correct, sir, and I think these men have done an excellent job at the local level of carrying out the spirit of that provision.

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

The CHAIRMAN. The next member will be Mr. Findley.

Mr. FINDLEY. Thank you, Mr. Chairman.

On that same point, as I listened to Mr. Bergland, I appreciate his bringing up this topic. The certification required of the applicant can't really be interpreted as demonstrating financial need as I understood the reading of it. It simply said that these practices would not

be performed—would not be performed—were cost-sharing not made available. As long as these hearings represent a general review of REAP, it would seem to me timely for us to consider language that would tighten up on this financial need area. I would like to have any comments you gentlemen would wish to make to an amendment which, if in order, I intend to offer later on, which would state that provided that as a condition for eligibility of cost-sharing benefits, a person must certify in writing that his average annual net income from all sources during the preceding 3 years, as reported to the IRS, was \$8,000 or less.

Do any of you gentlemen have a reaction to a new condition of eligibility for cost-sharing at that level?

Mr. DURR. My only comment, Congressman, would be this: Under existing regulations at the present time, there are provisions where low-income farmers, by executing a form provided by the Department, entitles him to increased cost sharing on certain projects in certain practices.

Mr. FINDLEY. But do you think that a person of means should be eligible for cost sharing simply because he states that he would not do the practices otherwise?

Mr. DURR. You are getting into an area of judgment factor here at the present time. I would not want to say yea or nay to any specific amount or condition.

Mr. FINDLEY. Several of you gentlemen, in your statements, have referred to the fact that the Congress has authorized and funded the REAP program. The word "funded" can be interpreted various ways. But one, I think, reasonable interpretation of it would be that the Congress provided the funds for the program. Now, in appropriating money, that does not go all the way. We have not only passed appropriation bills, we have also passed laws putting a statutory limitation on the public debt. We have also passed a law which deals with anti-deficiency matters.

So would you gentlemen agree with me that if the Congress takes the route of mandating these expenditures, it must also accompany that mandate with the complete funding of such matters, either an increase in the statutory ceiling, additional revenue, or some other means?

Any comments on that?

Mr. FRAZIER. Congressman Findley, I would respond briefly. I believe I used that expression, and I did so in this sense: In my testimony, I meant to emphasize the need for reexamining the priorities in the various programs and appropriations that are handled in the Congress. I did not mean to challenge the technical process of appropriation and funding, but rather to emphasize that these programs that have been rather summarily chopped off at Christmas time at least deserve a little more lengthy and careful consideration in relationship to other Federal expenditures.

Mr. FINDLEY. Thank you.

I have a question for Mr. Durr and the same question could be asked of other representatives of organizations. The reason I ask it of Mr. Durr is that ASC committeemen have the responsibility for administration of programs. And here it would seem that the ASC committeemen nationally or generally are opposed to national regu-

lation in this field. I would like to ask Mr. Durr if he could tell us the procedure or form the elected committeemen went through in order to establish the attitude of your members on this question. Was a ballot sent out? Did you make phone calls? How did you assess the reaction to the expenditure control program?

Mr. DURR. At our national convention, resolutions were adopted and enacted and called to the floor of the entire convention and thereby was passed concerning what we are discussing here.

Mr. FINDLEY. Did this occur before the administration's action or after?

Mr. DURR. Before, sir.

Mr. FINDLEY. Thank you, Mr. Chairman.

The CHAIRMAN. Our next member will be Mr. Melcher.

Mr. MELCHER. Thank you, Mr. Chairman.

Mr. Koch, you mentioned that you had been visiting with Secretary Butz just previous to the time the announcement was made terminating REAP. You have a sentence or two in your testimony today talking about the pressures of the Office of Management and Budget. I think I agree with you, but I do not know that you are privileged to all of the information that we have had provided to us by Secretary Butz. We had a meeting here before the committee was organized and the Secretary attended, at our request—the chairman's request. At the request of the Secretary, Secretary Butz, the meeting was closed. I do not know exactly why, because he did not reveal a great deal of information to us that was not well known previously and publicly known. But he did insist that it be closed. Because we actually were not organized at that time as a committee, the chairman accepted his request for a closed meeting. However, in answering questions that I asked the Secretary on this particular point, as to just who makes these decisions in the Office of Management and Budget, what faceless person or unknown person can tell a Cabinet member what program should be terminated, I think it is fair to say of Secretary Butz reply that he agreed to the termination agreement with the individual in the Office of Management and Budget.

I find it very difficult to understand how somebody, how anybody, from the Director on down, in the Office of Management and Budget, can tell a Cabinet officer, or invoke such pressure on a Cabinet officer, to end a program. But nowhere in your testimony nor in anything that I have heard today—I may have missed it—has the point been brought out. I think the Secretary agreed that none of the money involved in this termination action concerned an expenditure this fiscal year. So, therefore, even looking at the problem of the Office of Management and Budget in trying to hold overall expenditures to \$250 billion for the current fiscal year, that does not apply to REAP.

I am not questioning you. I am just adding a highlight that the Secretary provided us with. He admitted that the REAP action did not involve this fiscal year, the saving would not occur this fiscal year; it had nothing to do with the 250 billion limitation this fiscal year. Also, Secretary Butz claims that he agreed with the individual in the Office of Management and Budget to terminate the program.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Melcher.

Next is Mr. Sebelius.

Mr. SEBELIUS. Thank you, Mr. Chairman. I will not make a speech. I will ask one question. I know time is limited but I sponsored this legislation. I resent the meat-ax approach. However, I am getting correspondence from out in my district and one item is on the subject of being able to build structures for less money without taking the Federal payment because of the fact that they can then go on the open market and bid on how many cubic yards at what price. I would like to see if Mr. Zimmerman or Mr. Durr would comment on the fact: Is there price fixings? Is the fact that the Federal Government pays something, and the local committee then saying, "Yes, we will let you do it at this price," so the farmer never goes and shops for a price? Are we not getting our dollar's worth?

I had one who said he saved \$200 by contracting himself and it had nothing to do with the Soil Conservation Service except to have them layout the terraces and run the lines.

Mr. DURR. Sir, to my knowledge, there has never been anything of this type you are describing. I will say the Soil Conservation Service is responsible for the technical aspects where required of certain practices. We of the County Committeemen Association are required to administer and appropriate—not appropriate, but fund—these programs to the producers as we have funds. But the technical aspects you are speaking of are controlled by SCS, but I have no knowledge of anything like that happening.

Mr. SEBELIUS. I have gotten two or three letters already from farmers—these are farmers—saying, "I would rather do it myself." Just let them give me the technical side and I will go shop for a price.

Mr. OAKLEY. May I speak to your question?

Mr. SEBELIUS. Yes.

Mr. OAKLEY. I had this lagoon work done on my place. I am a farmer. It cost me the same per hour or per yard to get work done on my own by bulldozer operator. I had to pay it out of my pocket to get other work done on this lagoon.

Mr. SEBELIUS. Let me find out: Do most all of them have a set price in your area and you get it the same price from all of them?

Mr. OAKLEY. You get the same price from anyone. I have about six people in my area.

Mr. SEBELIUS. Sounds like we lawyers' minimum fee schedule.

Mr. OAKLEY. That is right. I had to pay the same on my private area for the lagoon as I did on the cost-sharing.

Mr. SEBELIUS. We do not have time to go into it very much detail.

The CHAIRMAN. Mr. Jones?

Mr. JONES of Tennessee. Thank you, Mr. Chairman, I, too, am not going to say much but I want to thank you gentlemen for being here. I want to say we have had a cross section from all phases of agriculture. I want to thank you for being here. I want to say I am particularly thankful to Mr. McConnell for coming here because he has presented another phase from Tennessee, the fish and wildlife. I want to commend all of you gentlemen for the good job you have done.

The CHAIRMAN. Thank you, Mr. Jones.

Mr. Goodling?

Mr. GOODLING. Thank you, Mr. Chairman.

Mr. Koch, I want to congratulate you on one statement you made. You say, "Our members to a man would back the President's goal of balancing the budget."

Fine. My question to you is what do you and your organization propose to do about this? What do you propose to do to make this a reality? I have been attempting to do it for 10 years and I have to admit, with very little success. I hope you will help me.

Mr. KOCH. I certainly will. As I mentioned when I first came in, obviously there is a major problem facing all of us, and you people in Congress in particular. As I indicated, Senator Ervin in his committee this morning made what I think is a real major start on the whole problem. Senator Percy, Senator Gurney, Senator Javits contributed almost identically to Senator Ervin's comments on the overall problem. There is no question but what all of us concerned about balancing the budget have to look at the total picture.

I would just like to make one further point I should have had in my testimony about this. That is, that if every program in the Nation had been cut the same percentage as this program, which you originally authorized at \$500 million, we would not have any national debt today.

Mr. GOODLING. I have only a few short questions and I think every one can be answered "Yes," or "No."

Mr. Carpenter, I would like to ask this question: Can you justify having taxpayers assist farmers in doing what is good farm practice and should be doing for themselves?

Mr. CARPENTER. Yes, sir; I certainly can, because this is in the public interest. It has been said that this does not hurt farmers. Members of the committee, this is a matter of maintaining our natural resources. Our natural resources are the background of our entire economy. If this is cut out and it does retard the maintenance of our natural resources, then certainly, it will hurt farmers, it will hurt every consumer, it will hurt everybody in the United States, and I would have no hesitation in saying that this ought to be of interest to the general public.

Mr. GOODLING. Thank you, Mr. Carpenter. I might say that I have been a farmer for 50 years and I have been doing the very same thing that you people have been advocating this morning. I have never been able to determine whether I am too stupid or too independent, but I have never taken one penny of Government subsidy, nor do I propose to do so.

Mr. Frazier, you can answer this with a yes or no. I believe you are the only witness that mentioned REA this morning. This is 1973. Should you continue to use 2 percent money across the board?

Mr. FRAZIER. Yes, sir, there are small cooperatives in this country who are up against it—

Mr. GOODLING. I said across the board, not small cooperatives.

Mr. FRAZIER. I am sorry, sir, I may have misunderstood your question about the 2 percent funds.

Mr. GOODLING. Two percent money across the board?

Mr. FRAZIER. I think it should be available for the cooperatives who need it and some of them do.

Mr. GOODLING. Thank you.

The CHAIRMAN. Thank you, Mr. Goodling.

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

The CHAIRMAN. Mr. Gunter?

Mr. GUNTER. No questions.

The CHAIRMAN. Mr. Teague?

Mr. TEAGUE. Yes, Mr. Chairman.

I have before me the official Department of Agriculture report on REAP and its activities for the year 1971. In going over it, I noticed several items which seem to me to have very little, if anything, to do with conservation or pollution or wildlife. This is a question directed to the panel. I will go slowly and I will list all of these. These all represent factors or items in the program for which the Federal money was paid out in 1971: control of competitive shrubs on range or pasture; tillage operations on range or pasture; wells for livestock water; springs or seeps for livestock water; pipelines or other livestock water facilities; constructing permanent fences; constructing stock trails; and, believe it or not, home gardens.

Now, before any of you comment, let me for the record say that I realize that many parts of this program are excellent and have done a lot of good. But I repeat the question, what do these things I have just read have to do with conservation, pollution, or fish and wildlife?

Mr. FRAZIER. Mr. Teague, I would offer one brief response. I think the livestock practices you referred to, or wells, development of springs, seeps, one thing or another—these obviously all originated in the western part of the United States a number of years ago and they are a part of the change in management that some ranchers have to make in order to protect and maintain good grass on the rangeland. I believe the statistics that you refer to showed that each of several of those practices calls for the use of only a very small amount of money. For example, less than 1 percent of the appropriation in most cases.

Mr. TEAGUE. Yes, it is a comparatively small amount. But it seems to me this is an area in which this type of thing should be eliminated: tillage of pastures—that to me means increasing the probability of erosion rather than decreasing it.

Mr. FRAZIER. If I recall correctly, sir, most of those practices are involved in an approved range management plan on the part of the operator when he is participating in the program and very often, he is spending his own money for other work on the ranch that is not covered by these segment practices that you speak of.

Mr. TEAGUE. I do not doubt that. It probably does result in a better cattle operation, but I do not see its connection with conservation or pollution.

Mr. CARPENTER. Mr. Chairman, I think one other answer to that is the fact that these 3,000 county committees that we talk about, it is their prime responsibility to determine what is most needed in their particular area, and I think in some of this western area, they have come up with these now, this is a small percentage, as you admit. But they have felt that this is most needed. They are the people who are on the spot, they are the people who are elected and should know what practices are desirable.

Mr. TEAGUE. I can understand that, but to me, that has nothing whatsoever to do with pollution or conservation or fish and wildlife.

Thank you.

The CHAIRMAN. Thank you, Mr. Teague.

Next is Mr. Mathis?

Mr. MATHIS. Mr. Chairman, I have no questions. Thank you very much.

The CHAIRMAN. Mr. Madigan?

Mr. MADIGAN. I have no questions.

The CHAIRMAN. Mr. Rarick?

Mr. RARICK. Thank you, Mr. Chairman.

Mr. Frazier, in your statement is some high-voltage ammunition. You attribute the President having made the statement, "Taxes are too high, the Federal bureaucracy is too big, and social programs are too expensive." I say that is high voltage, because over 80 percent of the American people agree. In my area, I find that many farmers are not overly concerned at the impoundment of funds for programs such as REAP, because they feel that they are making a sacrifice to try to help the President balance the budget and curb inflation. I assume you may have run into this line of thought?

Mr. FRAZIER. Yes, sir.

Mr. RARICK. I wonder if these same people are ever reminded that this same President has increased the national debt ceiling nine times in his first term of office and only yesterday sent us a budget so large that even the local newspaper heralded it as being the second highest budget in the history of the United States.

Really, when it comes down to the REAP, the \$140 million that we are asking for refunding of, some \$220 million, appears rather insignificant in a budget of \$269 billion.

I certainly am one of those Americans who agree that taxes are too high and that the bureaucracy is too big and many of the social programs are too expensive. But I am backing this bill because I feel a responsibility to the commitments that the Secretary and the President have made to American agriculture. I am on the "stop the rape of REAP movement" to try to refund this program again.

Thank you.

Mr. FRAZIER. Congressman Rarick, may I be sure to keep the record clear at this point, I would not want to claim any originality for that statement. You will recall I was only quoting a columnist who recently published this particular statement. All I wanted to do was lay a base for discussion that I certainly do not favor special revenue sharing. Our membership much prefers categorical programs such as this program. So I am quite sure we understand each other but I want to be sure that the record is clear for my reference.

Mr. RARICK. Thank you. But I hope that you understand it is a very emotional slogan and it is dangerous to repeat before the American people, especially farm people. As you heard our good colleague from over in Pennsylvania tell you, he is a farmer and will not touch any of these Federal programs. Yet our dear friend from Mississippi, Mr. Oakley, who I am sure is a fiscally responsible individual and an outstanding citizen in my neighboring State, has told us what he has accomplished he would not have been able to do without help from REAP. I think that this is one of the problems agriculture faces. Farmers will not be politically active when they feel that they are helping their country by helping the President.

Thank you.

The CHAIRMAN. Mr. Young?

Mr. YOUNG. Mr. Chairman, the only thing I would like to do is to raise a point concerning the Soil Conservation Service as they supervise the construction of these REAP practices. It was mentioned that

some of these practices can be done cheaper outside of the supervision of the Soil Conservation Service. As a farmer from South Carolina, we find many contractors that will not build ponds or ditches or tile according to the specification and do it more cheaply. We feel that it is important to us to have this supervision.

One further thing, Mr. Chairman. I have deed and title to the land that I own at the present time, but I also feel that I am a custodian of this land and I wonder what will happen to this land 100 years from now. We are just completing under REAP the planting of pine trees in our area and I feel very sure that we will not enjoy the fruits of these plantings. We would hope that the future generations will reap the benefits of that and we are strongly in favor of the reinstitution of this REAP.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Mr. Vigorito?

Mr. VIGORITO. Thank you, Mr. Chairman.

There is no country in the world that has so much in good acreage as the United States. Yet there is no country in the world that butchers the land as we do in the United States. I am surely going to support H.R. 2107. I firmly believe in improving and conserving our most basic of natural resources and that is our land.

Thank you.

The CHAIRMAN. Thank you very much.

Mr. Symms?

Mr. SYMMS. Thank you, Mr. Chairman.

Mr. Oakley, I certainly appreciated your one comment, particularly, about the fact that there never will be any more land and I think we might comment, since I am a farmer also, a farmer and gentleman as yourself, although I think it might be easier to prove that I am a farmer than a gentleman in my home State. I think that the Federal Government has not done a good job at providing or controlling the amount of money that we have. Would you agree with me that inflation has been one of the biggest problems facing American farmers today?

Mr. OAKLEY. Certainly I will agree with you. As I mentioned a few minutes earlier in my talk, on my own farm, I would not have been able to do this because of inflationary prices on my own; I would not have been able to borrow the money.

Mr. SYMMS. You mentioned that now that you have put the lagoon in the work, two men working 20 hours per week—each man working 20 hours or 10 hours each—now is done by one man in 3½ hours.

Mr. OAKLEY. It would have taken two men 20 hours, 10 hours a piece.

Mr. SYMMS. Which amounts to what, about a \$40 or \$50 a week savings, now that the lagoon is built?

Mr. OAKLEY. Oh, yes, I would think so.

Mr. SYMMS. Would you not think that a \$4,000 investment, then, if you could actually save \$50 a week, would be a pretty good investment?

Mr. OAKLEY. Well, the problem is getting the labor. I am not trying to avoid the answer, but the problem would be getting the labor to do that 20 hours.

Mr. SYMMS. I mean in fact, is it not good business to build a lagoon?

Mr. OAKLEY. Yes, it is good business.

Mr. SYMMS. I thank you. I think many of these things are good business, as I mentioned yesterday. I would certainly agree that in many instances, the ASCS has led the way. I think maybe we have established a principle that it is good business and now we can follow the lead.

I wanted to ask Mr. McConnell, the wildlife biologist, in our country, we put in a lot of concrete ditches where we have irrigation. Then we keep the ditches clean. This works out to be just the opposite of what you are talking about as far as game management. Would you agree that concrete ditches which are well cleaned and groomed make poor nesting, or how does that affect upland birds—pheasants and so forth?

Mr. McCONNELL. To answer your question, I would certainly agree that it makes poor nesting cover for wildlife. However, in some cases, things such as that have to be done. But we would certainly like to see the wildlife have some mitigation resources that would counteract practices like that.

Mr. SYMMS. Well, I just was wondering, what percentage of the money—we have participated in some of these programs in our country where we get millet and other seeds from the ASCS and plant them to offset this loss. But how much—what are we talking about as far as the overall wildlife picture? Is the putting in of cement ditches and buried pipelines on the net worse or better for upland game management?

Mr. McCONNELL. On the whole, it would be worse.

Mr. SYMMS. Thank you.

No more questions, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Symms.

Mr. Stubblefield?

Mr. STUBBLEFIELD. Thank you, Mr. Chairman.

Mr. Chairman, I just wanted to express my appreciation to these gentlemen who have the expertise sharing their wisdom with us.

I would like to ask any of you gentlemen, have any of these trade organizations or conservation organizations like the Audubon Society or the Sierra Club, or even Mr. Nader, contacted any of you to offer their support for this program?

Mr. HEALY. Not me.

Mr. ZIMMERMAN. Congressman, in my work, I have had contact with some of these organizations and I have heard from some of them, notably the American Forestry Association, the National Wildlife Federation, the Wildlife Institute, to name three in particular. I do not know whether it was the crowded agenda here or whether they learned of the hearing too late. I think some of them are preparing to testify on the Senate side.

Mr. STUBBLEFIELD. I did not see any of their names listed as witnesses and I just wondered. We had to change the name of this agency to satisfy a lot of them. You know, they put the environmental name in there and I was just curious why they were not asking to testify.

Mr. KOCH. Mr. Stubblefield, may I mention that Mr. Nader was the leadoff witness before Senator Ervin's committee this morning and he made a very fine presentation—not about REAP, per se, but about the whole idea of impounding funds. I think you would be interested in seeing his remarks.

Mr. STUBBLEFIELD. I am glad he is on our side.

Mr. SYMMS. Mr. Chairman, I wonder if I might make a comment if you are about to conclude?

The CHAIRMAN. The Chair would like to get around to all the members. There are still four members who have had not had a chance to ask questions. The bells are likely to ring. I do not want to cut you off.

Mr. Mizell?

Mr. MIZELL. Thank you, Mr. Chairman. I will be brief.

I am certain you understand this committee is in strong support for REAP in our country. I would like to try to be a realist for just a few moments here this morning. I notice most of the testimony is directed toward H.R. 2107. Of course, no one has any question at all about the position of our committee when it comes to rural America, and this is not the point of my remarks. But I think we are confronted with a real problem. Congressman Rarick touched on it for a few minutes; the overwhelming support of the American people to try to balance our budget. I think the American people are convinced at this time that they are fortunate in having a President that is willing to withhold expenditures in certain areas. I will have to admit that I am glad we have, too, or else we would have spent ourselves into bankruptcy in the 4 years that I have served in the Congress.

But this does not solve our problem. In my opinion, if we move this legislation, we pass it in the House and pass it in the Senate, it is going to be confronted with the possibility of a veto.

Then the question comes as to whether the Congress can override that veto. I would call your attention to the fact that this is mandatory spending legislation we are talking about here, and I question how much support you would be able to get for overriding the President's veto.

Then this brings us to where would we be should this happen? Frankly, it leaves us without any of the REAP programs for the balances of this year. I, for one, would certainly like to see at least the moneys that were allocated to the States earlier made available for the REAP program. So I think we are confronted here with where do we go? Do we look for a compromise from the position we are in?

I do not know whether the President will veto it or not but we will have a spokesman for the administration testifying tomorrow. Maybe he will be able to tell us. But would you prefer moving this legislation with the possibility of a direct confrontation with the administration, or would you prefer looking for some soft ground so that we might have something for our farmers the rest of this year and then deal with the legislative changes that you might want to make in the program in the agriculture bill for the future?

I would just like you to comment on that.

Mr. KOCH. Mr. Mizell, I can comment on that. As you know, I have written to every member of Congress. I do this fairly frequently. This is a rather strong letter I have sent to the President and to Mr. Butz. In my 20 years here I have never sent a letter to Congress that I have not been taken apart by quite a few people. I have yet to receive a letter from a single Republican Congressman from either House criticizing the position on REAP, which absolutely surprised me. I, for one, believe that we should go forward, that we will get a veto

on the bill as it is now, and that we can override the veto, not by two-thirds but almost by 90 percent. Maybe I am too optimistic.

Also, I would like to point out to you that the Department of Agriculture tried to follow this suggestion, that I think you are trying to make to us, for the last 23 years with OMB. They tried to sell it to me—in fact, Mr. Butz and Mr. Frick tried to sell it to me that you have to give a little with OMB in order to try to save the program. We gave for 3 years. We made many, many major changes in the program in an attempt to save it, and we did not save a thing. We lost the whole works.

Maybe I should not speak for the rest of them, but I, for one, think we should go forward and try to save the REAP program. I think we are going to win it.

Mr. MIZELL. Let me suggest one further obstacle that might be in the way before we would be able to get some funds for our farmers. With mandatory spending legislation, the courts may have to determine whether Congress can force the President to spend money against his will or not as the administrator of our Government. If this should take place, it could be an indefinite period before they would finally solve the problem. Where is our REAP program by this time?

Mr. KOCH. Of course, Mr. Ehrlichman has said that none of the money they have impounded has been on any bill that the Congress made it specifically clear that the money should be spent. He made this point very clear. As you may recall, our appropriation bills historically have not had this type of wording—because up until just recently, the executive was trying to get more money out of the Congress, so the Congress always kept money back. The wording isn't put in properly in most appropriation bills. Mr. Ehrlichman made it very clear that if Congress passed a bill such as you are now talking about, up to now they have never impounded money nor would they. So I would suggest that if you pass this kind of legislation, the administration would spend the funds for it.

The CHAIRMAN. Your time has expired, Mr. Mizell.

Next is Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman.

Gentlemen, I want to thank you for taking the time to be so concerned about this legislation. I, too, am a cosponsor of this legislation and have been a farmer-rancher all my life. I have established these practices and know that they are good practices.

I see that a number of you in your testimony have stated, as did Mr. Carpenter on page 4 that you fully recognize the necessity for establishing priorities in Federal spending. Furthermore, Mr. Frazier said on page 2:

Any responsible citizen or organization must realize that we cannot continue operating a Federal establishment by running a huge national budget deficit each year.

Now, as Members of Congress, we are faced with a law that we passed last year providing that our national debt not exceed \$460 billion. That was a mandate we gave to the President. We have raised the national debt limit every year that I have been in the Congress, so it really does not appear to mean anything if the Congress decides to raise the limit on the national debt.

I would like to read a quote which I feel is pertinent:

Each program which is being curtailed or terminated has its own built-in group of Federal employees and other direct beneficiaries whose jobs and payments depend upon that particular program's continuance. As usual, it is those people with special interests in the programs who are now heard from by Congressmen much more than the regular ordinary taxpayer who will eventually have to pay the increased bill if responsible restraints are not imposed.

Now, if we had gone along with the leadership of the Congress, we would be spending at least \$11 billion more this year and \$30-some odd billion more next year. With a monstrous increase of this nature, a tax increase would be inevitable for all taxpayers. I think that as responsible citizens we have to realize that we all have to curtail our spending.

Now, I fully believe in carrying on the REAP program but at a funded level that is equivalent to that of the other parts of the Government. I think that would be a reasonable position. If any of you gentlemen have any comments on that point, I would like to hear from you. Taxes are too high. Lord knows everybody thinks taxes are too high. We cannot continue with our deficit spending if we want to continue to have valuable and worthwhile programs.

It is right for you and me to fight for any program we sincerely believe in such as funding for water and funding for soil and funding for oxygen which are vital to human life. I would like to know what you gentlemen would do if you were sitting in the President's chair. Where would you cut if you had a mandate from Congress, a national debt of \$460 billion, and you know that it takes a spending limit of \$250 billion to hold expenditures in line. Even at \$250 billion, we are going to run about \$13 to \$20 billion in debt this year—which is more than we will take in from taxes. If you were sitting in the President's chair, or in Secretary Butz's chair, where would you gentlemen suggest we cut in agriculture? I would like some advice?

Mr. FRAZIER. I will respond, sir, strictly as a layman, of course. I could not help but notice the difference in major statement made through the press. I admit I cannot quote accurately on the spur of the moment today. But just at the time this program was being—not reduced but absolutely stopped in the Christmas week announcement—there was released from the Pentagon a statement that the Army was reexamining some of their programs and that they had some reduction in expense under study and that this study would be completed and perhaps some conclusions arrived at, some economies accomplished, in about 12 months. Now, all of us, of course, are interested in defense. But I only suggest, sir, it is a question of priority. We are just suggesting that perhaps these programs in agriculture should not be chopped off without some more consideration.

Mr. PRICE. Perhaps you read in the paper this morning about the \$3.5 billion worth of cuts in all the other programs.

The CHAIRMAN. Your 5 minutes have expired.

Mr. Mayne?

Mr. MAYNE. Thank you, Mr. Chairman.

Mr. Frazier, if I may have your attention, please? I think you made a very practical point that ought to be emphasized. As far as I can recall, you are the only witness in the last 2 days to make this particular point, which is important. I refer to your statement on page 5 of your testimony that—

The contention that farmers will continue these conservation practices anyway assumes that essential suppliers of materials and operators of heavy dirt-moving equipment will always be available at reasonable prices. If they cannot be assured of a given amount of business in the community, as is the case with an active program, they will turn to other sources of income.

Then you go on to say, I continue the quotation :

Even those producers who are able and willing to pay the whole costs of certain practices will then be deprived of the necessary cuts in services.

Now, that is certainly in line with the reports which I get from my constituents and throughout the Midwest generally, and it is apparently a very material factor which the planners in OMB have completely ignored or were ignorant of.

Now, I do not believe that you made clear when Mr. Findley was inquiring about his amendment what would be the attitude of the NFO if an amendment were to be offered along the lines of extending participation to those with average annual net incomes of not more than \$8,000. How would the NFO feel about that?

Mr. FRAZIER. Congressman Mayne, I have not had an opportunity to discuss it in detail with our board of directors or our officers, but I would respond just as a matter of judgment. We are concerned with the loss of this program because we know that it is most helpful to the average and small farmers who otherwise might very well not be able to carry out practices. So there is no doubt, the intent that Congressman Findley has in mind would be quite worthwhile. But I must offer from my own experience just this bit of advice: I think it is often most difficult for administrators of these programs to use an artificial guideline such as an \$8,000 average income. Many men who might have an income above \$8,000 might also be carrying a terrific debt load and might be, so far as the welfare of the soil is concerned, or environment protection—might be in real need of some assistance, both technical and financial, to carry out needed practices.

Mr. MAYNE. Do you think the NFO would favor any limitation along those lines, a larger one, perhaps, than \$8,000.

Mr. FRAZIER. I would have to say, sir, that I believe we would rather have an expression from the Congress on policy or direction, and trust these elected farmer committeemen to make the judgment decisions, than to establish a dollar line of demarcation.

Mr. MAYNE. Well, I asked this question recalling that your organization and you personally have been eloquent spokesmen for the rights of the middle-sized and small farmers of the country as contrasted with the largest commercial producers.

Mr. FRAZIER. Yes, sir.

Mr. MAYNE. And Mr. Findley's amendment does strike me as being consistent with trying to do something to spread the available funds out to the little fellow. I just wanted to give you a full opportunity to express the point of view of your organization on that. I realize this is a spur-of-the-moment answer, but if you have further thoughts on it, I would be glad to hear them later.

Mr. FRAZIER. I will be glad to do it, thank you.

Mr. MAYNE. Thank you.

The CHAIRMAN. Mr. Wampler?

Mr. WAMPLER. Thank you, Mr. Chairman.

First of all, I would like to express my appreciation to you gentlemen individually and collectively for coming here this morning and giving us the advantage of your vast knowledge in an area that is of vital concern to this committee and I think to many, many Americans.

I might make this brief philosophical observation in that we have heard a great deal of criticism directed to President Nixon in recent days and weeks because of certain actions that he has taken in an effort to try to bring spending under some reasonable control. I happen to be among those who voted in the House of Representatives last year to place a limitation of spending at \$250 billion. Unfortunately, at least from my point of view, that did not become law. As I read and understand the Constitution, no President can spend one thin dime of the taxpayers' money unless the Congress first authorizes it and then, secondly, appropriates it. And I think the Congress must share in the blame in this dilemma in which we find ourselves, because, gentlemen, we simply have not had the courage to levy the necessary taxes to balance the budget.

Now, being a Virginian, I believe in a balanced budget. Our State constitution provides that we must have a balanced budget and I understand that other State constitutions provide the same thing.

I wish, however, in the present instance that the President and his advisers, as it applies to the REAP, would not have completely abolished the program but said, you must take your proportionate share of the cut and let this be right across the board, hoping that we could work out some way to keep this program going because it has been of tremendous help to American agriculture and I think generations yet unborn will bear the benefits of this program.

So I do not think it is altogether fair for us as a committee or as individual Members of the Congress to direct all of our criticism to the President. We must share in this blame. I hope as we conclude our deliberations on this particular piece of legislation that we will bear this in mind and as others come before us in this Congress asking that their programs be fully funded that they bear in mind that there simply has got to be some limitation placed on spending. Thank goodness it now appears that the war in Southeast Asia is drawing to a close, hopefully successfully and permanently. Now maybe we can turn more of our resources and attention to problems here at home and elsewhere in the world in helping to alleviate suffering, helping to eliminate those conditions that tend to cause war or certainly would lessen the likelihood of peace.

I just think that the Congress of the United States must share in this blame and we ought to be men enough to stand up to the right to face this and work with our President to solve a problem and to keep America strong, keep it strong militarily and strong economically and of course, keeping America strong in agriculture is, in my judgment, absolutely essential.

The CHAIRMAN. Thank you, Mr. Wampler, and thank every one of you gentlemen who have been here to help make it a successful hearing this morning. While the Chair has not engaged in any questioning and so far has not made many speeches, I must suggest that the reason for introducing a bill, which simply took out the discretionary provision rather than trying to review and trying to improve and

trying to change the existing procedure, is not that I believe that everything we have is perfect, but that I have been here long enough to know, and I think that even our newest Members have been here long enough to know, that the easiest way, the most effective way, and the best chance of getting legislation through, is to make it simple so everybody can understand it and not to go off chasing a bunch of rabbits and trying to confuse everybody by amendments. Because I know, and I know that you gentlemen know, that if we attempt to rewrite the REAP law now—and there could be improvements made on it; unquestionably we would invite delays which could kill the bill. But last Congress has been open practically all of last year and those who now come up with the suggestions for improvements did not offer them last year. We had the opportunity to offer them last year and years before that. You have the opportunity to have amendments heard after we get through with this bill. This bill writes no finality.

All we are trying to do here is to see that we restore the REAP program. Anybody who wants to amend it can come up with all the amendments he wants to after we have the program rebuilt. But I do not like the idea of trying to change the plans while we are rebuilding. The storm hit and we have to put the roof back on the house, and then you can talk all you want to about what furniture is going to be put in it. But what I am trying to do with H.R. 2107 and what about 98 other Members are trying to do is to get something back here so that we will have a program.

I will join with you in trying to improve the REAP program. I do not like everything that is in it. There are a good many things in it that seem to me to be strange and unneeded. But I have to recognize that what they use in one part of the country is not necessarily what I want in my part of the country and vice versa. I think we have had a pretty good overall program which also establishes separate programs that are available in some parts of the country and not in others.

You cannot get money for killing mesquite over in Louisiana.

Judge Rarick, you cannot get that in your district. And we cannot get money for draining swamps out on the plains of Texas, either. But they are both needed. They are both needed in particular places.

This program has tried to fit the needs of the various sections of the country. I hope we can keep that up. Now, if we have something that is not needed anywhere in the country, sure, let's whip it out, but let's not try to do it here. All you do by trying to offer changes here is to put sand in the oil and try to see that the machinery is killed.

So I think that we ought to bear in mind that what at least about 90 Members are trying to do is to restore a program. Then after we get it restored, let's talk about what we want to do in the way of changes and reformation and amendments.

I hope that we will stay on the track and work on getting this program restored rather than letting somebody get off to criticizing some little point of it. Because you can criticize every program under the sun. You can criticize them all. But taken as a whole, this program has done a tremendous amount of good and accomplished more good for the money we have put in it than any conservation program

that I know of. And we are not putting a great deal of money in it. The President suggested \$140 million. The Congress suggested \$225 million.

So let us keep the whole program and make it function.

[Applause.]

The CHAIRMAN. The committee will stand in recess until 10 o'clock tomorrow morning.

(Whereupon at 12:40 p.m., the committee recessed to reconvene at 10 a.m., Wednesday, January 31, 1973.)

RURAL ENVIRONMENTAL ASSISTANCE PROGRAM

WEDNESDAY, JANUARY 31, 1973

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The committee met, pursuant to call, at 10 a.m., in room 1301 Longworth House Office Building, the Honorable W. R. Poage (chairman) presiding.

Present: Representatives Poage, Foley, Stubblefield, Vigorito, Jones of North Carolina, Sisk, Alexander, Rarick, Jones of Tennessee, Mathis, Bergland, Denholm, Brown, Bowen, Rose, Litton, Gunter, Teague, Wampler, Goodling, Mathias, Mayne, Zwach, Price, Sebelius, Mizell, Findley, Baker, Thone, Symms, Young, Johnson, and Madi-gan.

Also present: Christine S. Gallagher, chief clerk; Fowler C. West, and L. T. Easley, staff consultants; and John Rainbolt, assistant counsel.

The CHAIRMAN. The committee will come to order.

This morning, the committee is doubly honored. We had expected the Under Secretary to be here and he is; and we are delighted that he is.

We appreciate your being with us, Mr. Campbell.

We have the new general counsel for the Department of Agriculture sitting down there also. You may not all recognize the former assistant counsel of this committee, John Knebel.

Mr. Secretary, I believe you have some comments to make to us. We will be glad to hear from you.

STATEMENT OF J. PHIL CAMPBELL, UNDER SECRETARY, DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY JOHN A. KNEBEL, GENERAL COUNSEL; RAY HUNTER, DIRECTOR, CONSERVATION AND LAND-USE PROGRAMS DIVISION; AND RICHARD ASHWORTH, ASSISTANT TO MR. CAMPBELL

Mr. CAMPBELL. Thank you, Mr. Chairman. I appreciate the opportunity to testify. You have already recognized the general counsel of the Department, Jack A. Knebel; you have already recognized him as a former counsel to this committee.

The CHAIRMAN. I wish you would always recognize that this committee's judgment is so outstanding, even in this case.

Mr. CAMPBELL. Yes, Mr. Chairman; we will take that into consideration.

I also have Mr. Ray Hunter of the ASCS here, and my assistant, Richard Ashworth. I will read my prepared statement, Mr. Chairman, and answer questions afterwards, if there are any.

Mr. Chairman and members of the committee, we appreciate this opportunity to discuss with the Committee on Agriculture our views on H.R. 2107 which, if enacted, would require the operation of a rural environmental assistance program, REAP, at an annually specified funding level. We feel as though this legislation would be a step in the wrong direction and recommend against its enactment.

I would like to point out that the impression has gotten across in the media unfortunately that agriculture was going to have to bear the burden of budget cuts being made by the administration in its effort to reduce Government spending by restricting 1973 Federal budget outlays to \$250 billion, because Government spending is one of the main causes of inflation. This occurred because there was no nationwide publicity on reductions being made in programs in other departments and agencies of the magnitude that occurred on this particular program and others in agriculture affected by spending restraints. We feel it should be made clear, Mr. Chairman, that the restraints affecting agriculture are but a small part of the across-the-board reductions felt necessary by the administration to stave off a new round of inflation and the need for a tax increase. This fact should become more widely known as the result of the presentation to the Congress on Monday of the President's budget message.

Mr. Chairman, we feel as though agriculture, at this time when we are getting ready to call on Congress to enact new farm legislation, should take positive steps to clear its record of any peripheral, low-priority programs which tend to be income supplementing or subsidy type programs rather than income producing in nature. REAP, in our judgment, now falls into the income supplementing category because of the gradual changes that have occurred since it was first instituted in the 1930's.

In discussing this proposed legislation, Mr. Chairman, we should take a careful look at the history of the program and how it has developed over the years as farmers adopted as normal farming operations the practices which REAP cost-sharing payments were first instituted to stimulate. We all know that REAP was begun in the 1930's to provide incentive to farmers to conserve soil and water. This program successfully demonstrated the value of these measures and today, soil and water conservation practices are an accepted part of sound, efficient farming operations.

The number of participants in the program has gradually diminished as more and more farmers adopted REAP practices as part of normal operations which they gladly paid for out of their own pockets rather than on a cost-sharing basis. As a result, instead of having 3,350,000 farms taking part as we did in 1944, only 611,000 farms participated in REAP in 1971. In other words, only about 20 percent or less of the total U.S. farms used this program in that year, and the average annual payment was only \$239.

As one who farmed as a sole means of income before entering public life, I think it can be safely said that lack of a payment of this minute size will not in any way affect a management decision of farmers to the extent that it would reduce their ability to earn a good net income.

This decline in use of REAP money occurred at the same time USDA records show the number of farms declined about half between 1944 and 1971. While 611,000 farms participated in the 1971 REAP, 2 million had participated one or more times during the 5-year period ending with 1971—indicating that most farms participating in REAP do so only periodically and not every year.

Further, Mr. Chairman, we feel it is significant that REAP cost-sharing payments to a large extent now are going to practices, including their lime and fertilizer components, related to livestock production. We all know that this is a sector of agriculture which last year and this year has had a good economic return. A substantial additional amount of cost sharing in 1971 went to practices directly related to crop production, such as drainage and irrigation.

We point out these factors, Mr. Chairman, because we feel that REAP no longer is serving the purpose for which Congress originally established it. REAP was a depression-era program established as the agricultural conservation program to repair the damages of dust-storms, erosion, and neglect. The figures I have cited indicate the transition in farming practices as well as the declining need for cost sharing. When it was renamed the rural environmental assistance program, certain low-priority, short-term projects and practices were dropped. But this did not improve participation nor breathe enough life in the program to give it the high priority we feel is necessary to justify its continuation.

In the final analysis, Mr. Chairman, we feel that passage of the proposed legislation before this committee would not be in the best interest of farmers. The farmer has a great stake in holding down inflation, because it hurts him more than perhaps any other sector of our economy except for retired people on fixed incomes. In order for the fight against inflation to be won, agriculture has to do its part. Therefore, we have an obligation to clean up around our own skirts just as other Federal departments and agencies are being asked to do. We cannot justify asking other agencies and departments to reduce low-priority programs as a part of the battle against inflation if we in agriculture are not willing to take our part of the cuts. And, Mr. Chairman, passage of this legislation making a low-priority program in agriculture mandatory would set a poor precedent indeed for others to follow when they are faced with having to cut out some of their programs.

In conclusion, we feel it would be far better to move ahead with the elimination of low-priority programs such as would occur without the enactment of H.R. 2107, than to reinstate them legislatively. Then, when the time comes for us to ask for the help of our urban neighbors in getting new farm legislation adopted this year, we can go to them with clean hands and say to them that we did our part and now we need their help in keeping on the books a working farm program that allows the farmers to earn their income from the marketplace rather than depend on governmental subsidies for it.

We appreciate this chance to give you our views on this legislation.

I might say, Mr. Chairman, that this was an excellent program back in the 1930's, the 1940's, at its initiation. At that time, most farmers did not even own their own land and they were not able to pay for conserving practices when they were not able to actually own their

land. At that time, 80 percent of the cost was paid by the Government. Today we have only 30 percent being paid by the Government and the farmers do substantially own their land, although they rent a lot of their neighbor's land as well. It is unfortunate that they permitted cost sharing for production program practices rather than strictly conservation practices. Very frankly, I as a farmer 25 years ago, when I was not a public official, stopped participating in this program for that very reason, because I had been seeding fall grazing for my dairy cows and lo and behold, along came the county ASC office representative and told me, we are going to start paying you for that now. I just quit in disgust and I did not participate afterward because I thought the program was being relegated into a position that was very bad in view of the original intent of the program.

Also, I must say that many of the practices that were put into being are being destroyed by today's modern operation, because we have today's farmers renting their neighbor's land as well as their own and I have seen them go in and plow up and down the hill and across the terraces that were established under this type of program.

Also, during the last 4 or 5 years, I have seen farmers that set out trees under this program going and cutting them down when they were 10 and 12 years old, in order to sow soybeans because of the great demand on the world market for soybeans.

This is not condemning the program because some farmers are doing these things, but we do have to be aware of what is actually happening. It was an excellent program back when we had the duststorms, and the heavy rains in the Southeast primarily were washing the soil away into the rivers and on down into the ocean. We have not had those duststorms recently, and we have other programs that do finance a good bit of this other than the REAP program. With a gross income of \$65 billion or better to our farmers, \$140 million was expended last year, a rather infinitesimal, small figure to look at as compared to the total income that our farmers do have in the sale of agricultural products.

Now, we have two reports, Mr. Chairman, that I would like to call to your attention, one from the investigative arm of the Department of Agriculture, the OIG, and the other from the investigative arm of the Congress, the GAO. I would like to read just an excerpt from each of these reports that investigated the operation of this program. The finding from the OIG in the Department of Agriculture, Office of Inspector General:

The agricultural conservation program (ACP) was renamed the REAP in 1971—

This report is dated June 30, 1971—

and was changed to focus on preserving and enhancing the environment and providing maximum public benefits at the lowest possible cost.

In 15 of 74 county offices inspected, there was a need to direct program funds to high priority practices on a planned and coordinated basis. Many fund obligations were not identifiable to solving specific pollution problems. Most county committees included in the study elected to exercise their option to continue 1970 ACP practices rather than select higher priority projects.

There is a need to establish a pollution problem inventory and to identify those soil and water conservation practices that are adaptable to solving pollution problems.

The GAO report, which is an investigative arm of the Congress, dated February 16, 1972, said in their findings,

The GAO report, which is an investigative arm of the Congress, dated February 16, 1972, said in their findings:

The intent of the program is to encourage soil and water conserving practices. A substantial amount of funds were spent on practices that did not produce any appreciable conservation benefits. Between 1965 and 1970 the agency paid about \$5 million for beautification practices which provided little conservation benefits. Also, the primary effort of several practices was to increase agricultural production rather than provide lasting conservation benefits.

I did want to call the committee's attention to these two reports, one from the OIG of the Department of Agriculture and the other from the GAO report from the arm of the Congress.

I will be glad to submit to any questions, Mr. Chairman.

The CHAIRMAN. Mr. Teague?

Mr. TEAGUE. Yes, Mr. Chairman.

Mr. Secretary, do you have with you figures or your recollection of what the administrative costs are annually for REAP?

Mr. CAMPBELL. Congressman Teague, the administrative costs are approximately \$42 million per year. This is not taken out of the \$140 million fund but is added on so that that gives a total figure then of \$140 million in cost sharing and \$42 million for administration, for a total figure of \$182 million. Percentage-wise, I guess it would be about a 30-percent cost for administration, which is a pretty heavy overhead cost.

Mr. TEAGUE. It certainly is.

How many county offices exist for the sole purpose of administering the REAP program?

Mr. CAMPBELL. Congressman, I would say it would be in the neighborhood of about 300. You cannot tie it down exactly, but it would be somewhere in that neighborhood—approximately 300, sir.

Mr. TEAGUE. About how many Department of Agriculture employees, then, would you estimate work exclusively on the REAP program?

Mr. CAMPBELL. Approximately 2,500 man-years of regular full time employees, Congressman Teague.

Mr. TEAGUE. Twenty-five hundred man years?

Mr. CAMPBELL. That is correct.

Mr. TEAGUE. All right, one final question. I note in the annual report of the Department of Agriculture concerning the administration of the REAP program a listing of various aspects of the overall operation. Among those listed are such things as springs or seeps for livestock water; building of fences; construction of stock trails; several others, including home gardens. Now, it is beyond me to see how any of these items and several more which are listed, which I could read but my time is limited, have anything to do with the principal objective of the program, which is conservation, and it has grown into having some pollution aspects and also the protection of wildlife. Would you agree with my observation or disagree?

Mr. CAMPBELL. Congressman, I do agree with your observation. According to the analysis of the situation, about 50 percent of the cost-sharing is for practices related to livestock production, frankly, and 30 percent for other production practices. Then you do have the incidentals such as the shrubbery and the beautification which you have named, and I do agree with your statement.

Mr. TEAGUE. That would include the building of fences and wells and springs—

Mr. CAMPBELL. That is right, these are livestock oriented.

Mr. TEAGUE. Paths and so forth?

Mr. CAMPBELL. Yes.

Mr. TEAGUE. That is all, Mr. Chairman.

The CHAIRMAN. You seem to discredit this process of beautification. You seem to feel that that is something wrong?

Mr. CAMPBELL. No sir, I do not. If Congress wants to come out with a program for beautification, that is excellent. But my understanding of this particular program was that it was for conservation purposes, Mr. Chairman, and not beautification. That was the original intent of Congress and that was the purpose for which this was passed, not for beautification. I am very long on beautification. I think the worse thing I have ever seen in my home State is where we built highways and built new school buildings and did not put any money in the budget to landscape the grounds. The PTA's and the garden clubs had to work for the next 10 years trying to get the children out of the mud. I am very long on beautification.

The CHAIRMAN. Then you do not find any objection to spending money for that. As a matter of fact, the Department created that, didn't it?

Mr. CAMPBELL. I do not think it is a conservation measure, Mr. Chairman.

The CHAIRMAN. Well, the Department put it in there, not the Congress, didn't it?

Mr. CAMPBELL. I could not answer that.

The CHAIRMAN. There is nothing in the law that said anything about it.

Mr. CAMPBELL. I understand the law was for conservation purposes.

The CHAIRMAN. But the Department put beautification provisions in, didn't they?

Mr. CAMPBELL. Well, if we did, we must have made a bad error.

The CHAIRMAN. Well, you could have taken them out, too. There is nothing in the law which says you have to retain that which you put in there, does it?

Mr. CAMPBELL. I have been apprised of the fact that it went in during the preceding administration, Mr. Chairman. We took it out in 1971. So we did correct that provision.

The CHAIRMAN. Then that is no reason for canceling the program now if you took it out in 1971, is it?

Mr. CAMPBELL. Well, that particular item has been corrected.

The CHAIRMAN. You have already corrected that, but now you offer that as an excuse for canceling the program, do you not?

Mr. CAMPBELL. That was one of the minute reasons. There are many others.

The CHAIRMAN. Well, all right, but you did not—

Mr. CAMPBELL. I will withdraw that one inasmuch as we have already corrected it, Mr. Chairman. We corrected that in 1971, which was put in prior to the time we took over the administration.

The CHAIRMAN. All right. Now, then, let's find out who do you think ought to fix priorities for spending in our government? What

branch of government do you think should fix the priorities of spending, Mr. Secretary?

Mr. CAMPBELL. Well, Mr. Chairman, in a broader context, somebody has to fix the priorities to stop the red ink and the inflation in the United States and that is the basis of this whole approach. I did not say that this was a bad program. I said it was a low-priority program as far as the administration is concerned.

The CHAIRMAN. I know you did, and who fixed that priority? Who decided it was low?

Mr. CAMPBELL. In the total context of trying to reduce the red ink, the executive branch fixed this priority, along with many others in many other Departments, not only this Department.

I will repeat it, Mr. Chairman. My answer was that the executive branch fixed this low priority in this Department, as they did in HUD, HEW, and all of the others, in putting out a list of programs to cut back on in order to reduce the red ink, in order to hold down inflation, in order that the farmers may have a net income. Of course, there are many other reasons, not just the concern for farmers, to hold down inflation.

The CHAIRMAN. The other thing you based your opposition on was that there were not many farmers taking advantage of this program, 600,000-odd now last year. How many applied for participation in this program?

Mr. CAMPBELL. Well, Mr. Chairman, I am sure there were many, many more that applied, just as they did for some other programs where there was money that was going to be made available. If we had a billion dollars, I am sure we would have enough people that would apply for a billion dollar REAP program. But the point I make is that 20 percent or less actually were using it at the time when we had a \$19 billion net income, which proves that the farmers did not actually need it. Now, they will apply for it if you put \$2 or \$3 billion in it.

The CHAIRMAN. Now, how did that prove anything? As a matter of fact, you had about \$205 million, I believe, authorized and you spent about 100 what—65?

Mr. CAMPBELL. \$150 million, I think.

The CHAIRMAN. Now, that \$150 million, you spent all of it, and this 600,000-odd farmers used all that you provided. There were others asking for it and you would not spend the additional money that Congress had appropriated and then you tell us that the reason that we ought to cancel this program now is there were not enough farmers participating in it. It showed they weren't interested because we could not pay but 600,000-odd. That was 20 percent of the total number of farmers in the United States. What was the percentage—you said that back in 1944, there were 3 million farmers participating in this program. What was the percentage then?

Mr. CAMPBELL. We have a table here somewhere, Mr. Chairman.

The CHAIRMAN. That 3 million is more than there are farmers today, is it not?

Mr. CAMPBELL. The table I have goes back to 1962, Mr. Chairman. I do not go back all the way to 1944.

The CHAIRMAN. Well, you had about 16 or 18 million farmers then, did you not?

Mr. CAMPBELL. Oh, there was quite a large number compared to today.

The CHAIRMAN. Yes. In other words, that 3 million farmers that time was probably very close to the same percentage as you got today?

Mr. CAMPBELL. Well, the percentage I have from 1962 to 1971, the percentage that participated is 22 in 1962 and 14 in 1971. It averages somewhere around 19 or 20 percent.

The CHAIRMAN. That is right and you are averaging it back that same time there that you are citing, they had such a large number of farmers participating because they had more farmers. That is right, is it not?

Mr. CAMPBELL. Yes. But my point is with \$18 billion net income and \$239 and only 14 to 15 to 20 percent participating, it is not significant so far as the farmer's net income is concerned. What we are concerned about is net income and having a farm program in 1973 so that farmers can continue to earn the net income as they have under the 1972 farm legislation, and we are just trying to clean up our skirts and get rid of the things that are not significant.

The CHAIRMAN. I think I have taken all of my time.

Mr. TEAGUE. Mr. Chairman, the timekeeper tells me I only used 3 of my 5 minutes. I ask unanimous consent to ask one more question that is only going to take 30 seconds to ask and answer.

The CHAIRMAN. Proceed.

Mr. TEAGUE. Mr. Secretary, I have read that former Presidents Truman, Eisenhower, Kennedy, and Johnson all recommended either the abolition of the program or a severe cutback in it. Is that true?

Mr. CAMPBELL. This is true, Congressman Teague.

Mr. TEAGUE. The reason I make that point is because if there is a villain in this picture, there are also unfortunately now departed other villains; it is not the man presently occupying the White House who is solely to blame for the present situation.

The CHAIRMAN. It is true, is it not, that not one of those Presidents acted to cancel this program, after the money was provided by Congress?

Mr. CAMPBELL. I could not give that, Mr. Chairman, because I am not privy and I have not looked at the past history for the last 20 or 30 years. I know they all wished to abandon this program and cancel it out.

The CHAIRMAN. You know that they wished to cancel this program?

Mr. CAMPBELL. No, to cut it back. I have not had this program—

The CHAIRMAN. You know that they all wanted to reduce it, but you do not know that any of them ever asked to cancel the program, do you?

Mr. CAMPBELL. No, I cannot state that personally, because I do not know.

The CHAIRMAN. But you can state personally that they wished to reduce it?

Mr. CAMPBELL. I beg your pardon?

The CHAIRMAN. You can state personally that they sought to reduce it?

Mr. CAMPBELL. Yes, sir.

The CHAIRMAN. But you cannot state that they sought to cancel it?

Mr. CAMPBELL. I cannot answer that, because I do not know personally.

The CHAIRMAN. The present President did reduce it, did he not?

Mr. CAMPBELL. That is right, yes.

The CHAIRMAN. Mr. Wampler?

Mr. WAMPLER. Thank you, Mr. Chairman.

Mr. Secretary, as you and your associates were trying to carry out the President's directive to reduce spending and try to keep within the \$250 billion limitation, did you give overall consideration to all activities of the Department in an effort to try to come within this limitation?

Mr. CAMPBELL. Yes, we did.

Mr. WAMPLER. I assume, then, that you conclude that, rather than use the meat-ax approach, you used the guillotine approach on REAP and left many of the other programs intact. Is that correct?

Mr. CAMPBELL. Well, yes. There are some programs that are intact and there are some that are reduced and there are some other programs that are eliminated the same as REAP.

Mr. WAMPLER. As I recall, your Department administers an annual appropriation in excess of \$8 billion.

Mr. CAMPBELL. It is larger than that. It is around \$11 or \$12 billion, Congressman.

Mr. WAMPLER. Of course, there are programs which should not properly be charged to agriculture that you are administering that are more in the nature of welfare program. That is the point I am trying to make.

Mr. CAMPBELL. That is correct.

Mr. WAMPLER. Would it be fair to say that at least half of the appropriation of the Department of Agriculture is for consumer services and not for programs that can be directly attributable to agriculture?

Mr. CAMPBELL. I think that is a fair statement on one side or the other, 50 percent.

Mr. WAMPLER. In that general magnitude?

Mr. CAMPBELL. That is correct.

Mr. WAMPLER. The thing that bothers me and I think bothers a goodly number of this committee and other Members of the Congress is why you chose to abolish a program that is working and is a good program, and there are other programs that you administer that I think are not as meritorious as this program, and apparently, there will be no cut there at all.

For many years in this Congress, at least for the last several years, one very distinguished Member of Congress, now deceased, Mr. Bow of Ohio, who was the ranking minority member of the House Committee on Appropriations, on many occasions offered what was called the Bow amendment to reduce appropriations by a percentage factor, as I recall, of generally 5 percent. For the most part, I supported those amendments because I felt this was the one way of trying to bring expenditures in line.

Do you think that your Department right now could take a 5-percent across-the-board cut without seriously affecting the functions of your Department?

Mr. CAMPBELL. Well, we do not believe in a percentage cut across the board on programs, because some programs are much lower prior-

ity than others as far as we are concerned, and the administration did not use a 5-percent cut in all programs and going outside of our Department, there are many other programs that were reduced or eliminated by quite a large percentage and some untouched. We are not the only Department that is taking cuts. There are many programs that I think this committee feels ought to be abolished that were severely cut back by the administration in other departments.

Mr. WAMPLER. I recognize that there can be honest differences of opinion on priorities as to where cuts should be made, not only in the Department of Agriculture but in other departments and agencies of the Federal Government. I would seriously suggest and recommend that you go back, you and your associates, and reexamine the whole spectrum of your activities that cover a lot of consumer activities and impose a 5-percent cut there before you come up and abolish such programs as REAP and before you put a moratorium on such things as grant money for rural water and sewer systems and for 502 housing. Your actions thus far have caused, in my judgment, irreparable damage to rural America. I hope that you will do that.

Mr. CAMPBELL. Well, I appreciate the Congressman's feeling on that.

Mr. WAMPLER. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Stubblefield?

Mr. STUBBLEFIELD. Mr. Secretary, on page 1, you said we feel it should be made clear that the restraints affecting agriculture are but a small part of the across-the-board reductions felt necessary by the administration.

But you did not budget across the board. You just completely eliminated a program. I think this committee feels that the rural segment would have taken an across-the-board cut in lieu of a complete elimination of a program. But you make a statement, across-the-board reduction.

I mean your statement is a little confusing. You talk about across the board, but in reality, it is complete elimination. I just wonder how you equate this statement with what you have actually done?

Mr. CAMPBELL. Well, I may have had a poor choice of words in saying across the board. What I really meant by this statement was that across all Government, cuts were taken, not only in agriculture. Unfortunately, as far as we are concerned, agriculture was the first one that was announced and as a result, agricultural circles got the impression that only agriculture was being cut and no one else in the Federal Government. I was making the point here that all across Government—I should have said that all across Government, there were reductions instead of just agriculture. If you are questioning my language, I will plead guilty to poor use of language there, because what I mean was that across Government, there were cuts and it was not alone in agriculture that there were cuts.

Mr. STUBBLEFIELD. In other places, it was across the board except when it came to us, it was complete elimination.

Mr. CAMPBELL. There were other agencies that were eliminated also, Congressman. OEO was completely dismantled; EDA was eliminated. There were some others outside of agriculture that were eliminated totally. It was not a percentage cut across the board in agriculture or the total Government. It was selectively done.

Mr. STUBBLEFIELD. Well, you added about \$10 billion to the humanities and there was not any across-the-board cut there. Then on page 2, you talk about the diminishing participants in the program.

You know, down in my place, the customers were there and they were not participating because the money was not there. The reason they did not was because they did not have the money.

Mr. CAMPBELL. I would agree that if we had a billion dollars, we would have applicants for all of it. But we are concerned with the net income of farmers and we took the position in agriculture that we should look at the programs that we could adjust and restructure that would not affect farmers' net income and I as a farmer for 20 years say that we have not done anything that will affect the ability of the farmers with regard to his net income. That is what is important; \$19 billion they made last year under the 1970 act and hopefully with the passage of an act in 1973 their net income will continue to improve. That is what is important.

Mr. STUBBLEFIELD. Then you jump on lime and the production maintenance. I notice that you want to increase feed grains, want to increase soybeans, want an increase in beef. You know, down my way, we do not have a spoonful of lime to haul in there and put on the land. So if you want to increase production, it would seem that you would consider lime as one of the inputs.

Mr. CAMPBELL. Well, if I may, Congressman, that is the very point I make, that this program was not supposed to be a production program. The use of lime is a production item. When I was on my farm in Oconee County, Ga., I bought my own lime. It was not cost-shared with me by the county office. I sowed my winter grazing; it was not cost-shared. They came and wanted to cost-share and I would not let them, and I needed that as bad as anybody. I was milking only 28 cows. What we say is we should not have a program that is geared to production increase, we should have a conservation program.

Mr. STUBBLEFIELD. Well, let's go to conservation. I understand that about 70 percent of the pollution in streams is caused from water runoff. We cannot grow any kind of food—we cannot grow alfalfa or any of that without lime. We changed the name of this program because the environmental people wanted to change the name in order to comply with their wishes. I think liming is certainly a part of stream pollution. We will not have a clear stream in Kentucky by 1983 and you cut off the very part of the program that will have the most effect on it.

Mr. CAMPBELL. I think if you would check farmers closely enough, you would find out that there are worlds of farmers that are carrying out these practices without cost-sharing, just as I said I did.

Mr. STUBBLEFIELD. I know more of them would if they had this incentive. I am sure you agree with that.

Thank you.

The CHAIRMAN. Mr. Goodling?

Mr. GOODLING. Mr. Secretary, you quoted a figure that I have used in a good many places. I think we should stress this figure. You said in 1971, the average payment per farmer was \$239. I stated, I believe yesterday, in this committee, if \$239 is going to make or break any farmer in the entire United States, that man should not be a farmer in the first place. I believe you will agree with that.

Mr. CAMPBELL. I agree, Congressman.

Mr. GOODLING. It is ridiculous to think that we are going to make or break farmers with a sum of \$239. I do not know if my district is different from any district in the entire United States or not, but I do not recall that I have had one single letter opposing the elimination of this program from an individual. I have had a few that have a conflict of interest, naturally, on the committees and they like their job and they want to see it continued. As I say, I do not believe I have had a single letter opposing this program from an individual.

I would like to reply to one question the chairman asked you. He asked who should set priorities in spending and I know he wanted you to say the Congress. With that I agree 100 percent. But if the Congress fails to accept its obligation, then I think it is time that the administration steps in to do this. I believe I have a reason for saying this. The Congress of the United States during the last few sessions has been completely irresponsible so far as Federal spending is concerned. If you doubt my word on that, look at our national debt. Today, it is about \$450 billion and climbing every year.

The Congress simply, Mr. Chairman, has not accepted its responsibility to set priorities and until such time that we are willing to accept that responsibility, I believe it is the responsibility of the administration to step in and attempt to do something about it.

That is all.

Mr. TEAGUE. Would you yield to me, Mr. Goodling?

Mr. GOODLING. Yes.

Mr. TEAGUE. Just for the record, I would like to have it known that I have an agricultural district producing about \$400 million in crops annually and I have received only one letter from a farmer. As a matter of fact, that was written on the letterhead of a railway union organization, but only one letter of complaint concerning the administration's proposed cutoff of this program.

Mr. GOODLING. I would like to make one further statement, Mr. Secretary, if I have time, and I believe I do. You said you have never allowed the Government to buy the lime or fertilizer for your farm in Georgia or whatever.

Mr. CAMPBELL. I may have once, but only once.

Mr. GOODLING. I have not sinned one time. I have been a farmer for 50 years. As I said yesterday, I am either too stupid or too independent to allow the Federal Government to come in and buy lime and fertilizer for my farm. When I cannot do that myself, I am not going to use it. I think it is time the farmers woke up to that fact and quit depending on the Federal Government to subsidize them.

Mr. ALEXANDER. Would the chairman yield for one comment?

Mr. GOODLING. Do I have time, Mr. Chairman? I yield the floor.

Mr. ALEXANDER. Mr. Chairman, I would just like to say with all due respect—

The CHAIRMAN. He did not yield to you, Mr. Alexander.

Mr. SISK.

I am calling those who were here at 10 o'clock.

Mr. ALEXANDER. I just asked the gentleman from Pennsylvania if he would yield.

The CHAIRMAN. Yes; I understand, but he did not yield to you.

Mr. SISK. I will try to be very brief.

Mr. Secretary, it seems to me the crux of the issue here is, in fact, this business of priorities and who sets the policymaking powers of the Government. I know, of course, that the chairman asked you the correct question as to who really should make and determine priorities and I think we all recognize that if a vacuum is left, in line with the comments of my friend from Pennsylvania, someone is going to step into it. I personally agree that the Congress has, I think, been lax in some cases in meeting its responsibilities. I hope we rectify that and I think, to some extent, there is an attitude now to do that.

Now, getting back to the situation in connection with this program and some several other programs which the Department saw fit simply to eliminate, the concern that I have and you, as a person who has had a lot of experience over the years, do you not agree, is basically that the attempts by the administration to literally come in and take away from the Congress the policymaking powers and its authority on authorized programs will very well be a strategic mistake?

Mr. CAMPBELL. Well, now, Congressman, if you are going to get into strategy and tactics, I am not sure that I will say that it is, no.

Mr. SISK. Well, the point that I make is—

Mr. CAMPBELL. I think the issue is being forced as to responsibility to get some sanity into the Federal budget. If it took this extreme measure to force this issue all across the Government, well, I do not know that that was a strategic mistake, to bring it to a head.

Mr. SISK. Maybe it is not. Maybe the time has come for this confrontation. Maybe, out of some things that are occurring now, there will be a reassertion by the Congress of its policymaking powers. This, to me, is an issue. I recognize that we are going to have to make cuts and your statement, of course, in here with reference to statements across the board—though, as I understand, you were referring to on a broader base—I recognize that cuts are being made in some of the other agencies. They have not been as well publicized as they have been in agriculture.

I personally, for one, will support some cuts. But all I am trying to say to you is it seems to me that it would have been the better part of valor had they come in and suggested a cut of 10 percent or 5 percent in this program as well as any other programs. But I think here, the thing that I find myself in disagreement very much with is the assumption of power on the part of the executive to literally kill a program which Congress itself had authorized and has supported with substantial appropriations over the years.

Mr. CAMPBELL. I appreciate the Congressman's opinion.

Mr. SISK. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Mayne?

Mr. MAYNE. I thank you, Mr. Chairman.

Mr. Secretary, you stated on page 3 of your testimony that a substantial amount of cost sharing has gone to practices directly related to crop production such as drainage and irrigation. I wonder if you could tell us how much of this program your records show was diverted to irrigation and irrigation-related practices in 1971.

Mr. CAMPBELL. Just one second, Congressman; \$6,830,649 for installing or reorganizing irrigation systems.

Mr. MAYNE. Are there other related items to irrigation that would come under that head also?

Mr. CAMPBELL. Irrigation ditch lining, \$2,794,464; spreader ditches, dikes, \$96,000. Then there are some other items that I do not know if they are directly related to irrigation such as subsoiling, permanent drainage, and open drainage. I do not know if that is directly related to irrigation.

Mr. MAYNE. Well, altogether, that sounds as if it would be around \$10 million, then?

Mr. CAMPBELL. That is correct.

Mr. MAYNE. What about drainage? Could you tell us what amount was diverted to drainage in 1971?

Mr. CAMPBELL. Permanent open drainage, \$1,808,000; underground drainage, \$5,563,000; shaping or land grading to permit drainage, \$410,000; spreader ditches or dikes—I am not sure that would be drainage. I think that is about it.

Mr. MAYNE. Is that perhaps another \$7 or \$8 million, then?

Mr. CAMPBELL. That is correct.

Mr. MAYNE. On the other hand, Mr. Secretary, I take it from your testimony that you do not argue that there are not any beneficial things which are being accomplished by this program?

Mr. CAMPBELL. Oh, they are very beneficial. I did not say that. I just do not think that the original intent of the program is being fulfilled.

Also, in today's context of \$19 billion net income, this is low priority. It is not something that affects the management decisions or the farmer trying to make a living and support his family.

Mr. MAYNE. Well, I want you to know that I am not in the enviable position of my colleagues from California, the ranking member on my side, and the gentleman from Pennsylvania, Mr. Goodling. I can well understand, having not received one letter from any constituent, how they would occupy their position with such equanimity here today. I want you to know that I, in contrast, have received hundreds of letters from people who, for one reason or another, are interested in the perpetuation of these programs. So I view it from a somewhat less detached point of view.

I ask you if it would not have been wiser and more in the public interest if the Department did have the power to take such arbitrary action, which has certainly not been established, if it would not have been better to eliminate those parts of the program that the record shows have been abused, which have not been diverted to conservation practices, but rather, to production and other nonconservation matters. Do you not think in retrospect, now, that would have been the better course of action?

Mr. CAMPBELL. Congressman, Congress has prevented us from doing just what you suggested. We are not permitted by act of Congress to do what you just suggested that we do. I can read to you the language in the appropriation bill, if you would like, to further my point.

Mr. MAYNE. Please do so.

Mr. CAMPBELL. This is in the language of the appropriation bill, 1971. Several practices were eliminated from the 1971 REAP. We made an effort to do just what you have said, including the drainage, noxious weed control, land leveling, subsoiling, applying mulching materials, establishing home gardens, and establishing beautification and conservation practices except where they met the standards of

It seems to me, Mr. Secretary, that we can go to them with clean hands, armed with the fact that we actually have our citizens spend less than 16 percent of their total disposable income on agricultural products in this country. I literally resent the fact that you say we have operated with unclean hands in the past.

Mr. CAMPBELL. I appreciate the Congressman's opinion.

Mr. MATHIS. I am also concerned about one other statement the Secretary made. That was that we are concerned with net income. Has the Department of Agriculture now decided that Congress is no longer a lawmaking undertaking and we must be concerned only with income and we must change our policy in the future?

Mr. CAMPBELL. No; I did not say that. I said all of these are justifiable programs. I am sure every program in every department in the Government would find a defender somewhere. But if we are going to have any kind of fiscal responsibility and if we are going to see that inflation does not eat away a farmer's profits, we have to have fiscal responsibility and agriculture has to take its part of the cut. I am convinced of that. We would not have had \$19 billion of net profit last year if inflation had still run to 6 percent. It is down to just over 3 percent.

Mr. MATHIS. What kind of net profit did we have in 1971 and 1970? What kind of assurances do we have that we are going to have a \$19 billion figure again in 1973?

Mr. CAMPBELL. We are very optimistic about 1973. It probably will not be quite as high as 1972, but we think the farmers have an excellent position for 1973, if inflation is held in check. They are going to be able to make net because their costs should not rise as they have in the past with inflation. And there are going to be expanded markets. We feel pretty good about 1973.

Mr. MATHIS. There are a lot of other things going on in the Department, with the elimination of the tobacco export subsidies which the Secretary has threatened me with.

I would like to ask one other question. I have tried to find the answer to this with the Secretary and other people in the Department and I have never yet been satisfied with who made these decisions. What individual in the Department decided that REAP would be eliminated?

Mr. CAMPBELL. I guess it was a group decision.

Mr. MATHIS. What group, sir?

Mr. CAMPBELL. In the Department of Agriculture?

Mr. MATHIS. Could you name me the individuals?

Mr. CAMPBELL. The Secretary is responsible. I as the Under Secretary am responsible. The Assistant Secretary. You may be looking at one of them.

Mr. MATHIS. But OMB—

Mr. CAMPBELL. I have already said that as a farmer in Georgia, your home State, I did not participate and I did not milk but 28 cows, Congressman. I was not one of them big farmers that the young Republicans talked about 4 or 5 years ago, that you know. They said that big wealthy dairy farmer. I was never one of those fellows. I needed the cost-sharing as bad as anybody. But I happen to know in your particular district, these are income supplements rather than

another practice, including a specifically justified county practice. However, the committee of conference said the 1971 program should include "practices and procedures available in the calendar year 1970 program if" recommended by the county committee and approved by the State committee. "These options were exercised by many of the county committees," so that we did not have control. It was up to the county committee to continue to do what they had been doing.

Mr. MAYNE. Is what you are telling me, Mr. Secretary—

Mr. CAMPBELL. I will read 1972 and 1973, if I may.

Mr. MAYNE. Could I first ask you is in effect what you are saying that the Department has tried very hard to eliminate these abuses through the years, has made that recommendation to the Congress, but the Congress has failed to eliminate them?

Mr. CAMPBELL. That is correct. That is the exact case and I could go further in 1972 and 1973 and a few other practices were eliminated from the 1972 and 1973 national program.

Mr. MAYNE. I am sorry, but I am advised that my time has elapsed.

The CHAIRMAN. Next, Mr. Mathis.

Mr. MATHIS. Thank you, Mr. Chairman.

First of all, Mr. Secretary, allow me to compliment you for so bravely defending an indefensible practice.

Mr. CAMPBELL. Thank you.

Mr. MATHIS. In line with the line of questioning begun by Mr. Stubblefield, that this is a small part of the costs of these Government programs, what actually percentage of the budget is going to be spent by the Department of Agriculture in 1974 as opposed to 1973?

Mr. CAMPBELL. I did not catch that. Would you repeat the last part?

Mr. MATHIS. What percentage of the total Federal budget is going to be spent by the Department of Agriculture in 1974, fiscal 1974, as opposed to 1973?

Mr. CAMPBELL. Percentagewise? We will be at about the same level, somewhere in the neighborhood—I will have to give you rough figures—of \$12 billion out of \$250 billion to \$269 billion or \$270 billion. I do not know what percentage that would be. That would be five, or cut those in half—five out of 125. It would be about 3 percent, I guess. I am just giving you a rough calculation mentally. Of the total Federal budget, I guess, about two and a half, would be in agriculture.

Mr. MATHIS. I believe that little wishbook we got from Mr. Weinberger yesterday, the percentage cut was a little more substantial, like 11 or 12.

Mr. CAMPBELL. You said cuts. I misunderstood your question.

Mr. MATHIS. Yes, sir; that was my point. My point was of course that I think these are a little more than small cuts. I am concerned, as I think the other members of this committee are concerned, that we might be bearing more than our proportionate share of the cuts that are taking place across the budget.

I am also a little concerned about what you say in the last paragraph of your statement when you say:

When it comes time for us to ask for the help of our urban neighbors in getting new farm legislation adopted this year, we can go to them with clean hands and say to them that we did our part and now we need their help in keeping on the books a working farm program that allows the farmers to earn their income from the marketplace rather than depend on governmental subsidies for it.

conservation payments and they are sowing the grazing for the grazing of cattle in the wintertime, just as they offered to pay me to graze my cows in wintertime in Georgia.

Mr. MATHIS. With all due respect, I might have some farmers who would disagree that this is an income supplement. I think the Secretary might find in his home county, where 103 participated in the program last year, that there would be 103 that would disagree with him.

Mr. Chairman, that is all I have.

Mr. CAMPBELL. I have an editorial from one of your home district newspapers that supported me, Mr. Congressman. I will put it in the record, if you would like. From the Moultrie Observer.

The CHAIRMAN. Mr. Sebelius?

Mr. SEBELIUS. Thank you, Mr. Chairman.

I would like to ask whether or not—I ask forgiveness for having to leave for a second or two. Maybe this question has been asked. But anyhow, we are talking about how many soil conservation offices would not be needed if you stopped REAP.

Mr. CAMPBELL. ASCS offices.

Mr. SEBELIUS. Out in our country, we have the Great Plains program, too. Will the Soil Conservation Service technicians still be available?

Mr. CAMPBELL. The Soil Conservation Service technicians will be available, yes.

Mr. SEBELIUS. And consolidation—I understand that the overall ASCS, there is a move afoot now for large consolidations, including if you do not need this program, why, there will be a consolidation. Do I understand that my farmers are going to have to drive many, many more miles to some other place to consult about their farms?

Mr. CAMPBELL. Let me tell you, Congressman, before this action with regard to REAP, we already had had so much shift in farming and agriculture across the United States that we had many county offices where there was little activity. My county and the adjoining county have already been consolidated into one county office. In the adjoining county, there are only eight or 10 farmers. Now they have to drive over to my county. We can't maintain an office for eight or 10 farmers. We have already had some consolidation, but we do not anticipate farmers are going to have to go any great distance.

When this county setup was established in the 1930's, it was a horse and buggy setup, so to speak. We have good roads now. Farmers can drive 50 miles just as easily as they could go 10 miles then. If this does occur, we do not think it would be a handicap. It has certainly not handicapped the people in my county where I live, where two offices have already been consolidated.

Mr. SEBELIUS. This is going one step beyond our present point, perhaps, but I have more tillable acres than any other district and I have lots of farmers and we have a long distance to travel before we get to a Soil Conservation or ASCS? Is there a move afoot to consolidate the whole business, where a county that has 200 farmers maybe has to go to another county to consult with USDA?

Mr. CAMPBELL. Your question is, Do was anticipate consolidation of counties?

Mr. SEBELIUS. Right.

Mr. CAMPBELL. We feel for efficiency purposes down the road, there must be some consolidation, as has already taken place in some places. But it should be done on a distance basis and a workload basis.

Mr. SEBELIUS. I agree with that. But I voted for the postal reform bill and now I find out that I represent second-class citizens because the farmer no longer gets the same kind of delivery and the same kind of service that anyone who happens to live in a more populated area. That bugs me.

I appreciate your answer. I do not want the Government to be maintaining an office for eight farmers.

Mr. CAMPBELL. I think the Congress should be concerned about this and any administration of this should be done on the basis of workload and distance to travel.

Mr. SEBELIUS. Thank you.

The CHAIRMAN. Mr. Bergland?

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

Mr. Secretary, I have been reading a very interesting document, the budget proposed for 1974. I find on page 113, and I will read:

Environmental quality cost-sharing and technical assistance. This provides funds for technical assistance and cost-sharing to agricultural producers and others on the basis of critical erosion, sediment, or environment conditions originating on farm or other land and having adverse community-wide effects as authorized by Sections 201(a) and Section 5 of the Rural Development Act of 1972.

Under that authority, you are requesting \$10 million.

Then on page 193, under the Great Plains program, and may I read—

This program provides cost-sharing assistance and technical services to landowners or operators in the Great Plains area in the development or installation of long-term conservation plans and practices on their land.

This program applies to 10 States and 465 counties, and you are requesting nearly \$18 million.

Mr. Secretary, how can you recommend the extension or the continuation of these programs—and may I say, I do not quarrel with them, I think they have been fine programs—but on the one hand recommend moneys for those kinds of cost-sharing practices that are rather limited in their nature and on the other hand discontinue abruptly the same kind of practices that apply in other regions.

Mr. CAMPBELL. Congressman, I appreciate your pointing this out. I alluded to it earlier when I answered a question and said that there were other areas that would accomplish the original intention of REAP. REAP has gotten away from its original intention. We are carrying on production practices, unfortunately, whereas these, as you have just read, the \$10 million is for the environmental situation where you have erosion and pollution adverse to the communitywide situation. And in the Great Plains area, we are still carrying that on because it is felt as though you still have a severe problem out there with regard to tying down the soil there where the winds cause problems. This really does do what was the original intention of REAP. We do not think there is any conflict whatsoever. We are for that type of operation.

Mr. BERGLAND. Mr. Secretary, we do have serious erosion problems in my district, the Red River Valley of the North. But we are not in the Great Plains program. So it seems to me that we are being precluded from any assistance under the terms of this budget.

Mr. CAMPBELL. Well, the \$10 million long-range cost sharing for practices is requested in the budget as you have just said and would be available.

Mr. BERGLAND. There is \$18 million for 10 States and \$10 million for everything else?

Mr. CAMPBELL. That is correct. For any long-range, bad-effect situations.

Mr. BERGLAND. One last question, Mr. Secretary. I have form re-245, which is a USDA form, the request for cost-sharing under REAP. There is a certification on that form required of each farmer who applies. It says:

The practice is needed to conserve soil and water resources on the farm identified above and would not be performed to the extent requested and needed by me without Federal cost-sharing.

The farmer certifies to the accuracy of that statement.

It seems to me that if this certification were administered properly, there would be no way that a person who shared in the highly touted affluence of the recent year would be able to receive any assistance under this authority. It would seem to me that if that certification is administered properly, the assistance would go to those family farms who desperately need the help and certify accordingly.

Mr. CAMPBELL. Unfortunately, it is not administered that way. I had a fellow on the telephone yesterday.

Mr. BERGLAND. Why is it not, Mr. Secretary?

Mr. CAMPBELL. Well, it is handled by the county committees and you have to live with your neighbors. Many nonfarmers are participating in this REAP and getting ponds built. They are lawyers, doctors, but they own land out in the countryside.

Mr. BERGLAND. It seems to me they are perjuring themselves.

Mr. CAMPBELL. I am not going to pass judgment on those people. I am telling you what is happening. This fellow said just yesterday, "I planned to build a pond next year and now you have cut me out." He was being facetious about it. He has a job in town, with a big salary, but he owns 700 acres of land.

When I was down in my home State in Georgia, in Moultrie, a fellow in the tobacco business came up and said, I got my \$90 check yesterday for last year's participation. He was laughing about it.

Mr. BERGLAND. I think my time has expired.

Thank you, Mr. Secretary.

The CHAIRMAN. Thank you, Mr. Bergland.

Mr. Findley?

Mr. FINDLEY. Mr. Secretary, I have an amendment that I intend to offer which would read as follows, or at least in substance as follows, that this act shall not take effect until such time as one of the following events occurs. The first would be the Congress enacting legislation increasing the statutory limit on the public debt by an amount at least equal to the amount mandated here; and the second is that until the Congress enacts legislation that produces revenue at least equal to that, or third, until the Controller General would certify that

the outlay mandated here could occur within the outlays and public debt for 1972, considering all other expected outlays.

Do you have a comment on an amendment of that sort?

Mr. CAMPBELL. Well, Congressman, it sounds to me as though it is in the direction of some fiscal responsibility.

Mr. FINDLEY. Mr. Secretary, Saturday night, I had the opportunity—

Mr. CAMPBELL. I might say that it would be directed entirely to legislation and I am not certain how lawyers and others would feel about the method of your accomplishing it.

Mr. FINDLEY. Saturday night, I had the opportunity to speak to the Sangamon County Farm Bureau in Springfield, Ill., and the audience consisted of about 600 men and women members of that group. During my talk I asked them for a show of hands indicating their support for the expenditure limitations the President had ordered in USDA as well as elsewhere in the Federal Government. I was surprised and gratified to see more than half of the hands go up. When I turned the question the other way and asked for a show of hands indicating opposition to the President's expenditure control measures, only one person raised his hand.

I cite that to indicate that even though there has been a flood of mail in opposition to the REAP action and other actions by the administration, I think there is a very substantial degree of support in country America for the expenditure control program.

The other item I would like to mention is that while I think you made an excellent case against the bill before us, I am surprised that the Department passed over a couple of pretty obvious items that I would describe as very low priority. I wondered if you could shed any light as to why the Department passed over, for example, the \$10 million item for Cotton, Inc., which I think has been going to a rather strange purpose, with the outlays for lavish quarters in New York. Another opportunity that was passed over was the opportunity so clear in the statute, the act of 1970, to reduce the payment limit even below the \$55,000 level.

Now, it may be that there was some sort of Treaty of Ghent, some binding obligation on all parties not to touch the act. Perhaps that explains the passing over of both these items, but they would have provided an opportunity to cut expenditures very substantially, and I think to the public benefit.

Do you have any comment on those?

Mr. CAMPBELL. I think in regard to the \$10 million, you cannot withdraw when the money is already gone. On the Cotton, Inc., that action had already been taken and I do not think you can reach out and pull it back when the money has already been expended—

Mr. FINDLEY. But the President's budget does have a new item for fiscal 1974 for \$10 million, so there was an opportunity to terminate that.

Mr. CAMPBELL. OK.

On the \$55,000, we could not take action during this current 1973 year. These actions that we are talking about right now were substantially 1973 actions, I thought.

Mr. FINDLEY. Well, I would like to encourage the administration to consider that for future reference, then.

Mr. CAMPBELL. May I mention with regard to your letters, Congressman, if I may—I do not want to waste your time, but letter writing is a very simple thing to promote. I hate to admit it but I promoted the writing of 50,000 to the late Senator Russell and his office got very angry at me for that—50,000 letters in 90 days. You can generate letters. It can be done.

Mr. STUBBLEFIELD. Will the gentleman from Illinois yield?

Mr. FINDLEY. Sure.

Mr. STUBBLEFIELD. I would like to suggest that the one who did not raise his hand at your meeting was the great silent majority.

Mr. FINDLEY. The invisible majority.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Litton?

Mr. LITTON. Thank you, Mr. Chairman. For those on this committee who are not getting any mail. I am getting several hundred letters and I think I will suggest to my constituents back home that they send their letters to those on the committees who are not getting any.

Mr. Secretary, I noted in January of this year, in Hot Springs, Ark., you said that, "A strong bipartisan effort would be needed again to insure continued economic gains for American farmers." I was wondering if the cutting of these programs without any consultation with the House Agriculture Committee is a way of gaining this strong bipartisan support you say you need?

Mr. CAMPBELL. I guess I will find out today.

Mr. LITTON. I noticed also in your report today a somewhat conflicting or confusing statement to me. Secretary Butz indicated earlier that these conservation practices were good business and they produced income and consequently, because they were such good business and so rewarding to the farmer economically, that he would continue to do it on his own. He was very clear to say that it was good business, it was income-producing. Today you say it is not income-producing; that the bill itself is not income-producing. You also indicate that it is just income supplementing and you call it a low-priority program. I thought water pollution and conservation in this area today is a high-priority situation, not low priority, and it does produce income as indicated by Secretary Butz.

Mr. CAMPBELL. Water pollution and conservation are high-priority items. But when the program is subverted and you start using them for production purposes and income purposes rather than for solving pollution and conservation, you are subverting the intent of the act. That is where our difficulties have been.

Mr. LITTON. What percentage of farmers do we have in this country in terms of total population?

Mr. CAMPBELL. Oh, it is 3 million out of 200 million, I would assume, about one and a half percent.

Mr. LITTON. What percent of the budget cut do we have going to farmers?

Mr. CAMPBELL. I would have to furnish that to you. I just can't give it to you off the top of my head.

Mr. LITTON. Would you say that the small percentage of the farmers in terms of the total population would indicate that the farmers are taking a bigger proportion of the budget cuts?

Mr. CAMPBELL. I do not think they are taking a cut from the standpoint of their economic welfare. I do not think the administration has done anything that affects the economic welfare and the ability of the farmer to make net income, which is really what he has to live out of and support himself.

Mr. LITTON. I am a little upset. On page 3 of your remarks, you indicated that we all know that the Secretary of Agriculture referred to livestock producers as having good income last year and because they had such a good income, I assume you are indicating that they do not need the funds because they now have the money to do these things on their own. Is that your inference?

Mr. CAMPBELL. So many of these practices that have been approved by the county committees that we feel should be eliminated are going for production in the livestock area. We are very happy that the livestock farmers are doing as well as they are. We hope they will do as well or better next year.

Mr. LITTON. I happen to be a livestock farmer and I would like to point out that while livestock farmers had a good year last year, they have had a good many years where we did not do so well.

Mr. CAMPBELL. I can do the same thing as a livestock farmer. I agree with you. We go up and down. You have to do what you can to keep from having these ups and downs, but they are inevitable under the law of supply and demand.

Mr. LITTON. The program is a long-range program—conservation practices are long range, are they not?

Mr. CAMPBELL. Correct, if that is what we carry out.

Mr. LITTON. If we cut back on the program because we had a good year, that is not long range, is it?

Mr. CAMPBELL. No, we cut back in order to get fiscal responsibility and for farmers to make a good net income. Farmers are hurt no more than any other group. This REAP is just a lower priority than

noncut areas across the Government. It was not because the livestock farmers had a good income.

Mr. LITTON. And the fact that the farmers did better this year had nothing to do with cutting back these programs?

Mr. CAMPBELL. No, but we point out the fact that they are doing real well and we need a 1973 farm act that will permit them to continue to do well.

Mr. LITTON. I am sorry. I thought the Secretary of Agriculture told us earlier that this was one of the reasons.

My time is up. Thank you.

The CHAIRMAN. Mr. Thone?

Mr. THONE. I have no questions at this time, Mr. Chairman.

The CHAIRMAN. Mr. Rose?

Mr. ROSE. I have no questions.

The CHAIRMAN. Mr. Symms?

Mr. SYMMS. Thank you, Mr. Chairman.

Mr. Secretary, being a new Member of Congress, and I come here from an orchard operation, I still view myself as a fruit grower and I have not adjusted to the thought of being a Congressman yet. I certainly appreciate your comments about inflation. It brings to mind that we sell apples for the same price now that we did in 1946, but all the other costs have gone up. I think that your efforts to stem inflation are certainly proper, although I am somewhat sympathetic with those who think the Congress should do it rather than the administration. However, I think that the economic fiscal responsibility of the Government is so great that I think we must begin to make the effort someplace.

You have been talking a lot about livestock grazing and this is a part of the REAP that, evidently, I do not understand. Are you saying that we are paying REAP payments to farmers in the South to plant grazing land? Is this what you are saying?

Mr. CAMPBELL. Yes, sir, in the wintertime. In fact, 25 years ago, after I had been sowing winter grazing for 3 or 4 years, the county office notified me that it was one of the approved practices now and wanted me to make application and I would not do it. That was 25 years ago and it is still going on in the South, throughout the whole southern area. They sow grazing in September and October and then buy stock cattle and put them on and fatten them out on the winter grazing.

Mr. SYMMS. Competing with Western cattle?

Mr. CAMPBELL. That is correct.

Mr. MATHIS. Would the gentleman yield to that point?

Mr. SYMMS. Just a moment, please. I wanted to ask one more question, then I will be happy to, Mr. Mathis.

Is this effort to actually cut out REAP, a long-range effort to help keep it so that the Department of Agriculture will not have more employees than we have farmers?

Mr. CAMPBELL. Well, we hope we never reach that point, Congressman. That was not the reason for it, but that may be a good solid reason.

Mr. SYMMS. Go ahead, Mr. Mathis.

Mr. MATHIS. I wonder if the Secretary would agree with me that it is a good conservation practice to plant cover crop on this area during the fall?

Mr. CAMPBELL. Congressman, I pointed out to you that I was already doing it. That is my whole point. It was part of my production practice and now they come along and are going to start paying me for something I was already doing. That is wrong.

Mr. MATHIS. Mr. Secretary, is every farmer you know of going to do this or does our little contribution in the amount of \$239 a year give them added incentive to do it and practice good conservation planning?

Mr. CAMPBELL. If he can buy that stock of cattle and make a profit off of sowing that grazing, he is going to do it and this \$239 is not going to make an effect on his decision.

Mr. MATHIS. You do not think it has any effect on his decision?

Mr. CAMPBELL. No, sir; I do not. I surely did not have any on mine. I needed that payment as bad as anybody. I was renting money, renting land. I have been up and down that road. It does not have any effect.

Mr. MATHIS. I respectfully disagree with you. I think you have seen hundreds of acres of land wash down a flint road.

Mr. SYMMS. I might say we have a conservation practice in the orchards of beating the prunings and for 20 years that I know of, this practice has been going on. Now all of a sudden, orchardists are able to go in and apply for REAP payments and get paid for a practice they are doing. Do you think this is correct?

Mr. MATHIS. I do not know that much about your fruit production. I might suggest that this gentleman might not at the moment know enough about my grazing in the South and I invite him to come down and see it.

Mr. SYMMS. I will invite you out to Idaho, too, sir.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Brown?

Mr. BROWN. Possibly I have missed this information, but have you supplied the committee with the breakdown on the REAP payments by States and the number of farmers that are involved by States?

Mr. CAMPBELL. We will be glad to do that. We have not done it, but we will be happy to.

Mr. BROWN. Naturally, I am interested in the impact on California and if I can have that information, I would be very interested.

Mr. CAMPBELL. With \$140 million in 50 States, you are getting on an average \$3 million per State, but we will supply the information for you.

Mr. BROWN. Thank you.

The CHAIRMAN. Thank you, Mr. Brown.

(The information follows:)

Mississippi	82	26,811	12	4	8	379	323	56	27,138	76,170
Missouri	114	37,117	---	---	---	327	215	112	37,332	114,390
Montana	56	5,961	---	---	---	19	19	---	5,980	20,705
Nebraska	93	10,109	---	---	---	495	357	138	10,466	50,531
Nevada	17	555	---	---	---	---	---	---	555	2,120
New Hampshire	10	1,506	---	---	---	---	---	---	1,506	3,531
New Jersey	17	2,178	---	---	---	677	611	66	2,178	6,146
New Mexico	31	2,541	---	---	---	3	3	---	3,152	12,913
New York	58	16,602	---	---	---	---	---	---	16,605	41,164
North Carolina	100	52,693	---	---	---	80	80	---	52,693	137,538
North Dakota	53	21,551	---	---	---	---	---	---	21,631	46,463
Ohio	88	12,267	---	---	---	---	---	---	12,267	61,529
Oklahoma	77	18,360	---	---	---	8,955	8,186	769	25,546	63,110
Oregon	36	4,183	---	---	---	223	199	24	4,382	16,036
Pennsylvania	66	10,168	---	---	---	788	615	173	10,168	35,296
Puerto Rico	5	1,601	---	---	---	---	---	---	2,216	21,042
Rhode Island	5	339	---	---	---	---	---	---	2,339	21,770
South Carolina	46	13,238	---	---	---	---	---	---	13,238	33,871
South Dakota	67	15,402	---	---	---	---	---	---	15,402	47,706
Tennessee	95	25,062	---	---	---	385	331	54	25,393	95,312
Texas	254	45,528	---	---	---	22,720	19,934	2,786	65,362	169,146
Utah	29	4,760	---	---	---	20	20	---	4,690	11,782
Vermont	14	4,076	---	---	---	---	---	---	4,076	8,001
Virginia	98	25,424	---	---	---	---	---	---	25,424	67,976
Virgin Islands	3	19	---	---	---	---	---	---	9	19,960
Washington	39	5,082	---	---	---	54	43	11	5,125	29,888
West Virginia	55	10,970	---	---	---	---	---	---	10,970	29,888
Wisconsin	72	12,662	---	---	---	---	---	---	12,662	46,447
Wyoming	23	2,824	---	---	---	268	227	41	3,051	8,553
Total	3,069	611,434	727	266	461	38,485	33,493	4,992	645,193	2,099,990

PAYMENTS UNDER THE 1971 RURAL ENVIRONMENTAL ASSISTANCE PROGRAM—REGULAR REAP

State	Practice cost-shares			Other			Total gross assistance	Average assistance per farm
	Net assistance to farmers	Small cost-share increase	Gross assistance to farmers	SCS agreements	Other agencies agreements	Program services		
Alabama	\$3,832,106	\$132,921	\$3,965,027	\$166,839	\$21,901	\$421	\$4,154,188	\$277.67
Alaska	54,625	53	54,678	2,025	—	—	56,703	977.64
Arizona	1,094,441	803	1,095,244	54,980	—	—	1,150,224	1,399.30
Arkansas	3,107,558	125,292	3,232,850	162,550	4,819	1,222	3,401,441	229.94
California	3,544,117	8,327	3,552,444	190,050	14,097	—	3,757,191	791.65
Colorado	2,214,110	11,786	2,225,896	127,305	—	642	2,353,843	349.29
Connecticut	262,765	10,371	263,136	14,465	1,916	—	279,717	138.34
Delaware	208,731	6,245	214,976	10,094	—	—	225,070	307.89
Florida	2,556,080	60,824	2,616,904	96,612	13,502	—	2,727,018	305.24
Georgia	4,033,222	155,236	4,193,458	167,929	12,666	—	4,374,053	232.87
Hawaii	322,357	337	322,694	7,725	—	—	330,419	1,060.32
Idaho	1,238,499	20,796	1,259,295	70,370	—	5,035	1,334,700	306.97
Illinois	3,315,833	135,827	3,451,660	261,929	29,845	—	3,742,433	341.18
Indiana	3,175,442	93,020	3,268,462	181,896	—	75,423	3,460,086	226.86
Iowa	6,237,977	176,517	6,414,494	303,328	17,673	5,280	6,740,775	253.38
Kansas	4,243,300	70,946	4,314,246	230,611	—	1,492	4,546,349	385.77
Kentucky	4,947,326	212,273	5,159,599	218,165	16,150	750	5,394,664	192.96
Louisiana	86,287	28,273	114,560	138,872	120	—	2,959,255	254.67
Maine	773,976	22,622	796,598	39,184	—	30	835,782	246.14
Maryland	776,257	19,742	795,999	44,150	617	—	835,362	279.39
Massachusetts	770,853	19,742	790,595	44,150	617	—	835,362	279.39
Michigan	343,624	11,929	355,553	12,231	—	—	367,784	227.03
Minnesota	3,434,517	111,172	3,545,689	157,857	23,096	634	3,727,276	247.43
Mississippi	3,827,131	98,626	3,925,757	209,856	16,107	—	4,148,565	278.50
Missouri	3,991,014	267,324	4,258,338	185,618	4,312	298	4,448,565	165.92
Montana	5,657,419	359,950	6,017,369	183,233	—	63,894	6,264,516	168.76
Nebraska	3,459,324	24,622	3,483,946	190,536	2,595	11,287	3,688,564	618.78
Nebraska	3,974,937	58,822	4,033,759	190,934	—	—	4,224,693	417.91

Nevada	521,839	818	522,707	22,855	3,097	545,563	983.00
New Hampshire	312,373	11,243	323,616	14,546	3,060	341,162	226.60
New Jersey	459,826	13,128	472,954	19,076	3,060	495,030	277.31
New Mexico	1,586,035	9,121	1,595,156	75,218	4,148	1,670,374	657.37
New York	3,214,393	106,250	3,320,643	164,525	10,654	3,485,198	210.17
North Carolina	3,787,526	508,277	4,295,803	118,022	10,654	4,403,825	83.97
North Dakota	3,725,952	180,575	3,906,528	160,183	10,654	4,066,711	198.70
Ohio	3,773,933	98,507	3,872,440	175,274	10,654	4,047,714	329.97
Oklahoma	4,093,254	112,654	4,205,908	195,598	571	4,401,077	239.76
Oregon	1,606,838	19,665	1,626,503	80,602	8,815	1,715,320	410.21
Pennsylvania	3,039,975	59,403	3,099,378	140,055	3,712	3,243,845	318.96
Puerto Rico	515,634	13,069	528,703	27,150	3,712	555,853	307.19
Rhode Island	45,412	47,258	47,258	2,189	232	49,447	145.86
South Carolina	2,230,197	111,158	2,341,355	79,687	10,912	2,432,186	183.73
South Dakota	2,797,757	126,028	2,923,785	145,519	3,560	3,077,280	139.50
Tennessee	3,204,862	266,375	3,471,238	178,250	4,406	3,649,488	143.52
Texas	12,210,899	306,531	12,517,430	629,009	384	13,147,144	288.77
Utah	1,033,890	20,514	1,054,404	43,618	321	1,098,022	237.75
Vermont	592,779	26,473	619,252	26,670	1,232	651,206	139.77
Virginia	2,715,330	243,941	2,959,271	108,757	14,814	3,082,842	121.26
Virgin Islands	9,503	80	9,583	500	10,083	10,583	530.98
Washington	1,933,067	30,074	1,963,141	102,148	6,777	2,072,066	407.73
West Virginia	1,161,708	111,450	1,273,168	38,933	1,714	1,321,847	120.50
Wisconsin	4,120,771	95,549	4,216,320	193,250	38,576	4,469,981	353.02
Wyoming	1,422,538	10,933	1,433,471	58,765	5,715	1,499,077	530.83
Total, regular	134,629,092	4,767,144	139,396,236	6,419,764	295,137	146,329,297	239.32
NSCP	373,240	3,887	377,427	---	---	377,127	518.74
Total, regular NSCP	135,002,332	4,771,031	139,773,363	6,419,764	295,137	146,706,424	239.83
ECM, supplemental	14,733,756	---	14,733,756	390,744	---	15,124,500	393.00
Grand total	149,736,088	4,771,031	154,507,119	6,810,508	295,137	161,830,924	250.83

The CHAIRMAN. Mr. Young?

Mr. YOUNG. Thank you, Mr. Chairman.

Mr. Secretary, in the REAP, do you have, offhand, any idea what percentage of money being spent by REAP, percentagewise, would compare to the whole budget of this Nation?

Mr. CAMPBELL. \$140 million on a \$250 billion budget? It is so infinitesimal it would be hard to throw it out to you. It is a small amount.

Mr. YOUNG. This is the question that I was concerned about, why the Department would be so concerned about this program as to strain at it as we are doing now.

Mr. Secretary, you keep referring to the production practices. Is terracing a production practice?

Mr. CAMPBELL. I put that more in the category of a conservation practice, although ultimately, all conservation practices affect production, but not instantaneously, immediately. And it is a true conservation practice. Doubtless I have said many times before I came to Washington that the steward of the soil with his conservation practices usually did not get any net return to raise the standard of his living with his family, if it were a real conservation practice, very soon.

Mr. YOUNG. Mr. Secretary, you and I are both the custodians of the soil that we have and I think you appreciate the fact that after we are dead and gone, this soil will be farmed by our children and our grandchildren, hopefully.

Planting pine trees would be a production practice?

Mr. CAMPBELL. Planting pine trees would be. It would be a long-range conservation practice, too.

Mr. YOUNG. Then, Mr. Secretary, would the business of draining fields that are under water now be a production practice?

Mr. CAMPBELL. That is correct.

Mr. YOUNG. This is production practice, even though—

Mr. CAMPBELL. To drain them in order to put them into cultivation.

Mr. YOUNG. How long would these ditches maintained be useful?

Mr. CAMPBELL. Well, I am sure—I have never had that type of operation. I am sure you have to maintain those ditches. You have to keep them up, I am sure. Periodically, every 3 or 4 years, I understand, they may even go in and re-do them.

Mr. YOUNG. You referred to the pine trees that were planted and oftentimes cut after 15 years. This is not a general practice?

Mr. CAMPBELL. No, it is not a general practice. Also, I have seen those terraces run over by neighbors who rent the land.

Mr. YOUNG. Mr. Secretary, you come from the great State of Georgia and I have driven through and you have great farmland down there.

Mr. CAMPBELL. Not where I live. Where Congressman Mathis lives. He is in farmers' paradise down in southern Georgia. I live in north Georgia.

Mr. YOUNG. I am sure you want to maintain this soil. When you have these heavy rains in this area, do these rivers run red?

Mr. CAMPBELL. They used to considerably. In fact, I used to have to check the bridges on my farm to find out which one I could cross after every rain. Today I could cross any of them at any time. That is the great history of soil conservation. Nobody is any more for it than I am.

Mr. YOUNG. Mr. Secretary, has this job been done and completed?
Mr. CAMPBELL. No, it has not been done and completed.

Mr. YOUNG. That is what I am concerned about. The people of Russia have held out their hands to us for bread. I hope we can be custodians of this soil in the years ahead.

Mr. CAMPBELL. I am convinced we are going to, Mr. Congressman.

Mr. YOUNG. That is why I would like to continue this program.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Young.

Mr. Denholm?

Mr. DENHOLM. Thank you, Mr. Chairman.

Mr. Secretary, you have attempted to identify REAP of the Department of Agriculture as one of low priority. Will you state for the record one of the programs of the Department that is recognized as of high priority?

Mr. CAMPBELL. The highest priority program we have for farmers with regard to their economic well-being and welfare is the 1970 act currently on the books and the passage of a 1973 act this year. That is the No. 1 priority as far as we are concerned.

Mr. DENHOLM. Are you really concerned about the income to farmers?

Mr. CAMPBELL. That is correct.

Mr. DENHOLM. Yet you present the argument against the REAP that it is an income supplement. How do you reconcile the two statements?

Mr. CAMPBELL. Congress did not intend that this be an income supplement program. The Congress intended that it be a conservation program. It was laid out by Congress as a conservation program, but it has not remained that way.

Mr. DENHOLM. You said REAP is an income supplement and that you are concerned about the income to farmers.

Mr. CAMPBELL. We are not doing anything against the income of farmers. Only 14 percent participated last year in REAP with a \$239 average payment.

Mr. DENHOLM. Was that because you did not spend the money Congress appropriated?

Mr. CAMPBELL. If we had a billion dollar program, they would have applied for it all.

Mr. DENHOLM. They would have all participated——

Mr. CAMPBELL. Sure.

Mr. DENHOLM. And if you follow the reasoning of the distinguished gentleman, Mr. Young from South Carolina, it would have preserved the land for generations unborn. That is the objective of the program.

Mr. CAMPBELL. That was the original objective, but it has been subverted in the manner in which it has been operated.

Mr. DENHOLM. Congressman Mathis asked you who made the recent policy decisions. I understand that Secretary Butz is now a member of the super Cabinet?

Mr. CAMPBELL. He has been named, but that has not gone into operation yet.

Mr. DENHOLM. Last night I was reading the last issue of the Reader's Digest and I noticed there was a grant through the National Health Institute for a study to ascertain why some women are more

sexually responsive than others. Do you think that is one program that could be eliminated?

Mr. YOUNG. I did not hear the question.

Mr. CAMPBELL. I am not going to pass judgment on that.

Mr. DENHOLM. I am asking you if it is the policy of the administration to permit those grants and stop administration of land and water conservation programs?

Mr. CAMPBELL. You have gotten into a realm beyond my comprehension.

Mr. DENHOLM. Is it the policy of the USDA in 1973 to oppose land and water conservation practices?

Mr. CAMPBELL. Nosiree. We are very much for them and we have asked for sums in the 1974 budget that have already come out in the testimony here this morning that are for conservation practices.

Mr. DENHOLM. You have testified that you are opposed to large farmers or nonfarm interests participating in land and water conservation. Is that true?

Mr. CAMPBELL. I pointed out that they are participating when they are fully able and capable with their resources to pay for this themselves. If one of them wants a pond to fish in, he will go build it, but if he can get the government to help pay for it, he is not going to overlook that fact.

Mr. DENHOLM. Is it the policy of the administration and the department of Agriculture to oppose big business and agri-related business ventures in 1973 and thereafter?

Mr. CAMPBELL. Well, we do not see that as a danger and a threat. If it became a danger and a threat, we would sure take a close look at it. But this individual family farmer is tough, tough competition, and he is responsible for the big volume of production in the United States. Regarding the agri-business complex coming in and trying to farm, they have actually been withdrawing because they have too much red ink. They cannot compete with that family farmer. We do not see that as a threat. We would certainly look at it closely if we thought it was a threat.

Mr. DENHOLM. You have indicated in your testimony that this is the year for change and that you will submit some programs of change. Do you have an agricultural program to submit to this committee and to the Congress in 1973?

Mr. CAMPBELL. Well, the 1973 program has to be worked out as a bipartisan effort between this committee and the Department and the Congress and the White House, just the same as the 1970 act. It is going to take an effort of all of us to be able to get a 1973 act. We really have our work cut out for us.

Mr. DENHOLM. The question is do you have something to submit?

Mr. CAMPBELL. We do not have anything at this time; no.

Mr. DENHOLM. Why do you cut off anything until you get something else?

Mr. CAMPBELL. Well, this is not related to the 1970-73 act.

Mr. DENHOLM. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Denholm.

Mr. Johnson?

Mr. TEAGUE. Mr. Chairman, I may not be here at the conclusion. I ask unanimous consent that the letter from the American Farm Bureau Federation, dated January 31, addressed to you, of which I have a copy and you have the original, be made a part of the record following Mr. Campbell's testimony and the questioning he is being subjected to.

The CHAIRMAN. Without objection, it is so ordered.

(The above-referred-to letter follows:)

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., January 31, 1973.

Hon. W. R. POAGE,
Chairman, Committee on Agriculture,
U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The House Committee on Agriculture has under consideration H.R. 2107, introduced by you, and other bills introduced or joined in by about 90 other Members, having a similar objective, namely, "To require the Secretary of Agriculture to carry out a rural environmental assistance program."

The official voting delegates of the member State Farm Bureaus at the 54th annual meeting at Los Angeles in December, 1972, established Farm Bureau's 1973 national and international policies. In speaking to the issue of government spending and inflation this policy states: "The most pressing need for the future economic stability of America is a balanced federal budget. We must be willing either to reduce expenditures or to pay additional taxes. We prefer reducing expenditures. The Congress, as well as the Executive, must accept major responsibility in this area."

Under date of December 26, 1972, the United States Department of Agriculture announced as follows: "Funding of cost-sharing activities under the Rural Environmental Assistance Program (REAP) and for further contracting under the Water Bank Program (WBP) is being terminated."

In response to the announcement the American Farm Bureau Federation President, William J. Kuhfuss, issued the following statement: "Farm Bureau favors fiscal responsibility which will require reduced federal spending but insists that the cuts be made across the board so that agriculture and rural people will not be required to carry an inequitable portion of the burden in the reductions."

"When effective programs are cut, the resulting reduction in expenditures should not be nullified by the initiation of new and costly programs."

"Under the REAP program, annual payments have been offered landowners covering part of the cost of installing approved conservation and pollution control practices which benefit all people. The program is cost-sharing and not an income supplement."

"Such investments in the future of America are not subsidies solely for the benefit of the landowners, and the program has been quite effective in its intended purpose. We believe that a federal program of cost-sharing should be continued for those soil and water conservation practices and structures which contribute to the attainment of pollution prevention, enduring conservation, and environmental enhancement."

"Farmers and ranchers are substantial taxpayers. In proportion to their incomes, they pay higher taxes—including income, sales, and property taxes—than any other major segment of our economy. They are interested in fiscal responsibility, in balanced budgets, in control of inflation and reduced federal expenditures since the root cause of inflation is excessive government spending."

"Nothing jeopardizes net farm income more than inflation which tightens the cost-price squeeze as farm costs rise faster than farm prices in an inflationary period."

"The Administration's determination to cut expenditures must be experienced by all departments of government and not just the Department of Agriculture."

"Agriculture is ready and willing to bear its fair share of the necessary cuts in federal expenditures, but we ask the Administration not to impose an inequitable burden upon agriculture."

This statement is supported in the 1973 policies, not only in the quotation previously cited relating to government spending and inflation, but also in the section relating to conservation programs which states: "We oppose government

payments to farmers for annual conservation practices. Government expenditures for land reclamation, drainage, tiling, liming, fertilization, and other practices where the primary objective is to increase production should be eliminated.

"We recommend, however, that a federal program of cost-sharing be continued for those soil and water conservation practices and structures which contribute to the attainment of pollution prevention, enduring conservation and environmental enhancement."

H.R. 2107 and identical bills provide no opportunity for a careful analysis of old statutes and present programs under the authority of the Soil Conservation and Domestic Allotment Act as amended (Public Law 46, 74th Congress, 45 Stat. 163, approved April 27, 1935) which was earlier known as the Agricultural Conservation Program (ACP) and more recently designated as the Rural Environmental Assistance Program (REAP). It is our understanding that H.R. 2107 and other bills propose two very short amendments which would (1) remove all latitude on the part of any Secretary of Agriculture for constructive administrative judgment needed to meet changing conditions and (2) mandate the full expenditure of all funds appropriated under this authority by the Congress in each fiscal year, including expending the 1973 appropriation balance of about \$210 million in the weeks remaining between enactment and June 30, 1973.

This legislation fails to offer any opportunity for a constructive review and revision of the REAP program which we believe is timely and necessary. Because of this, and in view of the far-reaching fiscal implications—including the forced spending aspect—of H.R. 2107, the American Farm Bureau Federation is opposed to the enactment of this legislation.

We respectfully request that this letter be made a part of the hearing record on this legislation.

Sincerely yours,

WILLIAM J. KUHFUSS, *President.*

The CHAIRMAN. Mr. Johnson?

Mr. JOHNSON. Thank you, Mr. Chairman.

Mr. Secretary, I agree and I think most of the people here do agree with you—not all of them—on what you are saying about the production methods versus the conservation methods related to the act. But the act has many good conservation practices connected with it and with its enforcement and the farmers are paying 50 percent or more of the cost relating to these.

Mr. CAMPBELL. They are paying about 70 percent now.

Mr. JOHNSON. When we do away with this act, we are doing away with some good conservation practices; we are doing away with some bad practices, also. But are we not, as the phrase was used the other day, throwing the baby out with the bath water?

Mr. CAMPBELL. I do not think so, because farmers are carrying on these acts substantially anyway, as shown by all the figures. I cannot see where \$140 million to the farmers, when the gross sales are \$65 billion, has much effect on these practices. The farmers have tremendous resources. They are not doing as well as we would like. We hope they do a lot better.

Mr. JOHNSON. Well, we are spending—

Mr. CAMPBELL. \$239 per farmer at 14 percent participation is the figure.

Mr. JOHNSON. When the Government supplies \$140 million and the farmer supplies another \$140 million for these conservation practices—

Mr. CAMPBELL. They supply \$280 million, really.

Mr. JOHNSON. Assuming they could be limited to conservation practices, where are we going to match that in our other programs?

Mr. CAMPBELL. I think the farmers are going to substantially do this anyway. I do not think you have to match it in your other pro-

grams. I know I planted pine trees. They did not pay me to plant them. I went out and bought them myself.

Mr. JOHNSON. Out in our part of the country, people are very concerned about the salinity of the Colorado River. I am sure you are familiar with that program. The lining of ditches and that sort of thing had not been taking place until they started getting Government funds.

Now, the Government on the other hand has said the river is so filled with salinity that they are going to turn around and spend billions of dollars without farmers' contributions to try to set up plants and methods to desalinate the river. It seems to me they are working at cross purposes.

This is just one little example. I realize you cannot make your decision on that basis, but that is an example where it seems to me an inconsistency is being created.

Mr. CAMPBELL. I appreciate the Congressman's opinion.

The CHAIRMAN. Mr. Rarick?

Mr. RARICK. Thank you, Mr. Chairman.

Mr. Secretary, I can only say your wit and charm are only surpassed by your courage here today.

I would like to continue a question that was started by Mr. Symms, my colleague on the other side. I wonder if you can tell me this morning how many people are employed by the U.S. Department of Agriculture?

Mr. CAMPBELL. How many employees there are?

Mr. RARICK. In the U.S. Department of Agriculture?

Mr. CAMPBELL. How many employees? We have slightly more than 82,000. We are down now from a high of about 86,000. We have had a reduction.

Mr. RARICK. 82,000 as against how many farmers, did you estimate, 3 million farmers?

Mr. CAMPBELL. Yes; just under 3 million farmers—2,800,000 or 2,900,000.

Mr. RARICK. We are decreasing in both categories, is that right?

Mr. CAMPBELL. No; we are decreasing in employees of the Department. We have dropped from 86,000 to 82,000, and our new level of employment, targeted for July of 1974, is 78,000. We have been reducing employees rather than increasing.

Mr. RARICK. We are also decreasing the number of farmers; are we not?

Mr. CAMPBELL. Oh, yes, but I do not think we have seen this reduction in employees of the Department previously, though.

Mr. RARICK. We are decreasing in both categories in agriculture?

Mr. CAMPBELL. Decreasing, yes. I misunderstood you. I thought you said increasing.

Mr. RARICK. Mr. Secretary, let me ask you, will many of these rural improvements continue even if REAP should not be continued because these improvements are deductible on the farmers income tax?

Mr. CAMPBELL. Oh, yes, they are, and frankly, the mass of the farmers are already doing these things substantially. It tends to be the same 20 percent from year to year that go to the county office—not in every county, but in many of them.

Mr. RARICK. He has a tax deduction provided he has an income?

Mr. CAMPBELL. Yes; he can.

Mr. RARICK. The other day, we had a gentleman before the committee who attributed to the President a statement to the effect that taxes are too high, the bureaucracy is too big, and social programs are too expensive. I think many American people find a lot of merit in that statement. I was wondering, sir, would you feel that REAP was a social program?

Mr. CAMPBELL. Well, it is not the program Congress intended it to be. It is not exactly a social program. It adds to the farmer's income when he uses it for production practices. If he used it strictly for conservation of the soil, he is looking to the protection of future generations to come. In one context, I guess it could be called social programs.

Mr. RARICK. It is really stewardship, a stewardship over land resources?

Mr. CAMPBELL. That is correct.

Mr. RARICK. I am one of those Americans who believes the President's statement has considerable merit. I wish that when we were earlier considering the REAP bill and other programs now facing cuts, that the administration would not have budgeted \$140 million for this program. I, like many of the other Members, feel that if the Government can give assurances to parts of our society that the Government is going to stand by a commitment of \$140 million—which was in, apparently, a balanced budget at that time—we should continue our commitment. So, I have cosponsored this legislation to restore REAP.

I feel that the original act was a compromise. We started out with an authorization of around \$500 million. Then the administration agreed theoretically to \$140 million, and I believe the appropriation enacted in Mr. Whitten's subcommittee was \$225 million, which is the appropriation for this bill.

It is a pleasure to visit with you again, Mr. Secretary.

Mr. CAMPBELL. Thank you, Mr. Congressman.

The CHAIRMAN. Thank you, Mr. Rarick.

Mr. Baker?

Mr. BAKER. Thank you, Mr. Chairman.

Mr. Secretary, I join those of us here who complimented you on your presentation this morning. I wonder if you have any information that would indicate the attitude of the President when this bill was passed in its present form. Why did he not veto?

Mr. CAMPBELL. I am not in a position to make a statement on that.

Mr. MIZELL. Would the gentleman yield?

Mr. BAKER. Yes.

Mr. MIZELL. If I could pursue this.

For one that is interested in maintaining the program at least for the balance of this year, Mr. Secretary, I am concerned that if we do proceed here with mandatory spending of appropriated funds, we might be confronted with a veto and the possibility of not getting anything for REAP for the balance of this year. Do you think the possibility of a compromise that might avoid this confrontation would have any merit?

Mr. CAMPBELL. Well, we have not considered anything of that nature yet, Congressman.

Mr. MIZELL. Well, if the gentleman will yield further, I am one that would like to see this program continue at least for the balance of this

year and get something for our farmers now. I think it is reasonable to ask that the Department of Agriculture allocate the expenditure of the \$140 million that was originally promised to the States for this program for fiscal year 1973. They only spent about \$15 million, I understand. This would get us into the spring and if we wanted to do anything affirmative in legislation, then we could do so in the agriculture bill.

Do you think that would be the proper place to pursue this, in legislation?

MR. CAMPBELL. I will have to leave this in the hands of the committee, Congressman. I am not going to tell this committee what to do. I will present our position. The committee will have to follow its own inclinations.

MR. MIZELL. I thank the Secretary for his comments and I thank the gentleman for yielding.

MR. BAKER. Mr. Secretary, if you were asked for a recommendation, what would your recommendation be on veto?

MR. CAMPBELL. Well, very frankly, with the program operated as it is operated, I would prefer that the President veto it. With the program as it has been operated and is operated, I would prefer that he veto it. I am a strong conservationist. Most of you do not know my background. There is no stronger conservationist in this room than I am. But as this program has been operated and is being operated, I would recommend personally that he veto it. That does not mean I will get a chance to make that recommendation. I do not know.

MR. BAKER. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Alexander?

MR. ALEXANDER. Thank you, Mr. Chairman, and thank you, Mr. Secretary, for your remarks this morning. In the past, we have always found many areas of mutual agreement, but today we find ourselves in an area of disagreement. I would like to take this opportunity to thank the Secretary for his interest in the State of Arkansas and for making the speech that was referred to a minute ago in Hot Springs last fall.

If you had looked at some of the Arkansas newspapers, Mr. Secretary, you would probably have found some editorials that would support your position. There are many people today, even within the farm community, that oppose programs that do not benefit them directly. I find increasing division among farmers and among those who are agribusiness oriented about the propriety or the wisdom of continuing certain programs.

I think, Mr. Chairman, that your position is clear and the position of the Department is clear, so I will not ask any further questions. But, I would like to address myself to a statement that was made earlier by you and by one or two members of the committee with regard to fiscal responsibility. It is sort of like apple pie. It is hard to be against fiscal responsibility, apple pie, the American flag, motherhood, all those things that we are for.

I think that it is time for leadership to be exhibited in the Congress and more particularly in the House of Representatives. I plan to offer a resolution in the Democratic Steering Committee to establish a House budget. And I plan to recommend that the information support and analysis machinery for this activity be of sufficient size and manpower and capacity and expertise, so that we in the House of Representatives

deal effectively and efficiently with the momentum that has been generated by the Office of Management and Budget. In other words, I think the Congress should, man for man, be able to match the OMB budget expertise of the administration, and I hope that that resolution is agreed to.

There have been some things said about the failure of Congress. I think we could also talk about the failure of the administration. I remember on that cold gray day in 1969, when the President said this will be an era of management and we will concentrate on improving our programs and managing programs and getting the best out of the dollar and so forth and so on. As a member of the Government Operations Committee, I think I could make a pretty good case today, if I had time, about mismanagement, about bad management, and about waste in Government which could offset the criticism of the Congress. So I think what we have here is maybe both parties are guilty of a lack of fiscal responsibility.

When someone in the Government says, "Because I think that the Congress is more guilty than the administration, I will interpret the Constitution in such a way as to give me powers that will enroach upon the duties of the Congress that are defined by the Constitution," that Mr. Secretary, in all due respect to you, is arrogance. It is intolerable. It is wholly incompatible with the principles of democracy that are dear to every person in America. I think it was Justice Brandeis who said that the doctrine of the separation of powers is not intended to promote efficiency, but to preclude the exercise of arbitrary power by the executive.

Thank you, Mr. Chairman.

Mr. CAMPBELL. I appreciate the views of the Congressman.

The CHAIRMAN. Thank you, Mr. Alexander.

Mr. Zwach?

Mr. ZWACH. Thank you, Mr. Chairman.

Mr. Secretary, I am very concerned about the low priority that seems to be given to many of these practices in Washington and the high priorities out where the significance of them is really felt and understood and appreciated, not only by producers but by businessmen, by everybody. In my area, every farm organization strongly supports the program, every businessman. I think when you fly over our country and see what this program has done and what is left to be done, we understand why.

I certainly can't give low priority to contouring, to strip farming, to grass waterways, to ponds, to tree planting, to wildlife area preservation, to reservoirs, to permanent ponds, to feed-yard runoff. I think for America, every one of these must be very, very high priority. And I think this money that goes into this, this little seed money—agreed, it is not anything big, but this is seed money that I think gets us 10 times as much conservation as we would get without the seed money. This concerns me. And I think you would agree that all of these are high priority.

Would that be correct?

Mr. CAMPBELL. Yes, we think all conservation practices are high priority.

Mr. ZWACH. Well, now, there has been so much said about practices that are production practices instead of conservation. I have gone over the 1971 report. I find here several that you would perhaps be referring

to. I see lime. Liming took 7.41 percent of the funds for REAP. Underground drainage took 4.13 percent. Irrigation, 5.08 percent.

Now, those are really not big, but they total 16.32 percent and would make a good cut and still preserve all the honest-to-goodness conservation.

Why would that not be the approach to take?

Mr. CAMPBELL. Congressman, lime has been mentioned three or four times and I really did not intend to get into that, but we made every effort to do just what you have said and I have already read into the record here this morning the fact that Congress itself stopped us from stopping the practices that are production practices.

Mr. ZWACH. Is that in the law?

Mr. CAMPBELL. It is in the conferee's report on Appropriation Act and this fellow that writes for the limestone outfit claims that he is responsible for doing it. He comes over to our Department and he puts it in his letter about who all he talks to, the Secretary and head of ASCS and then he writes another letter and talks about how he has been up to Congress and what he has done there and he personally takes credit for that being in the law. The limestone crowd take credit for its being in the law. They have tied our hands.

Mr. ZWACH. You cannot now, as you have done in some other practices, take out lime, take out underground drainage.

Mr. CAMPBELL. We can take out any of them that were not there in 1970.

Mr. ZWACH. You can't take out underground drainage?

Mr. CAMPBELL. No, sir, because it was there in 1970 as a practice.

Mr. ZWACH. Can't take out irrigation?

Mr. CAMPBELL. No, sir. I just do not think this fellow has that much influence, although in his letter, he says he has. I just do not think he has, frankly.

Mr. ZWACH. But my people say that REAP is a tremendously good program, all of these practices that I have read to you. And this is where our real problem evolves and maybe the Congress needs them. I did not know that was written. Is that written in the—

Mr. CAMPBELL. I will read it again. Is it not in the act, but I did have a question before you and I did read that into the record. This is in the report of the conference committee of the Appropriations Committees, 1971, in which the committee of conference said the 1971 program should include "practices and procedures available in the calendar year 1970 program" if "recommended by the county committee and approved by the State committee." We cannot do anything, we cannot stop the county committee from doing anything they were doing in 1970 and prior years.

Mr. ZWACH. I see. Is it in the 1972 appropriation?

Mr. CAMPBELL. Also in the 1972. I will read that one, 1972 and 1973 conference report:

A few other practices were eliminated from the 1972 and 1973 national program, but the committee's report repeated their statement that all practices used in the county in 1970 should be available on the basis of the "county committee option."

This was authorized by the 1972 and 1973 program.

Mr. ZWACH. I am glad to have that information. Do you not feel that cutting out the REAP entirely will slow down greatly these conservation practices?

Mr. CAMPBELL. Well, Congressman, frankly, I do not believe that. As a farmer, I do not believe it. Now, in 1930, I would agree with you, when the Government was sharing 80 percent of the cost. In the 1940's, I would agree with you. But in the 1970's, no; I do not agree with that.

Mr. ZWACH. Do you think a little dairyman, a little cattle operation, is going to put in a control of runoff and should do it to protect people way down the stream? Do you not think there is a validity of public interest and concern?

Mr. CAMPBELL. We have \$10 million that has already been referred to this morning in our appropriations to take care of such a situation as you have described, where it is going to adversely affect the total environment of that area. We feel that from the standpoint of environment and pollution, the farmers do need help, yes. But we do not feel we should have these production practices.

Mr. DENHOLM. Will the gentleman yield?

The CHAIRMAN. Your time is up.

Mr. ZWACH. My time is up.

Thank you.

The CHAIRMAN. Mr. Jones?

Mr. JONES of North Carolina. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, for your appearance here today. By way of interest and my own curiosity, at what point in time did the higher echelon, those of you who made this decision, begin your discussions as to what was to be terminated and what was not?

Mr. CAMPBELL. When in time was this done?

Mr. JONES of North Carolina. When, in your deliberations, did you first start considering what you would terminate and what you would not?

Mr. CAMPBELL. Congressman, we are continually under review, but this of course, happened in the 30- to 60-day period prior to when the announcements were made as far as serious discussion. The announcement was made on December 26. But we keep these programs under continuous review at all times, all of our programs. But the actual time element you are talking about was within 60 days, 30 days prior to that December 26 cutoff.

Mr. JONES of North Carolina. In other words, taking your statement, the consideration for this type of action had begun prior to the national election, but was not announced until after the election?

Mr. CAMPBELL. Well, this particular program has been—I hate to use the word “suspect” but I cannot think of a better one right now—for many administrations, going back to President Truman, President Eisenhower, President Kennedy, President Johnson, now President Nixon. This program has been suspect over a period of years.

Mr. JONES of North Carolina. Thank you.

The CHAIRMAN. Mr. Foley?

Mr. FOLEY. Mr. Secretary, you mentioned several times in your testimony that the Department favors the extension of proper conservation programs and your suggestion is that the REAP program has lost its way in terms of the original intention of Congress. In answer to Mr. Denholm's question, you pointed out or agreed with him and later pointed out yourself that there are two items in the budget, one for the Great Plains conservation program for \$18 million and the second budget request for \$10 million under the Rural

Development Act. Apparently, the Department feels that these programs are appropriate conservation programs.

Mr. CAMPBELL. Yes.

Mr. FOLEY. What I am troubled by is the very low level of budget request under the Rural Development Act. As Mr. Bergland pointed out, 10 States are affected by the Great Plains program and they are allocated in an amount of \$18 million. The rural development program, which would exist generally in the country, is funded for \$10 million. It would seem to me the Department's position would be stronger in its argument of redirecting programs of proper conservation if you were putting in much more substantial requests under the Rural Development Act. Is there any explanation for the very minor amount there?

Mr. CAMPBELL. Well, Congressman, I think you make a very good point, but in our total restraints, and we are always under terrific pressure to hold down our budget figures, we did put in \$10 million here and I would say if we did not have the restraints in order to try to keep as much red ink off the books as possible government-wide, and also in our Department, on our part, this is one area that probably would have gotten more attention than it did if it were not for the total constraint that we had. This is the explanation that I give to you in making your point there.

Mr. FOLEY. The Department announced last year a \$140 million program in REAP in response to a \$225 million appropriation. Now, it appears, putting aside the Great Plains program, that the total effort in conservation is being reduced to \$10 million requested under the Rural Development Act. It seems to me to be a rather drastic cut-back in this area that the Department feels is a high priority—that is, soil and water conservation.

Mr. CAMPBELL. You are talking about the \$140 million.

Mr. FOLEY. We are cutting back \$140 million by your decision and we are substituting for that a proper, in the Department's terms, proper conservation program of \$10 million in an area that the Department suggests is of high priority.

Mr. CAMPBELL. Well, the \$140 million, as I said before, was not used totally for good conservation. But we will not go over that again. But under the total restraints, we just could not do any better than \$10 million. That is as far as I can go with you on that at this time.

Mr. FOLEY. In other words, what you are saying, Mr. Secretary, is that with the exception of the Great Plains program as a separate program, the Department's commitment to the high priority of soil and water conservation in a budget of \$250 billion is \$10 million?

Mr. CAMPBELL. That is correct, but I also point out once again that we know that we have multitudes of farmers and a vast number of farmers that are carrying out these practices anyway that never got any cost-sharing and are not participating on a year-to-year basis. The only conservation that is being carried out is not the result of governmental dollars. The farmers themselves are doing a great amount that you never see.

Mr. FOLEY. My last question, Mr. Secretary. Are you suggesting that the Department's judgment as to the appropriate need for long-term conservation assistance to farmers, reflecting the problems that exist in soil and water conservation and deterioration, is \$10 million?

Mr. CAMPBELL. No, I did not say that. I would say that the appropriate effort under today's red ink situation with regard to the Federal budget and trying to keep inflation down so that farmers can have net income. The two ways we have inflation are with red ink in the Federal budget and with inflationary wages. I would say that is not the proper thing except in the context of today's budget. If we had a black ink budget, we probably would ask for considerably more.

Mr. FOLEY. I find that, sir, hard to square with your suggestion that soil and water conservation development is a high priority with this administration. A cutback of something over 93 percent does not seem to me to substantiate that statement.

Mr. CAMPBELL. We do a lot of work in other areas, too, which I am sure the Congressman is aware of—the watershed program, RC and D programs, technical assistance, and this goes to where the farmers go in themselves and substantially do it. The Government does not have to pay all of the conservation costs that go on in the United States, in our opinion. Congress may feel that we should pay it all.

Mr. FOLEY. No, I do not suggest that. That was not my question, sir.

The CHAIRMAN. Thank you, Mr. Foley.

Mr. Gunter?

Mr. GUNTER. Thank you, Mr. Chairman.

The Secretary, of course, as all members of the committee realize, used to be the Commissioner of Agriculture of the State of Georgia.

The first experience I had with you, Mr. Secretary, was through the newsprint, when in the State of Florida, the officials in that State several years ago were going to try to metal-tag some poultry.

Mr. CAMPBELL. They did.

Mr. GUNTER. They did do that for a while, on a quality consideration, and I think you answered that by saying you were going to metal-tag every orange that came in from Florida.

Mr. CAMPBELL. The legislature did. I frankly was not for that retaliatory measure and the legislature passed it anyway. I did not enforce it for 6 years.

I was on your side, you see.

Mr. GUNTER. I wish you were on our side now.

Mr. CAMPBELL. We finally got it resolved, though, to the benefit of the poultry industry in Georgia and the citrus industry in Florida.

Mr. GUNTER. You certainly did. Mr. Secretary, I am one of those here who has received a lot of mail and requests from constituents in my own district and really throughout the State of Florida with regard to reinstating the REAP. I know that some of your testimony this morning related to the fact that the medium size and large farm operations were well capable financially to handle and to continue the conservation practices as well as the production practices, as you term them, that fall under the program.

What I am really concerned about are those small farmers, the individual mom-and-pop-type operations which I seem to be hearing from; frankly, my district is made up largely of smaller farms. These are the people who have been writing to me. These are the people, as I see it, where that 200-plus allocation per farmer is significant. I am wondering about those people? What does the Department have to

offer to the farmer where that small amount of money, really does have an impact on their overall operation?

Mr. CAMPBELL. Really, some of these so-called small farmers you are referring to are in better shape than some of our middle-sized farmers, according to our statistics in the Department of Agriculture. The smallest group of farmers averages about \$9,000 income. They sell \$2,500 or less off of their farm, and I guess that is who you are hearing from, maybe. They have really got jobs in town and they are selling \$2,500 or less off their farm on the average. So I have difficulty with your question in identifying that small farmer.

The next category of farmers sells \$20,000 or less and they really have a more difficult time than this lower one because they do not have time to secure as much off the farm income because they are busier. Then, of course, you have all of those above \$20,000 which produce maybe 65 or 70 percent of what is actually produced, maybe 80 percent.

Our real difficulty is in identifying the small farmer. Most of these farmers have outside income and they are farming and working somewhere else at the same time. I am sure you have gotten a lot of letters, as every other Member of Congress doubtless is getting and we appreciate the position you are put in by your constituents and their desire to have this cost sharing continued. We do not have an answer for them any more than we do anybody else.

Mr. GUNTER. Then there is no other program—

Mr. CAMPBELL. In other words, the program is not operated on the basis of the type farmer you are and your size. It never has been operated on that basis.

Mr. GUNTER. I realize that. I am just wondering that since, somebody termed it the meat axe, has been used here is there any other opportunity for help for the small farmer?

Mr. CAMPBELL. Not on this cost-sharing basis other than the technical help of the Soil Conservation Service. You still have the technicians that are available from the Soil Conservation Service to go out and give assistance to these people. Then you have this \$10 million that we referred to that is spread across the United States, where the total community and area is adversely affected by some environmental problem. It goes beyond just the premises of that individual.

We have the watershed work, we have the RC and D's, which are handled by the Soil Conservation Service. So there are several other sources of some funds and some technical assistance. He should be able to get all the technical assistance he needs.

Mr. GUNTER. Yes, sir. I would just respectfully say that I think that in addition to the technical help and assistance, that the money is very critical to that particular category of farmers. In our district it is, anyway.

Mr. CAMPBELL. I am very sympathetic to them, but as I said, I as a small farmer did not participate in this and I appreciate your comments.

The CHAIRMAN. The Chair had announced to several members that Mr. Gunter was the last witness, but Mr. Bowen and Mr. Jones have come in. I do not want to cut them off, but I do want to make an announcement. We will meet this afternoon. There is going to be a Repub-

lican caucus immediately after the vote on the floor of the House. It is anticipated that it will not take more than 30 or 40 minutes.

Tomorrow there is going to be a Democratic caucus that will last probably all day. To try to accommodate those caucuses, we will meet this afternoon 1 hour after the completion of the final vote on the floor. I do not know what time that will be. It will probably be around 3 or 3:30. Not 1 hour after the adjournment but 1 hour after the completion of the vote, we will meet.

If the members desire to do so, I am sure we can complete action this afternoon. Of course, if members prefer to spend more time, that is their privilege and I am not going to suggest that we should not spend all the time that people want to spend on this. We will, therefore, postpone the agriculture school until 4:30 for the time that seems appropriate for voting in the committee. So the committee will meet this afternoon.

The Chair will recognize Mr. Bowen.

Mr. BOWEN. Mr. Secretary, just one brief question. I believe you said a few moments ago that you felt that you had no authority to cut off any part of the practices because of language which was in the conference report.

Mr. CAMPBELL. That were in existence in 1970.

Mr. BOWEN. I see. If you felt so constrained by the language of the conference report, I wonder under what authority you actually found yourself able to cutoff the total program if you had no authority to cut off any part of the practices.

Mr. CAMPBELL. That is an entirely different question. The point was that we were not able to keep the program as Congress originally intended, which was a conservation-type program rather than a production-type program because this language would not let us. Your question is under what authority we could cut it out completely. Well, according to the attorneys, our General Counsel, we did have that authority.

Mr. BOWEN. In other words, you feel that you had no authority to modify the program in such a way as to eliminate what you see as some abuses, but you did have the authority to shut down the program altogether?

Mr. CAMPBELL. That is correct. That is according to our lawyers, the General Counsel, that is correct.

Mr. BOWEN. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Jones?

Mr. JONES of Tennessee. Thank you, Mr. Chairman. I am sorry I was not here for the full session to enjoy what Mr. Campbell had to say. I have no questions, Mr. Chairman, because of the fact that I was out.

The CHAIRMAN. Thank you, sir.

The committee will stand in recess until 1 hour after the vote this afternoon.

We thank Mr. Campbell for appearing.

Mr. CAMPBELL. Thank you, Mr. Chairman.

(Whereupon at 12:10 p.m., the committee recessed to reconvene in executive session.)

(The following statements and letters were subsequently received by the committee:)

[From the Marshall Messenger, Marshall, Minn., Jan. 24, 1973]

LINCOLN CONSERVATIONISTS WRITE SECRETARY BUTZ

To the editor:

Here is a copy of our letter to Secretary of Agriculture Earl Butz, mailed Friday:

"DEAR SIR: It is our understanding that the administration has stopped funding of the Rural Environment Assistance Program (REAP) for 1973. This is even after the Congress has approved authorization for the program for the coming year.

"We feel this is a great injustice to the American people who are demanding conservation of our environment.

"Many city people support this program which beautifies the countryside by cost sharing on ponds, dams, terraces, trees and feedlot pollution control systems.

"We have several watershed projects going which need numerous small check dams to stop runoff and siltation. Earth moving contractors will also be adversely affected.

"We have got in over 20 miles of terrace each of the last six years. This reduces sediment which is a big polluter.

"We have six livestock feeders interested in pollution ponds in 1973. We might get one pollution pond and two miles of terraces without cost sharing under this program.

"Many landowners in Lincoln County are interested in putting in terraces and feedlot manure holding ponds but do not have the funds to install projects that help others with little benefits to themselves.

"We urge you to do everything in your power to maintain cost sharing on conservation practices.

"Yours truly,

BOARD OF SUPERVISORS, LINCOLN SOIL & WATER
CONSERVATION DISTRICT,
JOHN BOULTON, *Secretary, Porter.*"

STATEMENT OF THOMAS J. BARLOW, ENVIRONMENTAL ACTION, WASHINGTON, D.C.

The Rural Environmental Assistance Program (REAP) administered by the Department of Agriculture's (USDA) Agricultural Stabilization and Conservation Service (ASCS) through 2800 county offices cooperating with local county committees has come under telling criticism in recent years from numerous quarters. In the analysis of REAP during this session of Congress, careful attention should be paid to the reports of those offices and agencies which have audited this program.

On February 16, 1972, Congress's own General Accounting Office (GAO) issued a report containing sharp criticisms of USDA practices under this program. Major deficiencies in the REAP program which this report notes and which are of deep concern to Environmental Action:

REAP assistance is not tied to farmer income levels. Thus, farmers in a locality who have the financial capacity to undertake land conserving practices without subsidy assistance can be receiving the available REAP payments, thus denying this financial assistance to low income farmers whose lands may require these conservation practice but who can not afford them.

In local areas, REAP offices have failed to establish priorities of conservation needs. Generally, applications for REAP assistance are honored on a first come first serve basis. This has certainly contributed to the many perversions in practice of Congressionally stated conservation goals of this program. For instance, REAP funds are used to landscape homes, REAP funds are used to grade land to enable more expeditious harvesting with mechanical equipment, REAP funds are used to improve already productive grazing acreage, REAP funds are used to cut and clear woodland for pasture or the production of crops, drainage systems have been financed on land scheduled for residential development.

Executive branch auditors of REAP have also detailed serious problems with this program. The USDA Office of Inspector General has scored the lack of administrative controls to ensure the proper application of herbicides financed by REAP subsidies. The Inspector General cited the spraying of herbicides under REAP auspices as late as September 30, well beyond the period during the year when they are effective. Untimely, inappropriate and excessive herbicide use leads to serious environmental problems. We can only conclude that the availability of the federal subsidy to finance herbicide programs encourages laxness in usage.

The Inspector General was also critical of fertilizer application programs cost shared under REAP. Fertilizer was being applied in inappropriate quantities relative to soil needs. Even more disturbing, fertilizers were being applied in many instances without the benefit of soil analyses. Unwise fertilizer use leads to serious environmental problems particularly with regard to water quality in streams and underground strata.

In signing the 1971 fiscal year appropriations Act the President stated that he was aware of the deficiencies with the REAP program and called on its administrators both within and without the government to redirect the components of REAP towards preserving the environment with sound environmental practices and towards producing more public as distinct from private benefits. Obviously, the USDA and the local ASCS committees have failed to respond to this call. As noted at numerous points in the GAO report, the wishes and desires of local ASCS committees predominate in determining how REAP funds were to be applied in particular localities.

Perhaps this explains why in recent years REAP funds have been increasingly applied to generating private financial benefits as distinct from the public conservation benefits for which this program was designed by Congress.

STATEMENT OF RAY DAVIS, PRESIDENT, NATIONAL ASSOCIATION OF WHEAT GROWERS

Mr. Chairman and Members of the Committee; my name is Ray Davis. I am currently President of the National Association of Wheat Growers and a wheat farmer from Potter, Nebraska. In behalf of our membership I thank you for the opportunity to testify today. The Association is vitally concerned over the action by the Administration to cut back and in fact terminate certain agricultural programs. We appreciate your sincere effort to evaluate the effect of this action on rural America and the country as a whole and are hopeful you will take corrective action to require the Secretary of Agriculture to carry out the REAP Program as established by Congress. I have been active in farm programs for the past twenty years. I have been a member of the Nebraska State ASCS Committee and I am currently Chairman of the Cheyenne County ASCS Committee.

I have spent twenty years on ASCS Committees because I have believed that we were accomplishing something very valuable for agriculture and our country.

This value goes far beyond the individual farm or farmer. It is a mutual investment in the conservation of soil, water and the environment for generations to come.

The National Association of Wheat Growers has supported REAP for many years and in the face of the action to terminate, approved a resolution "that REAP funding be reinstated and made available to producers". I personally support this resolution and ask the Committee to take quick action so the total administrative structure is not disassembled before relief is granted. REAP legislation is the basic law under which ASCS farmer committeemen are authorized. Does termination of the program end the committee system or just lead to the system's deterioration? What happens to service to farmers when some 850 offices are closed or combined? What happens to the program clerks in ASCS offices along with soil conservation service technicians are terminated and then the program is reinstated?

The major purpose of the program was to improve the quality of life for all people, now and in the future. Conserving our soil and water, reducing farm-related pollution and providing habitat for wildlife were major goals of the REAP. This program was very successful in accomplishing these needs.

Sediment is the number one pollutant in our surface waters. Siltation caused by soil erosion has been and remains one of the most serious pollution problems. These problems will get worse in the future unless we respond to them when needed. I feel that the REAP has contributed tremendously in assisting with

pollution control and in retarding the loss of agricultural soil, water, woodland, or wildlife resources. This benefits the community and general public as a whole, more than the producer directly involved, with the cost to the Government being very low compared to benefits derived by the entire nation. These efforts definitely help to maintain the productive capacity of American agriculture in order to provide an adequate supply of food, fiber, water, wildlife, open space and outdoor recreational opportunities for the future and for the general improvement of man's total environment. Most all conservation practices would not or could not be carried out without some type of assistance.

Producers who felt conservation and environmental problems were a national priority now feel the signals have been changed. REAP has been terminated, conserving bases on farms have been reduced or eliminated and set-aside requirements have been abandoned. The new signal is Production. Production at the cost of conservation. When I say at the cost of conservation, I mean that new practices will not be started and that many acres where previously established practices have been maintained will be brought back into the production pattern.

I don't believe the change in signals is in the nation's interest nor do I believe it would be supported by the general public if they understood the full consequences. I hope the outcome of these hearings will be the reinvestment of REAP and a re-emphasis of the priorities within rural America.

STATEMENT OF JOHN W. SCOTT, MASTER OF THE NATIONAL GRANGE

Mr. Chairman and Members of the Committee, I am John W. Scott, Master of the National Grange, with headquarters at 1616 H Street, NW., Washington, D.C.

The Grange needs no introduction to most members of this distinguished committee. However, I notice several new faces on the Committee and, for that reason, please permit me to take a little time to acquaint you with the Grange, its aims and objectives.

Before doing so, however, I would like to welcome the new members to the Agriculture Committee, congratulate you on your election and thank you for your interest in the problems of agriculture, which is exemplified by your acceptance of your appointment to this very important Committee.

The National Grange represents over 600,000 members in 41 states and 7000 local communities. Our membership cuts across the residents of rural America, embracing farmers and other residents of rural America who share a basic interest in agriculture, but who also have a financial interest in the economic success and stability of rural communities.

The Grange is far more than a farm organization. Its purpose is to serve the total interest of the rural community and the Nation. Thus, policies and programs of the Grange pertain to a broad array of circumstances affecting the lives of rural Americans; they result from member action *generated by total community and national interest—not by agricultural interest alone.*

In keeping with the Grange's overall objectives and interest in rural America is our continued strong support for the Rural Environmental Assistance Program (R.E.A.P.) and before that the Agricultural Conservation Program (A.C.P.). We therefore are in support of H.R. 2107, to make REAP mandatory and require full funding of the program as authorized by Congress.

The Grange gave strong support to the change brought about in the conservation program in 1971, by the then Secretary of Agriculture Clifford Hardin. We believed that the program should give more emphasis to long-range conservation practices, which benefit the general public as well as the farmer. We therefore supported the changing of the program from the A.C.P. to R.E.A.P., with the hope that the Office of Management and Budget (O.M.B.) would see the importance of full funding of the program.

The National Grange, at its 106th Annual Session in Hartford, Connecticut in November of 1972, adopted the following resolution:

"RURAL ENVIRONMENTAL ASSISTANCE PROGRAM (REAP)"

"Whereas REAP is a popular and effective resource conservation and environmental improvement program that can be far more effective if funded at a level closer to needs and,

"Whereas the Grange appreciates the acceptance of some of its 1971 recommendations, namely (1) the release and use of \$55.5 million of Office of Man-

agement and Budget (OMB) impounded funds and (2) the additional \$30 million Congressional appropriation for pollution abatement, and

"Whereas the Grange recognizes the need for and the efforts toward the 'redirection' of REAP in a manner that will be more acceptable to the general public, and

"Whereas new legislative authorities will permit the use of REAP funds for (1) needed non-soil and water related pollution abatement and (2) long-term (more than one year) REAP practice contracts, and

"Whereas the OMB is again withholding funds which is seriously delaying and/or curtailing the program and negating the potential benefits of the increased badly needed pollution abatement appropriations. REAP funding (in millions of dollars) and OMB actions follow:

Program year	Congressional appropriation	Released by OMB	Lost funds
1970	\$195.5	\$185.0	\$10.5
1971	195.5	150.0	45.5
1972	195.5	¹ 195.5	0
1973	² 225.5	140.0	85.5

¹ \$140 initially released, \$55.5 released after much public pressure, including Grange telegram to the President.

² Includes \$30,000,000 of special pollution abatement funds.

"Therefore, be it *Resolved*, (1) That the National Grange make an immediate direct appeal to the President asking for the prompt release of 1973 REAP funds currently being withheld by OMB. (2) That the National Grange use every appropriate method to (a) secure REAP funding at the level authorized by the original Act and the new Rural Development Act in order to more rapidly solve critical conservation and environmental problems and (b) make the new legislative authorities workable. (3) That the administration of the program be kept under the control of the ASCS elected committeemen and that national 'redirection' efforts not be so implemented as to deter the proper use of cost-sharing funds for grass plantings and water conservation."

Following this delegate action, the following telegram was sent to President Nixon:

"The National Grange, assembled in our 106th Annual Session at Hartford, Connecticut on November 13, 1972, approved the following message:

"Following our special request to you last year, OMB released badly needed Rural Environmental Assistance Program (REAP) cost-sharing funds. We appreciate your positive action.

"Currently OMB is withholding 38% of this year's conservation and pollution abatement farmer-government cost-sharing funds. The National Grange again strongly urges your personal intervention with OMB to make these funds promptly available for this vital partnership program."

On December 13, 1972 we received the following letter from Joseph Laitin, Assistant to the Director of the Office of Management and Budget in response to our telegram:

"This is in response to your telegram to the President of November 14, 1972, concerning funding of the Rural Environmental Assistance Program.

"The Office of Management and Budget has already apportioned \$140 million for use in this program, the amount proposed in the President's 1973 budget. In agreement with the Secretary of Agriculture, we have placed \$85 million in additional appropriations in reserve.

"The President shares your interest in promoting conservation and environmental improvement in rural areas, but at the same time believes it necessary to hold Federal outlays down in order to avoid another round of inflation, tax increases, or both. In this respect, revenues under existing tax laws and borrowing under the statutory ceiling on the national debt will not provide sufficient funds to finance all the appropriations provided for this fiscal year. Therefore, our current spending plans for fiscal year 1973 and future years may have to be modified in this and many other areas if we are to meet the President's fiscal policy objectives.

"Any changes in this reserve will, of course, be shown in the President's 1974 budget which will be sent to Congress early in the next session.

"Sincerely,

"JOSEPH LAITIN,
"Assistant to the Director."

What followed this letter is now history and well known to us all. The U.S.D.A. press release of December 26, which stated that the program was no longer necessary because of the increased level of farm income, in the opinion of the Grange is entirely misleading and demonstrates a total lack of understanding of the program by the officials in the O.M.B.

With increased importance being placed on practices which reduce erosion, provide clean water, improve recreation, increase timber supply and quality and enhance and protect wildlife, we are of the strong opinion that the general public, which benefits directly from such programs that accomplish the above, should also share in the cost. In totally terminating the program by withholding the remaining authorized funds, the O.M.B. is saying to the U.S. farmers "You carry all of the financial burden of conserving our soil and water, providing new recreational facilities for urban dwellers, wildlife protection and assurance of improved lumber supply."

As noted before in our statement we have supported the move of the REAP program toward the more long-range conservation programs, programs that in the past have built 2 million farm water storage ponds, terraced 31 million acres of cropland and the contour strip-cropping of 114 million acres to help prevent water run-off that carries with it 3 million acres of silt each year to clog our streams and fill our lakes. These are not income supplements to the American farmers but supplements to millions of Americans who enjoy our great outdoors and share the farmers' interest in conservation to preserve our natural resources.

In response to the U.S.D.A. press release announcing the termination of REAP, I wrote the following letter to Secretary of Agriculture Earl L. Butz, setting forth the Grange's views and recommendations.

"* * * We still feel that the program is misunderstood at the higher levels of the Executive. It's a program whereby the general public shares in the farmer's cost of conserving our natural resources. All agree that certain projects should be totally eliminated from the program, but certainly not all the conservation practices.

"We agree that the farmer benefits from even the soil conservation practices, but he is contributing toward that benefit. Why not charge the general public for the benefits they enjoy? If they want wetlands for the preservation of wildlife, let them share in the cost of preserving such lands.

"We would suggest and support two alternatives to terminating the funding. First, reduce the amount of Federal funding to a lower percentage, equal to the long-term contribution to conserving our natural resources; second, completely eliminate from the program any practice that directly increases crop production, such as irrigation projects, liming and fertilizer programs.

"Excuse me for going on so long on REAP, but it is an important program, plus it gained us support from the Eastern states for farm programs, support we will need on the next farm bill. I'm afraid the Senators and Representatives from the states that will lose 500 county ASCS offices that were dependent on REAP funds for operations will have second thoughts on supporting a farm bill."

We firmly believe, Mr. Chairman, that REAP can be so directed and administered as to have the support of the general public and hopefully the understanding of the O.M.B., although I hold out little hope for the latter.

I noticed, Mr. Chairman, that the Under Secretary of Agriculture, Phil Campbell, made a speech a few days ago down in your home state of Texas, in which he stated that the recent cut-backs in agricultural programs would help pass a new farm bill, his reasoning being that urban people and their Congressmen are glad to see financial cut-backs in certain farm and rural programs. I would submit that Congressmen and Senators who have county Agricultural Stabilization and Conservation Service offices closed in their states and districts, as a result of the cut-back in the workload due to the loss of REAP, will be not inclined to support any farm legislation. This will be especially true in the East, where the ASCS offices carried on little farm program work but were heavily involved in REAP. In fact, that was their primary purpose in supporting farm programs in the past.

In conclusion, Mr. Chairman, I would like to point out that the Grange can find no fault with the President's efforts to keep federal expenditures within reasonable limits. We have felt at times, and have made our position clear, that Congress has gone too far in appropriating funds for certain programs of dubious merit. However, I do not believe we should stand by and give tacit approval while the administration tries to require our rural residents to carry all of the burdens of soil and water conservation, of stream protection, of reforestation and a large part of our open-air recreation.

Thank you, Mr. Chairman, for giving the Grange this opportunity to present its views on this important subject. We urge speedy approval of H.R. 2107 and thank you, Mr. Chairman, for assuming the leadership on this vital subject.

IMPACT ON FOREST RESOURCES RESULTING FROM ELIMINATION OF RURAL ENVIRONMENTAL ASSISTANCE PROGRAM

(By John R. Tiller, State Forester, South Carolina State Commission of Forestry)

The final REAP report for calendar year 1972 is not yet available. However, preliminary figures indicate that site preparation and tree planting, prescribed burning and other forestry practices eligible for federal cost-sharing payments increased substantially over 1971. The change in emphasis from ACP (Agricultural Conservation Program) to REAP (Rural Environmental Assistance Program) took a year or two to effect, and participation was growing. The elimination of REAP announced in December 1972 will cause a year or two delay in getting a new program underway again even if an incentives program is enacted in early 1973.

The five million dollars of ACP and REAP funds spent in the last 15 years in South Carolina resulted in tree planting on 363,000 acres, and accomplished timber stand improvement, forest fire protection and other forest conservation and development measures on an additional 350,000 acres in South Carolina. Using only values added by tree planting, the following economic return to the state has resulted: 363,000 acres are now producing a minimum of \$10.00 per acre per year in stumpage values to farmers and other landowners—a total of \$3,630,000. The harvesting, hauling and processing of this timber adds more than 50 million dollars annually to the economy of the state.

Actually, REAP resulted in many more acres being planted than the 363,439 shown in the attached table. Many landowners, for example, applied for cost-sharing assistance on 50 acres and only received REAP assistance on half or two-thirds of this, but went ahead on their own and planted the entire 50 acres. In South Carolina more than 500,000 acres were planted in the last 15 years as a direct result of REAP and ACP. Very few South Carolina woodland owners will plant any acres without some type of assistance.

Without incentives it is expected that South Carolina will experience a reduction in small private landowner planting of about 8,000 acres annually. On the other hand, with adequate incentives and funding 50,000 to 60,000 acres could be planted annually for the next 10 years.

According to the latest South Carolina forest survey, there are more than four million acres of unproductive forest land. An additional 850,000 acres of land have been abandoned for agricultural purposes. Of this total acreage at least three million acres should be planted to trees. Neither South Carolina nor the nation can afford these unproductive acres.

Unless these three million acres of land are planted to trees, and other forestry practices are intensified, South Carolina's forests will not be able to supply the increasing demands and growing markets for wood and wood products that will be required by the expanding populations of our nation in the years ahead.

It is in the public interest to have an adequate supply of forest products at reasonable prices to provide the many goods and services that our forest resources contribute to our economy.

An incentives program seems to be the best, most logical answer. Increasing wood production, with accompanying environmental benefits, is in the interest of all citizens. Trees filter our air and water, protect and build soil, produce food and cover for wildlife, provide beauty, and offer recreation opportunities. These are assets for all citizens that are important now, but will become increasingly important in the future.

If adequate steps are not taken soon, many small landowners will be forced to sell their land. However, a relatively small amount of financial help for the small private landowners can return extremely high dividends to all the people of the state and nation.

Even a few months delay in getting a cost-sharing or a forestry incentives program underway could result in years of delay in action on the ground.

Increased efforts in forest management and reforestation on privately owned properties could help prevent an energy crisis. Forest products, a renewable

natural resource that requires relatively small amounts of energy for production and processing, could be used more in housing, packaging, etc., thus reducing demands for non-renewable metals and petroleum products.

New and expanding forest industry locations in South Carolina and the Southeast will slow or not occur at all unless reforestation and forest management efforts are maintained and accelerated.

An adequate and even expanded cost-sharing or forestry incentives program is a vital need for South Carolina now and in the years immediately ahead.

EXTENT OF FORESTRY PRACTICES UNDER ACP-REAP, 1957-71

Year	Tree planting			All forestry practices	
	Number farms	Acreage	Payment	Payment	Percent of total
1971	362	5,985	\$174,943	\$183,666	8.3
1970	385	7,856	116,256	129,820	4.4
1969	424	8,785	113,510	128,069	4.4
1968	594	12,622	154,141	168,742	5.9
1967	997	19,288	237,181	261,289	7.7
1966	1,129	18,512	217,365	244,501	7.2
1965	1,157	23,053	251,457	285,066	8.1
1964	1,260	28,246	342,175	378,345	11.1
1963	1,257	28,418	328,382	372,405	11.0
1962	1,701	34,822	409,588	461,170	13.7
1961	1,873	41,081	502,383	578,326	15.6
1960	2,070	45,435	497,175	571,602	16.4
1959	2,267	43,911	488,459	588,007	17.0
1958	1,679	29,264	322,464	413,226	11.9
1957	1,361	16,181	179,997	251,590	6.6
15 years	18,516	363,439	4,335,476	5,015,824	

STATEMENT OF THE NATIONAL COUNCIL OF FARMER COOPERATIVES

The nation's farmer-owned cooperatives are deeply concerned over recent Administration curtailment of Federal aid programs affecting farmers. This major step, taken under the guise of stabilizing the Federal budget, could have far-reaching and detrimental effects for U.S. farmers.

The National Council of Farmer Cooperatives, representing more than 130 farmer-owned cooperatives and nearly 1.3 million farmer members in 49 states, wishes to file this statement of concern and exception.

No single business group is pressed as tightly in the cost-price squeeze as is the U.S. farmer. In the face of still another major salary increase for Federal employees, the nation's farmers are told that they must again tighten their belts—and accept less Federal help during 1973. Farmers find themselves being crushed between spiraling production and overhead costs, and nearly stabilized receipts for their farm products. It is in light of this serious financial situation that the National Council files this statement of concern.

It is imperative that America's farmers be assisted and allowed to increase farm productivity. Leading Administration spokesmen, including those from the Departments of Agriculture and Treasury—and the President's Council of Economic Advisors—have agreed that rising food costs are a serious problem in the nation's economy. They have also agreed that the only feasible way to hold farm prices steady is to increase farm output and productivity.

Now Federal Government moves have seriously hampered this ability to farmers to increase their production efficiency. Curtailment of impairment of Federal aid programs threaten not only this productivity, but the long-term outlook for U. S. farm production. There is little doubt that any such action that reduces farmers' incentives to increase production, will also adversely affect total future production and productivity.

Little or no warning was provided to farmers or their organizations that major programs were to be curtailed or abolished. There was no effort made by the Administration to hear farmers' views on program cuts. Indeed, most farmers and their representatives were caught completely by surprise at the abrupt Administration announcements.

Farmer cooperatives are also vitally concerned about the probable closing of hundreds of local offices of the U. S. Department of Agriculture. With the

immediate termination of the generation-old Rural Environmental Assistance Program (REAP), it is estimated that more than 800 local offices of the USDA's Agricultural Stabilization & Conservation Service (ASCS) may be ordered closed. These vital local offices have served farmers well, through crop and weather reporting, surveying, and as local liaison centers for the U. S. Farm Census. Closing of these offices will further weaken this important channel of USDA-farmer communications.

The National Council of Farmer Cooperatives fully appreciates the desire of the President and his Administration to hold FY 1974 spending within defined limits. Such spending limitations should be taken in light of spiraling inflation across the nation.

But the National Council and its farmer cooperative members strongly feel that priorities must be carefully established before such cuts are finalized. The ability of, or incentive for, farmers to produce food and fiber must not be impaired in any way.

It is for these reasons that the National Council of Farmer Cooperatives asks the House Committee on Agriculture to request this Administration to re-examine its budget priorities. We respectfully request that this Committee take an immediate and active role in guiding agricultural programs to assure U. S. farmers of fair and equitable income from their farming enterprises.

NATIONAL FARMERS UNION,
Washington, D.C., January 26, 1973.

Hon. W. R. POAGE,
Chairman, Committee on Agriculture,
U.S. House of Representatives, Washington, D.C.

DEAR BOB: Unfortunately, a long-scheduled session in Denver of National Farmers Union's Board of Directors and Policy Drafting Committee will prevent our testifying in person during your hearings on H.R. 2107 and REAP funding January 29-31.

I am using this correspondence, therefore, to express National Farmers Union's unqualified support for H.R. 2107, to require the Secretary of Agriculture to carry out the Rural Environmental Assistance Program. Your bill appears to be an essential first step toward reversing the unwarranted decision by the President to kill the REAP program, and assuring that the program will be carried out at the level mandated by Congress.

In an environmental impact statement on the Rural Environmental Assistance Program prepared by the Department of Agriculture and released December 5, the Department concluded that REAP:

"* * * will speed up and/or make possible the carrying out of needed conservation and environmental protection and enhancing measures in rural America. The impact on the environment will be beneficial and largely cumulative."

Three weeks later, on December 26, the Secretary of Agriculture killed the program without any comparable official comment on how this decision could be justified in terms of its environmental impact. Nothing could better illustrate the hastily-contrived, and probably unconstitutional, nature of the December 27 decision to terminate REAP.

I urge you and your Committee to approved H.R. 2107 without delay, so that it can be enacted at the earliest possible time.

Sincerely,

TONY T. DECHANT, *President.*

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION,
Washington, D.C., January 31, 1973.

Hon. WILLIAM R. POAGE,
Chairman, Committee on Agriculture,
Longworth House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: At its meeting January 22 the Board of Directors of the National Rural Electric Cooperative Association unanimously approved a motion endorsing your bill, H.R. 2107, which would reinstate the Rural Environmental Assistance Program, the program which the Administration, without any consultation with Congress, recently abolished.

The Rural Environmental Assistance Program has not only been of substantial benefit to rural America, but to urban America as well. It was one of the first

programs whose purpose was to protect the environment. Without REAP, it is doubtful that water and soil conservation measures would have been undertaken on the scale that they have been over the past four decades.

It is inconceivable to us that with the emphasis on pollution control, a program to help clean up the nation's waterways and streams would be summarily eliminated. Moreover, REAP contributed effectively to combatting erosion of topsoil which is basic to maintaining a high level of food production which, in turn, is essential to feeding our growing population as well as millions of people in other lands.

The abolition of REAP, in our opinion, is a clear usurpation of the Constitutional authority of Congress to legislate and to establish spending priorities. The President's action is a major challenge to the continuation of our system of checks and balances and to the co-equal status of the three branches of our government. Your bill meets this challenge and makes it clear that Congress, and not the Administration, is empowered to legislate.

On behalf of the Board and the entire membership of NRECA, we want you to know we shall do everything possible to support the speedy enactment of H.R. 2107.

Sincerely,

ROBERT D. PARTRIDGE,
Executive Vice President.

INDEPENDENT BANKERS ASSOCIATION OF AMERICA.

Washington, D.C., February 1, 1973.

Hon. WILLIAM R. POAGE,

Chairman, Committee on Agriculture,

Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The Independent Bankers Association of America, representing 7,085 independent, community-owned and managed banks in 40 states, is deeply concerned about the announced cut backs in federal agricultural programs. Two-thirds of our member banks are located in towns of 5,000 or less, and 90% are in communities of less than 30,000. These banks are directly dependent upon agriculture and the family farms.

The rural bank concern was previously conveyed in letters to President Nixon from our association and from the Independent Bankers of Minnesota both dated January 13, 1973 (enclosed). As these two letters point out, we whole heartedly support efforts to achieve economy and efficiency in government.

However, in this instance, the Administration abruptly curtailed programs which were beginning to enhance rural income, improve the environment, provide decent rural housing, and enable farmers, devastated by disastrous weather conditions, to begin anew.

We commend Congress for recognizing the interdependence of urban and rural America by passing agricultural legislation which has contributed to the prosperity and quality of life not only in rural America but in the entire nation. Without these programs, the rural sector would have suffered economic and environmental disintegration much more costly to our nation in the long run. The Congress cannot permit the discontinuance of these needed programs and the deterioration of rural America.

To reverse these improvements probably would be false economy and also would seriously undermine the credibility of the United States Government with a major segment of our society.

Many family farm owners who are now denied disaster loans were entitled to receive assistance. Unfortunately, many of them relied on the advice of government officials to delay applications. The same family farm owners have endured not only the disaster damage but have been denied disaster assistance because of their reliance on government policy, practices and advice.

Our government has boldly supported economic salvage of corporations such as Lockheed Aircraft and the Penn Central Railroad. Now, under the veil of economic concern, it is denying economic assistance to those individuals who are least able to absorb damage from disasters.

With the national concern on environmental matters, the administration has reversed its direction by eliminating the cost share program under REAP on the rationale that this program is a dinosaur, enjoying limited farmer participation in very few areas of the country. Must America re-learn the lessons that justified the REAP program in the first instance?

We are also concerned with the termination of Farmers Home Administration housing loans that require subsidized interest and assist the nation's low-income families to enjoy better housing. The Administration contends that an 18-month evaluation is necessary. While other segments of the population enjoy the benefits of Federally-subsidized housing, rural America is told to wait at least 18 months more for a bureaucratic finding on the merits and needs for such programs. Eighteen additional months means many older and low-income rural Americans must endure inadequate housing. The withholding of funds for subsidized rural housing is not the way to solve rural housing problems.

We respectfully suggest that the Congress of the United States has not only the authority but the responsibility to restore the programs previously enacted and now cutback. This is not only for the sake of the rural sector, but for the whole society.

We sincerely thank you and the members of your committee for conducting hearings on agricultural program cut backs, and ask that this letter and enclosures be entered in the record as our testimony.

Thank you.

Sincerely,

H. L. GERHART, Jr.,
President.

PAT DuBois,
Chairman, Agriculture-Rural America Committee.

INDEPENDENT BANKERS ASSOCIATION OF AMERICA,
Washington, D.C., January 13, 1973.

Hon. RICHARD M. NIXON,
President, The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The Independent Bankers Association of America is deeply concerned over the termination of needed existing agricultural programs. Specifically, we refer to the termination of REAP, the Water Bank and Emergency Loans in disaster areas. The cancellation of these programs and other cut backs could well have far-reaching adverse effects on rural people and their communities.

We as bankers recognize the need for economy and efficiency in government, but to do so at the expense of the American farmer and a reduction in environmental programs is, in our judgment, a mistake.

Respectfully yours,

H. L. GERHART, Jr., *President.*

INDEPENDENT BANKERS OF MINNESOTA,
January 13, 1973.

PRESIDENT OF THE UNITED STATES,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is with great respect and admiration that we observe the courageous efforts taken by your administration to correct the fiscal disparities that plague our national economy. But it is with profound disappointment that we received the December 27, 1972, announcement of the Department of Agriculture halting emergency loan relief to farmers who sustained substantial crop losses last year due to severe weather.

On the strength of the original promise, to extend this disaster relief to June 30, 1973 merchants and bankers have advance credit and loans to aid farmers in the affected areas of Minnesota, in order for them to continue operating in the face of heavy losses. The average loss in just two of the twenty-three counties so designated is running over 7,000 dollars. The average net income of family farms in this area is only \$4,500.

The Independent Bankers of Minnesota recognize that the extinction of the family farm is a clear and present danger. This action by your administration may take thousands of Minnesota family farms one step closer to that fate.

We urge you to reconsider this action and to reverse the decision of your Administration by fulfilling the original promise to our agricultural community.

Most respectfully yours,

FRANK P PECCHIA, *President.*

NATIONAL WILDLIFE FEDERATION,
Washington, D.C., February 2, 1973.

Hon. W. R. POAGE,
Chairman, Committee on Agriculture,
U.S. House of Representatives, Washington, D.C.
(Attention: Mrs. Christine Gallagher, Clerk).

DEAR MR. CHAIRMAN: We appreciate your invitation to testify on H.R. 2107 and related bills to restore the Rural Environmental Assistance Program. Because we were not advised of the hearings until the last minute, it was not feasible to have a National Wildlife Federation representative present our views in person. However, our comments are contained below, and we request that this letter be made a part of the hearing record.

While the National Wildlife Federation is concerned about the drastic action taken by the Executive Branch recently to completely terminate REAP, we are even more disturbed by the concomitant action to withhold the modest amount (\$10 million) appropriated by the Congress for the Water Bank Program in FY 1973. Also, we are opposed to the impoundment of an additional \$4 million of the \$25 million appropriated for the Cooperative Forest Fire Protection Program covered under Section 2 of the Clark-McNary Act. (OMB had impounded an initial \$5 million last July.)

Aimed at providing rural land owners some meaningful incentive for resisting the attractive blandishments of land developers and others intent on paving over rural America, the Water Bank Program was just starting its second year. Administrators were in the process of negotiating long-term agreements (\$1 million per year for 10 years) to preserve and maintain irreplaceable wetlands for migratory waterfowl nesting and breeding areas. The retention of such "pothole" habitat is the key to a continued, viable migratory waterfowl population, especially in the Central and Mississippi Migratory Waterfowl Flyways.

Although the Water Bank Program is not intended to make anyone wealthy, it does at least offer the farmer some small remuneration for holding on to his wetlands. It is quite doubtful that these same wetlands, so badly needed, will last for long without the financial encouragement provided by the Water Bank. Should we permit these "potholes" to slip between our fingers, we will have lost a most valuable part of our American heritage.

The National Wildlife Federation does not pretend to endorse all the practices included in REAP. We view the program with mixed emotions. Conservationists, in general, do not support practices in a program supposedly designed to enhance the environment which simply stimulate agricultural production by encouraging land drainage, leveling, and irrigation or by using chemicals to fertilize or control competitive shrubs. On the other hand, we are interested in, and strongly support, practices which provide long-lasting environmental values such as: wind and water erosion control measures, development of wildlife habitat and the construction of ponds for wildlife, pollution abatement, reforestation and woodlot improvement, and solid waste disposal.

Therefore, the Federation is of the considered opinion that, on balance, REAP is a program worth keeping. If there are deficiencies in REAP, the solution is to weed them out—not kill the entire program. By terminating REAP the Administration might save some money for a few years but we are convinced that such myopic vision will be environmentally costly over the long haul.

Last, we are opposed to further deep cuts in a program as environmentally-sound as the Cooperative Forest Fire Protection Program. That cost sharing program has, over the years, been instrumental in materially reducing fire losses in protected state and private forests by an order of 10 (from 3 percent to .3 percent). The federal portion of the highly effective cost sharing program has averaged only 20 percent or less (16 percent in 1971) with the states contributing more than \$4 for every \$1 of federal money. The impoundment of an additional \$4 million, announced less than a month ago, came after many state agencies had fully committed their respective total annual portions.

The National Wildlife Federation admires the Chief Executive's determination to hold the line on federal spending. It is a fiscally-responsible stance which the overwhelming majority of Americans can appreciate and respect. Hence, we do not question the need for cuts in popular federal programs. But it seems to us that the cuts—if they must be made to retain fiscal order—should be apportioned in a more equitable manner "across the board" instead of completely terminating some programs, such as REAP and Water Bank.

The Federation is hopeful that your committee and the Congress will find some way of working with the Executive Branch to reactivate the Water Bank Program and a trimmed-down REAP, with required but equitable funding, and to release the funds appropriated for Cooperative Forest Fire Protection—at least in amounts sufficient to honor commitments made by state agencies. We will support you in that effort.

Sincerely yours,

THOMAS L. KIMBALL,
Executive Vice President.