

Y4
.Ag 8/2:
F 22/51/
pt. 2

GOVERNMENT
Storage

1032

93y4
Ag 8/2
F 22/51/
pt. 2

EXTENSION OF FARM AND RELATED PROGRAMS

HEARINGS

BEFORE THE

COMMITTEE ON

AGRICULTURE AND FORESTRY

UNITED STATES SENATE

NINETY-THIRD CONGRESS

FIRST SESSION

ON

S. 517

TO EXTEND TITLES I, II, III, IV, V, VI, AND VII OF THE
AGRICULTURAL ACT OF 1970 FOR FIVE YEARS
AND
RELATED SUBJECTS

PART 2

CHICKASHA, OKLA., APRIL 6, 1973
ARDMORE, OKLA., APRIL 7, 1973

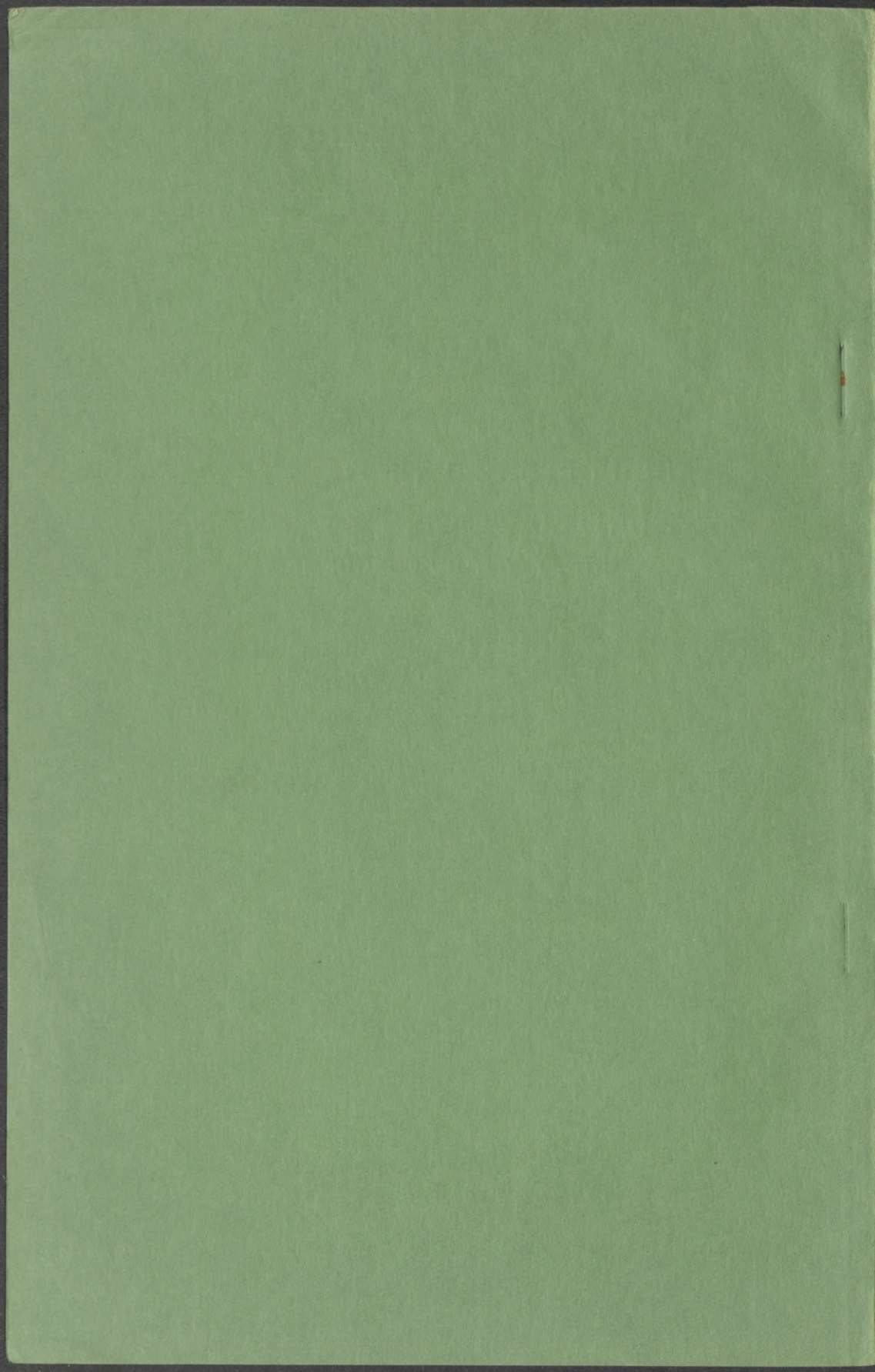
Printed for the use of the
Committee on Agriculture and Forestry



KSU LIBRARIES



961666 699196
A11500 699196



EXTENSION OF FARM AND RELATED PROGRAMS

HEARINGS BEFORE THE COMMITTEE ON AGRICULTURE AND FORESTRY UNITED STATES SENATE NINETY-THIRD CONGRESS

FIRST SESSION

ON

S. 517

TO EXTEND TITLES I, II, III, IV, V, VI, AND VII OF THE
AGRICULTURAL ACT OF 1970 FOR FIVE YEARS;
AND
RELATED SUBJECTS

PART 2

CHICKASHA, OKLA., APRIL 6, 1973
ARDMORE, OKLA., APRIL 7, 1973

Printed for the use of the
Committee on Agriculture and Forestry



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1973

COMMITTEE ON AGRICULTURE AND FORESTRY

HERMAN E. TALMADGE, Georgia, *Chairman*

JAMES O. EASTLAND, Mississippi

GEORGE McGOVERN, South Dakota

JAMES B. ALLEN, Alabama

HUBERT H. HUMPHREY, Minnesota

WALTER D. HUDDLESTON, Kentucky

DICK CLARK, Iowa

CARL T. CURTIS, Nebraska

GEORGE D. AIKEN, Vermont

MILTON R. YOUNG, North Dakota

ROBERT DOLE, Kansas

HENRY BELLMON, Oklahoma

JESSE HELMS, North Carolina

COTYS M. MOUSER, *Chief Clerk*

(II)

CONTENTS

Statement of—	Page
Anderson, L., Don Crosbys town, Tex.....	88
Anderson, John, archery chairman, Tinker Air Force Base Rod, Gun and Bow Club, Midwest City, Okla.....	143
Andrews, Cleal, president, Chickasha Fin and Feather Club, Chickasha, Okla.....	33
Bellmon, Hon. Henry, a U.S. Senator from the State of Oklahoma.....	1, 43
Blalock, C. L., Calumet, Okla.....	20
Boyer, Major, Pauls Valley, Okla.....	18
Brorsen, Bart, state chairman, Agricultural Stabilization and Con- servation Service, Perry, Okla.....	60
Bruce, Terry, president, Blue Rock Sportsmen's Club, Oklahoma City, Okla.....	9
Cargile, John S., president, Texas Sheep and Goat Raisers Association, San Angelo, Tex.....	119
Clifton, Ed, Oklahoma City, Okla.....	29
Cole, Bill, Grady County, Okla.....	39
Conrad, Jim, Madill, Okla.....	62
Davis, Otto S., Oklahoma City, Okla.....	142
Davis, Ray president, National Association of Wheat Growers, Potter, Nebr.....	114
Divers, Donald A., Altus, Okla.....	140
Easterwood, Homer C., Sinton, Tex.....	124
Elsener, W. A., Tipton, Okla.....	44
Farris, John N., Floyd County chairman, The Republican Party of Texas, Floydada, Tex.....	127
Flanagan, William, executive secretary, Oklahoma Peanut Com- missioner, Madill, Okla.....	78
Foreman, Mabry, vice president, Grain Sorghum Producers Associa- tion, Felt, Okla.....	100
Fowler, Charles R. "Dick," Ninnekah, Okla.....	17, 37
Hamilton, Dwight, vice president, Texas Association of Wheat Growers, Olney, Tex.....	113
Hanstein, Leonard, outdoor editor, Griffin Television, Inc., Oklahoma City, Okla.....	142
Hightower, Quinton M., county executive director, Agricultural Stabilization and Conservation Service, Stephens County, Duncan, Okla.....	61
Hines, Paul, county executive director, Agricultural Stabilization and Conservation Service, Coalgate, Okla.....	53
Hinkle, William B., Midwest City, Okla.....	21
Holmstrom, Hartwin H., Georgetown, Tex.....	95
Howe, S. F., manager, Southern Region, Associated Milk Producers Association, San Antonio, Tex.....	71
Hulsey, Dr. George, president, Oklahoma Wildlife Federation, Nor- man, Okla.....	6
Hunter, Harold V., executive director, Oklahoma State Agricultural Stabilization and Conservation Service, Stillwater, Okla.....	22, 63
Kerr, William A., Midwest City, Okla.....	143
Kershen, Ronald, director of research, Fas Gro Brand, Triticale, Canyon, Tex.....	128
Killer, Leroy, Dill City, Okla.....	7
King, Floyd L., president, National Peanut Growers Group and Okla- homa Peanut Growers Association, Eakly, Okla.....	56
Lamar, Robert A., Chickasha, Okla.....	11
Little, Dr. Aaron, Minco, Okla.....	23

Statements of—Continued

McCreary, Don, county director, Agricultural Stabilization and Conservation Service, Grady County, Chickasha, Okla.....	Page 31
Malazzo, Marion J., Caldwell, Tex.....	106
Marble, Don H., secretary and treasurer, Plains Cotton Growers Association, and board member, Grain Sorghum Producers Association, South Plains, Tex.....	96
Megeha, Carl, Mustang, Okla.....	142
Neal, Iven A., vice chairman, Frio, Agricultural Stabilization and Conservation Service, Pearsall, Tex.....	88
North, Ray, president, Oklahoma Association of Farmer Elected Committeemen, Seminole, Okla.....	46
Pace, Joe, chairman, Oklahoma Peanut Commission, Holdenville, Okla.....	55
Parr, J. Bruce, Childress, Tex.....	108
Ray, Ulus E., Sinton, Tex.....	92
Remy, Ralph W., Stillwater, Okla.....	140
Riley, Ray Joe, president, Plains Cotton Growers, Hart, Tex.....	109
Sawyer, Garland Ray, president, Texas Association of Farmer Elected Committeemen, Hillsboro, Tex.....	87
Schlitt, Jack, Verden, Okla.....	30
Shelton, Joe M., Oklahoma City, Okla.....	141
Slate, Ralph, Stephens County Quail Club, Duncan, Okla.....	22
Smith, Carroll A., Lookeba, Okla.....	50
Smith, John D., director, Plains Cotton Growers, Littlefield, Tex.....	124
Smith, W. Dale, Spencer, Okla.....	10
Speake, Creede, Jr., president, Oklahoma Cattlemen's Association, Milo, Okla.....	46
Spivey, H. G., Ringling, Okla.....	45
Strader, Garold F., Prague, Okla.....	16
Stone, George W., president, Oklahoma Farmers' Union, Choctaw, Okla.....	51
Veith, Elmer, Wildlife Commissioner, Kingfisher, Okla.....	33
Williams, Clinton, secretary, Oklahoma Peanut Commission, Madill, Okla.....	78
Williamson, H. G., chief, game division, Oklahoma Department of Wildlife Conservation, Oklahoma City, Okla.....	15
Wilson, Luther Ross, manager, Southwestern Peanut Growers Association, Gorman, Tex.....	80
Wint, George Bailey, assistant director, Oklahoma Department of Wildlife Conservation, Oklahoma City, Okla.....	12
Miscellaneous documents:	
A suggested alternative program for peanuts.....	77
Articles concerning the Open Acres program, reprinted from various newspapers.....	143
Cost of operation of public, private, and semi-private lands.....	13
Report on 1972 and 1973 Pilot program to provide access for fishing and hunting to farms participating in the Set-Aside program.....	26
Report on Emergency Hay Storage program initiated in 1971 and 1972.....	27

EXTENSION OF FARM AND RELATED PROGRAMS

FRIDAY, APRIL 6, 1973

U.S. SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Chickasha, Okla.

The committee met pursuant to notice, at 7 p.m., at the Chickasha Library, Chickasha, Okla., Hon. Henry Bellmon, presiding.

STATEMENT OF HON. HENRY BELLMON, A U.S. SENATOR FROM THE STATE OF OKLAHOMA

Senator BELLMON. Ladies and gentlemen, let's come to order.

I want to begin by expressing my appreciation to all of you for being here this evening and participating in what I hope will be an informational meeting for all of us.

We're interested in finding out how the present farm program is working and in getting your ideas as to how we could make it work better.

Particularly, we want to talk, here in Grady County, tonight, about two aspects of the present farm bill, one is the so called hay bank program, which I doubt was used too much in Grady County, but I believe it was used in some of the counties further west that are represented here this evening. And also, the public access program, the one we commonly refer to as "Open Acres."

I want to take just a few minutes here to tell you what the meeting is all about and how we hope to proceed. I'd like to ask how many have participated in a public hearing for a congressional committee before?

Well, we'd like to do this a little differently this evening than you may have seen done in others. Rather than a lot of long formal statements we'd rather have an impromptu exchange of ideas. If you have a long statement or any kind of a statement prepared in writing, we'll see that it's made a part of the record but I'd really prefer that you give us, more or less, off the cuff comments and we will have more of a question and answer procedure than the regular formal type hearing.

We do have a reporter and the full record will be made available as soon as it's prepared in case you'd like to have copies of it.

The thing we're after, frankly, is the facts about how the farm program we have now is affecting the individuals, the people out on the land, who are directly affected by it.

I hope we can stay away from the usual organizational, lobby-type statements that we get so much of in Washington. I'd rather hear

directly from individual operators who are participating in the program or who perhaps are not participating and are willing to give us their reasons why.

Congress is in the process of writing new farm legislation and they are especially interested in knowing how the farmers react to what we've done in the past and what they'd like to see done differently in the future.

The statements made here tonight will become a part of the official hearing record of the Senate Committee on Agriculture and Forestry and the ideas you have will be used to guide the committee in writing the Agricultural Act of 1973.

And again, I particularly want to direct your attention to the hay bank and public access programs because this is probably the only hearing in the United States that will be held on these two particular parts of the farm bill. As far as I know, no other hearing is scheduled to go into those particular aspects of the program.

Both of these programs, as you know, were new in the 1970 farm bill, they were put into effect on a kind of experimental basis and the decision has to be made now whether to continue them in the new farm bill or to let them die. Are they popular enough and working well enough that they should be expanded?

I might digress here for just a moment, to say to all of you, that passing a farm bill this year is going to be kind of tough going. As you all know, farm prices are better than they have been for a while. In my opinion, they're not any better than they ought to be but the folks in the cities are kind of up in arms right now, and as you know, there's supposed to be a boycott on meat going on this week for a period of time.

But you can see that there is a certain amount of resistance to spending money from the Federal Treasury in support of a farm program when a lot of city people feel like that the farmers have it made anyway. So, we need some good arguments from you folks to show us what your problems are and give up some guidance as to how we can solve them.

Now, let's talk for just a minute about the hay bank. This idea was conceived as a method of stock piling hay which would be readily available in the areas where it's needed when a drought or some other type of disaster is declared by the Secretary of Agriculture.

The idea is that farmers would be permitted to grow hay on their set-aside acreage during the good years and then put it in storage where it would be available when permission was received for the USDA to release it.

The program has two basic purposes: First, to allow the growing of a useful crop on lands that would otherwise be out of production; and second, to ease the panic conditions which normally exist during disaster periods when hay is in short supply and great demand, and when the pressure always builds on the government to do something. And very frequently, as you know, the government has spent a lot of money hauling hay into the drought areas from distant points at a great expense, both to the producers of livestock and to the taxpayer.

So, we're hoping, under the hay bank program, to stabilize feed production and feed supply so there would be a carry over from the good years to be available when production was short.

Now, the public access or open acres program was authorized for the first time in the Agricultural Act of 1970. It was initially tested during the calendar year of 1972, on a pilot basis in 50 counties, that's 5 counties in each of 10 States.

The USDA allocated \$1,500,000 for the initial pilot program and has committed the same amount of funding for a second pilot program to be in effect in the same counties during calendar 1973, the current year.

The idea of the public access program is rather simple. The Department of Agriculture, operating through the ASCS contracts to pay farmers a nominal fee if those farmers or ranchers will open their lands to the public for fishing, hunting, hiking, or other forms of outdoor recreation.

The need for this program became obvious because of the surging demand for recreational space and recreational opportunities close to population centers.

Now, the Federal Government owns a tremendous amount of land, as you all probably are aware, but most of the land is in the 15 or so Western States, Wyoming, Montana, Colorado, and New Mexico and States west of there have very large areas of public lands. But when you get this side of Colorado, in particular, as you go further east, there's very little public land. Most of the land is privately owned and because of the pressure for outdoor recreation, both State and Federal Government has had a lot of pressure to go out and buy up large tracts of farming land and take it away from farmers and open it up to the public.

The State and Federal Governments have responded to this demand by taking a lot of land away from farmers and making it into parks or public uses. These lands are then maintained at a heavy expense to the local taxpayer and they, of course, go off the tax rolls which puts a heavy burden on the remaining taxable property to support schools and other functions of local government.

In spite of the large purchases and a great amount of money, government has not been able to keep up with the demand for public use areas.

The plain facts are that there never will be enough money to buy all the land needed for public recreation, especially for such uses as hunting and hiking, which require large acreages. In the future, as in the past, we will have to depend primarily upon the privately owned land to provide the majority of recreational opportunities in the areas where we don't have a lot of public land and this is the idea we were trying to put across in the public access program.

In the recent past, hunters and fishermen have had difficulty in obtaining access to private lands and in more recent times due to increased pressure on available lands access has been greatly restricted by private landowners and, of course, this gets worse and worse and more and more no hunting signs go up. This puts greater pressure on people who still permit hunting and we're very rapidly getting to a condition where all the private lands are going to be closed. The only people who will be able to enjoy outdoor recreation will be those close to public land or those who are able to afford to lease privately owned lands, or, of course, those who own private land.

So, we're trying to figure out a way to open up outdoor recreational opportunities to urban people who may not be able to afford the large personal investment that's required.

As a side benefit from this, the truth is it's a very good public relations effort for agriculture. We have to depend on a lot of urban folks to pass a farm program and unless the urban people feel like they're getting something out of it, it's tough to get their votes. This is one reason that the food stamp program is kept in agriculture.

It's possible for a Congressman or Senator to vote for a farm program if he can go back home and say well, I got something for you folks through the food stamp program or school lunch program.

In many areas of the country it's virtually impossible right now to find a farm or ranch, that's not posted with no trespassing signs.

Landowners who allow public access have found the lands overrun by a large number of urban residents looking for a place for outdoor recreation. And so, for their own protection, these landowners have been forced to close their lands to the public.

Access to private lands has declined in direct proportions to the increase in demand and one result has been increasing tension and misunderstanding between rural and urban dwellers.

The public access program was conceived as a possible means of reversing those trends, for once again opening private lands to recreation, and for greatly improving relations between farmers and urban dwellers.

The 1972 pilot program, undertaken by the Department of Agriculture, completed agreements opening more than one and a quarter million acres of land to the public, and this accounted for a good many million man days of additional recreational opportunities. In addition, 365 farm ponds and small lakes on private farms were open to the public for fishing during the last calendar year.

And for those of you interested in what this is costing, the economics of the public access program is one of a number of studies that have been conducted by the Oklahoma Department of Wildlife Conservation to determine the cost of buying and managing lands for public recreation. One such area, which had the highest rate of usage in the State, shows the cost of buying the land, spread over a 25-year period, has averaged out to be \$5.48 per acre per year. The annual cost of operating and managing land figured out to be \$2.01 an acre a year. And the total cost for each man day of hunting was about \$13.

I have a cost analysis provided by the Wildlife Department which we will insert in the record at the appropriate place to show what it costs the taxpayers when the Government owns the land used by the public.

Of course, land prices have risen greatly over these last 25 years. So, if you use current land values and the current interest rate, the annual cost to the Government of owning and managing lands is probably twice what they were when this study was made.

Under the 1972 public access pilot program, 1,278,570 acres were opened to the public at a total cost of \$1,355,682, an average annual cost of \$1.06 per acre. This is about one-half of what it costs the Government just to manage an acre of land that it already owns

and less than 10 percent of what it costs the Government to purchase and manage public access lands.

The annual interest costs to the Government on a \$200 an acre purchase price, figured at a borrowing rate of 6.75 percent, amounts to \$13.50. And you can't buy much land for only \$200 an acre. In fact, I doubt if you can buy any. So, to this you have to add the annual management fee of at least \$1 an acre and the annual tax loss to local governments. That's about \$1.50 per acre. So, this brings the total cost, with interest and management and loss of ad valorem tax to \$16 an acre for land the Government owns and manages as compared to about \$1 an acre under the public access program as we experienced it last year. So, you can see the economics of it are very attractive.

Now, this isn't the only consideration we should talk about here tonight. The Office of Management and Budget will be evaluating the program to see how much value was received for each dollar spent by the Government, both in terms of benefit to the landowner and in terms of benefits received by those who use the lands. So, we're very interested, tonight, in finding out how the landowners react to this program and also trying to find out how much use was made of these public areas.

We want to know to what extent these lands were used for such things as hunting, hiking, and fishing and any other type of outdoor recreation.

We also need to know if the additional income realized by the landowner is sufficient to encourage opening of the land, if the landowners feel like they got a good deal or a raw deal.

We'd like to know the relationship, as best we can determine, between the landowner and those who come to use his land.

We'd like to know if this program has placed additional demands on the farmer or the rancher which he feels needs to be compensated for.

We need to know the effects of the program on the total environment and if the program provided any incentive for the farmers to improve wildlife habitat, which of course, will mean better recreational opportunities.

We also need to know if questions about liability exist for which our current laws are not adequate and which perhaps will need to be changed.

And finally, we need to know if both the landowner, and the farmer and recreationist are happy with the program, the way it's been operated, and if they have ideas about how we could improve it in the future.

Over recent months we have received a number of letters from constituents about the public access program and there have also been a number of news stories and editorials printed and we'd like at this time to put these in the record at the appropriate place for the guidance of those who will be reading it later.

We're now ready to receive testimony or statements from anyone here who has something to say.

I'd like to start off by talking with those who have comments to make about the hay bank and then we'll get to those who wish to

comment about the open acres program. Then if there are those who want to talk about the dairy program or peanuts or any other commodity program we'd like to get to you at the conclusion.

I'd also like to suggest that anyone planning to present testimony fill out one of the information sheets which we have right here, bring it to the table so we can call your name in the order of the various topics I've mentioned.

Senator BELLMON. All right. Then we'll start at the top, Dr. Hulsey, do you want to be the leadoff witness? I'll turn it over to you and I'll sit over here where I can listen to you.

STATEMENT OF DR. GEORGE HULSEY, PRESIDENT, OKLAHOMA WILDLIFE FEDERATION, NORMAN, OKLA.

Senator Bellmon, perhaps I qualify under both categories, I run cattle over in Cleveland County and I'm physician in general practice in Norman and I'm also president of the Oklahoma Wildlife Federation, so maybe I'm on both sides of the fence on this and we have a written statement.

I would like to make a few brief comments. This is probably the most innovative program, certainly, that I've seen in a long time to come from Federal Government in opening recreational areas to the hunter, fishermen, and outdoor enthusiast. And I certainly share Senator Bellmon's concern in that this does this in a fashion that brings the hunter and fisherman's interest closely into tune to that with the farmer.

There have been problems in the past, many of them brought on by the sportsman by acts of incourtesy to his agricultural host who's allowed him on his land. This, we feel, represents a very small number of the total hunters and fishermen and certainly the one rotten apple in the barrel that gets us all a black eye.

I think that the program that Senator Bellmon has started, if it is received well, properly funded and expanded, could prevent the occurrences that we see, particularly in Texas, where all of the private lands, for all practical purposes, are closed. It's only leased by large corporations for use by their executives and employees. A person of modest means is shut out as far as access for hunting and fishing is concerned.

I hope that we don't see this come to Oklahoma. I hope there will always be a time when a person can get on lands to hunt and fish. And I think this program offers that opportunity.

I would say that I would very much like to see the program expanded in Oklahoma and nationally and would suggest as a measure of funding this, that something along the lines of the Golden Eagle Passport be made voluntarily available to hunters and fishermen for an annual fee whereby they would be issued a card, much like a credit card, that could be inspected by the landowner when they come onto the place and that a certain amount of funds derived from the sale of this card, or passport, or whatever you want to call it, nominal amount of that, say 20 percent, would return to the State game and fish department for improved patrolling and enforcement. That a regular mailing go out, say on a quarterly basis, to the par-

ticipants in the program of the outlying measures and whereby they can improve the hunting and fishing on their land and improve the wildlife habitat.

This is one area, from the recreationalist's point of view, the only area of complaint that I've heard is that some of the land just didn't have good hunting and fishing. But I think that this would help alleviate the problem. I think many landowners would like to improve the hunting if they knew how.

It's an excellent program. I would very much hate to see the administration cut this program out in the name of economy, because I think it would be difficult to ever start it again in the future and therefore, I think that the sportsman would be more than willing to go with something along the line of the Golden Eagle Passport to keep the program going and expand it.

Thank you.

[The statement of the Oklahoma Wildlife Federation follows:]

The Oklahoma Wildlife Federation heartily supports the concepts of the Open Acres program. In conjunction with the Set Aside Acres program it offers an attractive solution to three problems wildlife managers and enthusiasts have recognized:

(1) The ever increasing demand by more and more hunters and fishermen for places to recreate.

(2) The need for economic incentives for private land owners to permit public access to their property.

(3) The need for economic incentives for land management practices that will benefit wildlife.

While the program offers an attractive solution to these problems, there are a couple of areas of concern which need attention.

First, in spite of the success of the program, its future would have to seem somewhat precarious because of the funding situation of nearly all Federal agencies. It would be wise to consider potential ways of making the program more self-sufficient. One way of doing this might be to sell "Open Acres Stamps" or "Access Permits" to all people using these areas.

Second, of the few complaints we've heard, most have been about the poor quality of wildlife habitat on a few of the areas. One solution of course is a deeper involvement of the Oklahoma Department of Wildlife Conservation in choosing which areas are best suited for providing quality recreation. Another approach would be an active wildlife management program on the areas. Management plans could be developed by the state Wildlife Department or its Research Unit with financial assistance from the ASCS. Again, some sort of stamp or permit could help with the financing of this approach.

It is our hope that the Open Acres Program will be continued and expanded. It offers financial compensation to landowners to do things that otherwise they must consider counter-productive. It answers one of the most pressing needs of sportsmen in the state by providing additional recreation space. And it introduces the public to a philosophical reality of the future: namely, wildlife enthusiasts are going to have to pay more than they have in the past if they are to continue to enjoy plentiful wildlife and the chance to see it.

Please do everything you can to continue and expand this program.

Senator BELLMON. Thank you, Dr. Hulsey.

I have some questions but I believe I'll wait until others have testified before we get to those.

Is Mr. Killer prepared to make his comments?

STATEMENT OF LEROY KILLER, DILL CITY, OKLA.

Mr. KILLER. I've got a prepared statement, Senator Bellmon, but I want to just kind of talk off the cuff, and if you need this I'll give it to you.

Senator BELLMON. We'd like to have it for the record.

Will you tell us, so the reporter will know your name?

Mr. KILLER. Leroy Killer. I'm a farmer from Washita County. I am one of the participants of the open acres this year. I think it's a very good program, I'd like to see it continued.

I agree with Dr. Hulsey here, that I think it's very beneficial, it was in our community, and our office, I thought carried it on mighty good in our county.

I'm a farmer, I farm 880 acres of land. I submitted it all to the county office and they only took 480 acres of it because they thought that was where the best hunting and fishing was. So, they didn't take it all and I bid a price that was reasonable and they accepted it.

I had one farm that was really good quail hunting, they accepted that farm, it had a lot of grassland on it and quail was pretty good on it, you know.

Then, I had another farm that had a creek on it, and, of course, everyone likes to go to the creek to fish and to camp out and hunt. I had some wild turkeys there one time, but I think they've been run off.

But anyhow, it's an honorable place for young people to go spend time and we have a lot of young people spend time on our creek.

I don't know that I would refrain from keeping them from going down there but I still enjoy seeing those young people come down and camp out and fish and the creek is a good place for them to do it.

So, it was carried on in a nice way in our county. I think that they accepted only the farms that would be more eligible to do what it was designed for, and that is for a place for people to get out and hunt and fish.

Young people need a place. I remember very well when I was a boy, you could go hunt anywhere in our territory, and our country. But that's like I say, it isn't that way any more.

So, the open acres does give people a chance to participate in that. I think it's very well worth while, I'm very well in favor of it. I'm even in favor of our 1970 farm program, I'd like to see that extended for as many years as you could. I think it's the best farm program that we've ever had and I've been farming about 40 years.

So, it's been a privilege to be up here and speak to you. I came down here for the purpose to attend this meeting and to see if we could have it extended.

Thank you.

[The statement of Mr. Killer follows:]

Mr. KILLER. I am Leroy Killer, a farmer from Washita County, appearing here this evening to give my views in regard to the Open Acres Program and a few of my thoughts in regard to the farm program.

I farm 880 acres in Washita County, Oklahoma. We were one of the counties chosen as a pilot county for the Open Acres Program. I participated in this program in 1972 and have signed my intentions to participate in the 1973 program, hoping that we receive enough money for our county to take care of all requests that have been submitted. However, from recent actions of the Department that past few months, we will be lucky to receive any assistance.

I would like to state sincerely that I feel that the Open Acres Program is of great value, not only to the farm owners for a small income, but more for the

use of the general public to have somewhere to hunt. Maybe this will keep a few of the young boys off the streets and give them something to do with their idle time. To me, it is worth considerably more than the actual cost.

I would like to compliment our local office in the way the program has been presented to the farmers in our area, and from records, there has been considerable participation. We need this type program for the general public and I, for one, request that you support this program in the 1973 farm program.

Furthermore, the farmers in our area would like to see the Agriculture Act of 1970 extended for at least another five years at its present level or at an improved level.

It has been a privilege to meet with you and present my views.

Thank you.

Senator BELLMON. Is Terry Bruce ready to make his comments?

**STATEMENT OF TERRY BRUCE, PRESIDENT, BLUE ROCK
SPORTSMEN'S CLUB, OKLAHOMA CITY, OKLA.**

Mr. BRUCE. Senator Bellmon, I have a statement I'd like to read.

I'm Terry Bruce, president of the Blue Rock Sportsman Club, Greater Oklahoma City area.

The Blue Rock Sportsman Club of the Greater Oklahoma City area wishes to go on record as whole heartedly supporting the open acres program.

Our members feel that the steady increase in hunting pressure on available public lands must be relieved by making more land open to the public.

In prime deer, turkey, prairie chicken, and pheasant areas, hunters are near the saturation point. Such conditions result in inadvertent abuse to the land, a loss of some measure of personal safety, and a loss of the esthetic value of hunting.

We believe the best approach to relieving these conditions is the open acres program and that the continuance and expansion of the open acres program is imperative.

We support: 1, program continuance. 2, program expansion, 3, land owner compensation commensurate with amount and quality of habitat on land in program. 4, protection from vandalism for the land owner. 5, development of a means of enhancing wildlife habitat on these areas where feasible. 6, development of a method of self financing the open acres program so that money would not come from the general tax fund.

Here are our statements.

[The statement of Mr. Bruce follows:]

Mr. BRUCE. I would like to go on record as enthusiastically supporting continuance and expansion of the Open Acres Program.

I hunted Open Acres land almost exclusively during the 1972 Quail Season and I found it to be good hunting although most of the areas were heavily hunted. The number of hunters I observed on Open Acres land and my own experiences indicate that this plan is a vital necessity to accommodate our country's growing number of outdoor sports.

I would like to propose, in addition to continuing and expanding the program, that:

Federal law be enacted to provide severe penalties for those few who would vandalize, destroy, or otherwise misuse property under Open Acres management.

The program be financed through an "Open Acres Stamp" similar in structure and purpose to the present Migratory Bird Hunting Stamps.

Part of the revenue generated be designated for habitat improvement in areas where a long term management agreement can be arranged with the landowner.

I believe in fair and just compensation to the landowner for the use of his land, but I also believe that we should follow our traditional role of paying our own way, causing no damage to private or public property, and being a benefactor to wildlife rather than a mere reaper.

I would like to personally express my appreciation to Senator Bellmon for his efforts in enacting the Open Acres legislation. This is a great opportunity for future generations as well as our own, so let's make the best of it.

Senator BELLMON. We don't want this to be a total love fest down here, I hope we get a critic or two before we're through here.

Mr. Dale Smith.

STATEMENT OF W. DALE SMITH, SPENCER, OKLA.

Mr. SMITH. Senator Bellmon, I have a prepared statement and I have several statements from people that weren't able to make it tonight, if it would be permissible, I'd like to enter those into the record, too.

Senator BELLMON. Very fine. Would you identify yourself, please, sir?

Mr. SMITH. I'm W. Dale Smith from Spencer, Okla., and in the interest of brevity, I'll just say that I don't believe that we can afford to do without the open acres program. I think that we can afford a few improvements that it needs, self financing and protection in some way for the farmer to protect him from vandalism or misuse of his land.

I know he doesn't receive a lot of money for it and one instance where somebody goes in and tears up something can undo all the good the program is doing. So, we need to look out for everybody concerned.

Senator BELLMON. Would you, again for the record, are you associated with an organization or——

Mr. SMITH. I'm speaking as an individual.

Senator BELLMON. Have you hunted some of these?

Mr. SMITH. Yes, sir, I hunted the open acres land in Lincoln County almost exclusively last year and I found it to be very good hunting, the places I hunted, there was a few places that didn't look too good for quail but looked like they might have been excellent dove hunting earlier in the season. And I can say that last year was the best quail year that I've had probably in the last 15 years and I would say 90 percent of my hunting was done on open acres land.

Senator BELLMON. Okay, sir, thank you very much.

Mr. SMITH. Thank you.

[The statement of Mr. Smith follows:]

Mr. SMITH. I would like to go on record as enthusiastically supporting continuance and expansion of the Open Acres Program.

I hunted Open Acres Land almost exclusively during the 1972 Quail Season and I found it to be quite good hunting although most of the areas were heavily

hunted. The numbers of hunters I observed on open acres and my own experiences indicated that this plan is a vital necessity to accommodate our country's growing number of outdoor sportsmen.

I would like to propose, in addition to continuing and expanding the program, that: Federal Law be enacted to provide severe penalties for those few who would vandalize, destroy, or otherwise misuse property under Open Acres Management. That the program be financed through an "Open Acres Stamp" similar in structure and purpose to the present Waterfowl Stamps.

That part of the revenue generated be designated for Habitat Improvement in areas where a long term management agreement can be arranged with the landowner.

I believe in fair and just compensation to the landowner for the use of his land, but I also believe that we should follow our traditional role of paying our own way, causing no damage to private or public property, and being a benefactor rather than a mere reaper.

I would like to personally express my appreciation to Senator Bellmon for his efforts in enacting the Open Acres Legislation. This is a great opportunity for future generations as well as our own so let's make the best of it.

Senator BELLMON. Now, I'll call Robert Lamar, Mr. Lamar.

STATEMENT OF ROBERT A. LAMAR, CHICKASHA, OKLA.

Mr. LAMAR. Senator Bellmon, Mr. Hunter, members of the hearing, I wish to read a brief statement in regard to the hearing on open acres.

My name is Robert A. Lamar, operating public access agreements in section 8-7-8 and section 13-5-7, Grady County, Okla., in 1972.

These lands are located on good roads, easily located from a beginning point of Chickasha, Lawton, or Oklahoma City. My agreement carried some stipulations for these reasons: One, no rifles, because of hazard to our cattle and the neighbor's cattle on adjoining limited acreage. Two, no vehicles, because of canyon hazards to strangers, particularly cyclists, and grass damage, and soil compaction and a fire hazard would be prevented. Three, no camping or fires, for environmental protection and security of cattle and grass on all adjoining pastures. At least two other owners have pastures joining these tracts. Four, limit the number of hunters and negotiate. This notice was posted to control groups that might make hunting unsafe by excessive numbers on the land at the same hour of day. This clause would likewise protect environmental life from overkill.

A major concern regarding these controls was the State statute regarding liability of the owner. Oklahoma law seems to provide reasonable protection to the owner since he collects no charge directly from the hunter himself. As a precaution, all lands that I operate carry a liability protection.

We had personal contacts with hunters from as far away as Lawton, Oklahoma City, Tulsa, and Fort Worth. I am personally pleased to cooperate in opening the outdoors to the enjoyment of our city neighbors who are also cooperative.

The relatively small investment in ASCS funds is an excellent way to stress conservation of our total environment by evaluating ground cover, soil and water management and its relationship to wildlife.

This is one investment in conservation where the benefits are available directly to a public audience.

Other contributions in this program are compatible or complementary to our national goals for a quality environment.

I have therefore made application to cooperate with this program in 1973.

Thank you for coming to Grady County and giving our folks a chance to talk about it.

Senator BELLMON. I now call Mr. George Wint.

**STATEMENT OF GEORGE BAILEY WINT, ASSISTANT DIRECTOR,
OKLAHOMA DEPARTMENT OF WILDLIFE CONSERVATION, OKLAHOMA CITY, OKLA.**

Mr. WINT. Senator Bellmon, ladies and gentlemen, farmers, sportsmen, it's real good to have the opportunity to come down here and testify at this meeting.

The Wildlife Conservation Department is very happy with this program and we feel like that this has an opportunity and has already been demonstrated to open up much land here in Oklahoma for hunting, fishing, camping, and other recreational uses.

As you well know, it's becoming very, very difficult to find places to go to enjoy yourself in outdoor recreation.

We have some lands that we are developing and trying to develop in the near future. It will be over a period of years, of course, and we estimate that it will probably cost us as much as \$4 an acre to develop these lands in the way that they should be developed for wildlife.

Senator BELLMON. Per year?

Mr. WINT. No, to get them up into shape so that they can be maintained.

Now, most of this will be on either land that we own or the Corps of Engineers' licensed land and to get them up into operation, it will cost at least \$4 an acre. This is our estimate and this will be in our budget for next year.

We have here some figures on our areas which show about what it costs and some of these, however, have not had very much development on them. We need to develop all these very intensively and we feel like that on the land that we own, if we do a good job of it, we can supply some hunting, fishing and all these things but we can't supply enough to take care of the demand here in Oklahoma. And I know it's coming more and more because we see it every year as an increase and the pressure is on as far as having more area to use for wildlife reservations and all outdoor recreations.

I'll submit these figures here on the land that we have under operation now.

Senator BELLMON. Thank you, sir, we'll make them part of the record.

[The tables follow:]

COST OF OPERATION OF PUBLIC, PRIVATE AND SEMI-PRIVATE LANDS

	Capitol cost	Annual budget	Acres	Cost/per acre	Man/days use	Cost/M/D	Population	Harvest
Lexington, O & M only, 1971		\$18,660	9,273	\$2.01	9,126, all uses, 2,547, Hunting	\$1.01		294 squirrel, 628 rabbit, 516 Dove, 12 predator, 976 quail.
Lexington, 2,560 acres purchased, (fiscal year 1971).	\$222,500 (\$8,900 per year for 25 years).	5,150 8,900	2,560	5.48	2,519, hunting	7.32 5.57		
Lexington, 1968 study by herd		14,050 12,900	6,713	1.92	1,825, hunting			
Gruber PHA	25-year lease	33,800	39,515	.82	144,175, all uses	7.06	2,085 Quail 1 deer: 11.4 per acre = 1,403 deer on 16,000 per acre refuge.	508 quail on 6,400 acres, 147 deer.
Canton PHA	Corps license	118,610	20,400	.91				
Private land Study, Herd, 1968			6,400					
Farm-game		78,000	382,099	21	31,330, (130/cooperator)	2.49	914 quail (1.78 acres)	1.05 quail per hunter day, quail, 136 on 6,400 (1.47).
A.S.C.S.		150,000		1.50				
Open Acres ²		240	160	1.50	130/cooperator	1.85	1.78 acres = 21 quail.	1/3 population = 7 birds.

¹ Fiscal year, 1971.² Estimate based on farm-game and general quail population.

CORPS LICENSED LANDS

Area	Acres	1971 maintenance	Average per acre
Canton.....	20,415	\$18,610.00	\$0.91
Wister.....	17,996	21,606.00	1.20
Fort Gibson.....	21,465	13,323.00	.62
Hickory Creek.....	7,413	17,164.00	2.31
Oologah.....	33,000	4,492.00	.14
Hulah.....	8,902	14,582.00	1.64
Fort Supply.....	5,550	7,573.00	1.36
Texoma.....	27,841	9,827.00	.35
Pine Creek ¹	10,280	2,518.00	.25
Broken Bow ¹	5,420	2,648.00	.49
Tenkiller ¹	1,950	0	0
Totals.....	160,232	\$112,343.00	.70

¹ Little management except patrol and enforcement.

CORPS LAND AVAILABLE FOR LICENSE

Area	Acres	Development	Maintenance
Heyburn.....	4,600	\$3,000.00	\$3,450.00
Kaw.....	1,400	3,000.00	1,050.00
Keystone.....	5,200	3,000.00	3,900.00
Lock 17 ¹	1,950	58,350.00	26,550.00
Eufaula.....	17,365	10,500.00	13,000.00
Hugo.....	5,900	14,500.00	5,000.00
Kerr.....	1,000	3,000.00	750.00
Optima ²	3,350	26,500.00	1,800.00
Wister (poteau arm).....	14,570	3,000.00	10,900.00
Totals.....	55,335	\$124,850.00	\$66,400.00

¹ Waterfowl refuge, dikes, and fencing.

² Includes fencing boundary.

Heyburn

Size: 4,600 acres.

Development: Primarily access roads graveled, boundary marked and signed..... \$3,000.00

Management: Regional Biologist, extra help. Managed by controlled grazing, burning and vegetative manipulation with strip discing @ \$.75 per acre..... 3,450.00

Species benefited: quail, squirrel, dove, rabbit, deer and turkey.

Total..... 6,450.00

KAW

Size: 1,400 acres.

Development: Access roads, markings and signing..... \$3,000.00

Management: Regional biologist, extra help. Majority of area is feasible for sharecrop arrangements. Controlled grazing, burning, and strip discing. \$.75 per acre..... 1,050.00

Species benefited: primarily prairie chicken.

Plantings would also provide winter food for quail, squirrel, rabbit, dove, deer and turkey.

Total..... 4,050.00

EUFAULA

Size 17,365 acres.

Development:

Dams, dikes, levees (waterfowl marshes)..... \$3,500.00

Roads, 8 miles..... 1,500.00

Boundary surveys..... 1,500.00

Signs..... 3,500.00

Clearing of dead timber..... 500.00

Management: ¹ Area manager, sharecropping is feasible on 350 acres, controlled grazing, burning, brush control and strip discing..... 13,000.00

Species benefited: waterfowl, deer, quail, squirrel, rabbit and dove.

Total..... 23,500.00

¹ This area will later need to be artificially fenced.

HUGO

Size: 5,900 acres.

Development: ¹

Access roads, signs and markings-----\$4,500.00

Tractors, plows, discs, harrow, drill ²-----10,000.00

Management: Area biologist extra help. Land not feasible for share-crop. However is suitable for development of winter food crops. 300 acres winter green browse, maize peas, etc. Open lands to be controlled grazed, controlled burning, strip disced-----5,000.00

Species benefited: quail, rabbit, squirrel, dove, deer and waterfowl.

Total-----19,500.00

¹ This area is in the old open range section of the State and will probably have to be fenced to ever properly manage it.

² Farming equipment could also be used in the development of Pine Creek.

KERR—SAN BOIS AREA

Size: 1,000 acres.

Development: Signs, markers and access roads-----\$3,000.00

Management: Area biologist, extra help. There is little tillable lands except on islands that would be difficult to reach with farming equipment. Controlled grazing and burning would improve habitat for waterfowl primarily, since area is near Federal Refuge. This would also benefit quail, rabbit and dove. \$.75 per acre-----750.00

Total-----3,750.00

OPTIMA

Size: 3,350 acres.

Development:

Fencing boundary, 15 miles-----\$22,000.00

Signs and roads-----2,000.00

Tree and shrub planting (50,000)-----2,500.00

Management: Area biologist, extra help. Since most of area will be in the thin caliche soils and rainfall averages 15 inches, no grazing recommended on the scarce vegetation. Sharecrop agreements are feasible for small grains. Strip discing in this type soil brings in excellent stand of sunflowers and other annuals. \$.75 per acre-----1,800.00

Species benefited: primarily pheasants. Plantings and vegetation will improve habitat for quail, waterfowl, rabbit and dove. Some turkey also use this area.

Total-----28,300.00

WISTER—Poteau Arm

Size: 14,570 acres.

Development: Access roads, signs-----\$3,000.00

Management: Large part of area is old abandoned fields reverted to grass. Feasible sharecrop areas for green winter browse and sorghums or millet. Controlled burning and strip discing. \$.75 per acre-----10,900.00

Species benefited: quail, rabbit, squirrel, deer, dove and waterfowl.

Total-----13,900.00

[The following statement was subsequently received for the record:]

STATEMENT OF H. G. WILLIAMSON, CHIEF, GAME DIVISION, OKLAHOMA
DEPARTMENT OF WILDLIFE CONSERVATION, OKLAHOMA CITY, OKLA.

The Open Acres Pilot Project of 1972 has been well received in Oklahoma. Sportsmen have been very enthusiastic in their praise for opening approximately 61,000 additional acres to public access.

Department personnel have worked closely with cooperating landowners and found the great majority well pleased with the program.

We have received numerous calls and letters requesting information on how to apply. This has been verified by the number of requests and farmers interested in the 1973 program which has more than doubled last year's sign up.

Senator BELLMON. I'm beginning to think I discouraged you folks too much in talking. In Washington you couldn't get one witness to shut up in the time we've gotten all these folks through here. They generally talk about an hour and a half. Maybe in traveling so far, it makes them a little windier than normal.

The last person that volunteered to talk about the open acres program is Mr. Gary Srader.

STATEMENT OF GAROLD F. SRADER, PRAGUE, OKLA.

Mr. SRADER. Mr. Bellmon, I'm just speaking kind of off the cuff because I don't really represent anybody other than I do write a weekly column in the newspaper from Prague and I try to get the people that I'm involved with, and the people that I hunt and fish with and just people that didn't normally associate in any kind of wildlife, I try to reach them, as far as I can.

This is just a few views that I've seen, and I hunted quite a bit in Lincoln County. I've been working down at Marlow and I've talked to a few guys from Grady County that have been involved with the open acres.

But a few things that I've seen, a few of the farmers that I've hunted on and fished on, and I've even gone as far as bullfrog hunting on the ponds at night, but some of these guys seem to think that they've already got their money but they haven't put up their signs and there's a lot of people that don't know where they're at.

They've got directions to them, but once they get there they have no way of knowing that this is actually the place that they're supposed to be.

So, I'd say as enforcement, we need to have somebody patrol these areas. As far as the landowners, they shouldn't be liable for the people that's on there but, I've seen, like I say, places that's not posted that actually say that this is open acres land.

Also, I think a big drive last year and I imagine it will be this year too, is filling out their cards and sending them in. So, you know how the open acres program is going.

A lot of these people don't have access to these cards and I think that anyone that's involved should one way or the other have cards where they can, say, any kind of access to these open acres places, I think they ought to have some kind of box or something where they don't have to go up to the farmer's house because this farmer might own land 10 miles from where he lives. And this is the only way these people have to get these cards.

I think they ought to use a little bit more discretion on the places that they do pick because I speak exclusively from Lincoln County and I didn't see anything in Lincoln County that I wouldn't have hunted or fished on, it was real good.

But guys that I talked to down around Marlowe, they weren't happy with it. And most of them bird hunted, they just didn't have any place, no habitat, what they would call quail land, you know.

But, also, you do need a place for these people to have recreation and although some of the land will be used by certain people, you know, say like a duck hunter, he's looking at the pond aspect of it where the quail hunter is looking for grass and gulleys and this.

I think the farmer should be paid accordingly to what they've got to offer us because I don't think it's fair to pay the same amount of money to different people for not having the same kind of place to go to.

And, I don't know, I don't really understand—the way I understand it, you have to be signed up in some kind of Federal program to start with to be in this open acres project and I don't really feel you should have to be signed up in the Federal program. You're going to have to cut this limit out if you want to expand the program.

And just to kind of summarize, I'd say it's a good program, it's young but I think, if it continues, I think it will grow and I think it will go, and that's all.

Senator BELLMON. Do you think it's pretty well received by the hunters and fishermen you talked with?

Mr. SRADER. Yeah, I do, I really do. It's really opened up a whole new field, like, the no posted signs and this and that.

I know myself, one example, was that I knew I had permission to hunt and fish on this man's land before, before this ever came about. And this man never put his signs up.

It was about a month after the program was under way and he still had a no hunting and fishing sign up, well, they're gone now but I talked to him myself and encouraged him to put signs up and take down his other signs. Well, he just didn't have time but he's already got his money in his pockets. So, he could care less, really. So, his no hunting signs are gone but—that's about all I got.

Senator BELLMON. Thank you, Gary.

Mr. SRADER. Thank you, Mr. Bellmon.

Mr. FOWLER. I would like to say something.

Senator BELLMON. Okay, Dick.

STATEMENT OF CHARLES R. "DICK" FOWLER, NINNEKAH, OKLA.

Mr. FOWLER. Ladies and gentlemen, Senator Bellmon, I'm Dick Fowler from Alex, and I participated in the program last year and I felt like this gentleman and I just spoke, that maybe I didn't offer enough.

I think that because of the drought that the hunting wasn't as good in Grady County as it should have been. In fact, I'm pretty sure it was below normal and I feel like for the program to be successful that the farmer is going to have to do more than just put out some signs and accept his money as this gentleman said.

I think there's going to have to be a program where a percentage of the farmer's land is to be set aside as, more or less, a reserve.

I feel like that a survey should be made in the spring as to how many pairs of quail is on his farm and if they're not sufficient, he should be required to buy some birds and stock the place. I think there should be an educational program carried on by the people of the Game Department for the farmers that are participating so they can be better educated in management of these places.

Now, I think that they could have a night school that was required and I think they should have feeding areas for the quail in the wintertime if they're going to participate, to protect the birds.

I think the farmer that is signed up and accepts the money should be required and then, on the other hand, I don't think it should be free for the hunter. Anything that is free we abuse.

So, the hunter, as this first gentleman said, should be required to buy a license or something that would show that he was participating in the program and a percentage of the money to go, maybe back to the ASC to help pay the farmer that is cooperating.

So, if the farmers are required to do something for accepting their money, and the hunter is required to do something to hunt, then it's a cost share program that won't be abused.

And I think, well, that I didn't, myself, contribute enough and I think the hunters expect a little more and if they're going to expect a little more they ought to pay part of the costs.

So, I feel like for the program to be successful over a period of time that this is the approach that's going to have to be taken.

Thank you.

[The following letter was subsequently received for the record.]

FOWLER FARMS,
Ninnekah, Okla., May 7, 1973.

DEAR SENATOR TALMADGE, An earlier letter to you explains my opinion of the farm program to be used more than my remarks here. The first requirement in any program to make it work is efforts has to be put forth before a return is received. Free lunch has over loaded the ones paying the bill. Then you raised a generation that expects free lunches all their life. Any farm program that lets a man set in his office in town and draw a gov't check will not produce more food for the table. We need to support needed production with a balance between the price of grain and the price of livestock.

I made an application for an emergency draught loan and was turned down before I handed my application in. We need a great deal of improvement in the adm. of the F.H.A.

Running too hard to do a fair job in writing this letter.

Thanks for the opportunity of expressing my opinion

Sincerely

DICK FOWLER

Senator BELLMON. Thank you, Dick.

Well, we're getting some good ideas here.

I'd like to go ahead and give those that came here to talk about the hay bank their chance to be heard and then if some of them need to drive, they may not want to stay for the full hearing.

At this time, I'd like to call Major Boyer. Would you come and make your statement on the hay bank.

STATEMENT OF MAJOR BOYER, PAULS VALLEY, OKLA.

Mr. BOYER. Senator Bellmon, and you good people that are interested in agriculture, I have no prepared speech whatsoever.

Is there anybody here from Garvin County? Anybody from McClain County? I have a tiny bit of land in both counties and I'm also a dairyman and I'm still milking cows down at the farm.

I have participated in the program since the first time it started; when was that, about 1935?

I worked then, let's see, what did I get, a dollar a day or two dollars a day but something, I forget what I was getting, but I picked cotton that very same day for fifty cents a hundred, picked cotton.

I'm kind of used to being told, on the farm, you know, Senator Bellmon, what to do, I'm told what price I can get for my stuff and I'm told what I have to pay for farm machinery, tractors, or whatever.

First, I do want to say that I appreciate what you said on agricultural prices.

Well, I'm very strong for the farm program and I think that I would not be here, a farmer today, if we hadn't had a Farm Program.

I remember when Jack Kennedy was running for president, he'd been in Wisconsin, and I had been there previously and there were lots of dairy farmers up there and Jack Kennedy could show enough concern or he had somebody to do it, but he said the dairy farmers are realizing only 50 cents an hour for labor. Now, Jack Kennedy got my ear right then because I knew what he was talking about.

I was back in Wisconsin this past year and what happened; 50 percent of those dairy farmers were closed and there's a large percentage of them closed in my area. There's only 3 up and down 19, clear across Garvin County.

So, we do have to have some way to stay in business, Senator.

I got up here to talk a minute on the hay bank and I did participate in the hay bank this past year. I went to the office of ASC and they didn't seem to have any information. I'd read about it and I told them I wanted to participate in it. Well, they wanted me to stay out of it. The first thing that popped in my mind, I said Senator Bellmon is for this and I mean boy, they got busy and—well, I didn't have but a small acreage and I pastured the land on wheat pasture which is a good pasture till May the 15th and I turned around and put in Sudan, you know how dry it was, I cut that once and made some pretty good hay and saved it. Then, this Sudan came back, Senator, and I tell you it was so dry, it was up pretty good that second cutting and I didn't cut it till October the 15th, I put the dry cows in there and was tickled to death to have it.

And I tell you what happened, this hay got so scarce and so high, you know, and they told me if I used it this year I'd have to pay for it. I tell you, I was wanting to use that hay the last of December but anyway, I waited and it was released.

My son had been working with me and he got his part of the hay and he sold it for \$2.65, and I fed this hay back to these dairy cows.

You know, I sold my wheat that I didn't keep for seed, for \$1.32, Senator. And I paid \$3.50 a hundred for feed back for the cows.

The dairy wouldn't pay, the milk wouldn't pay the \$2.65 for the hay and for the grain and I have to buy my grain, mostly.

But I do think this is a good program and I appreciate it and I participated every year in the farm program.

And I do think that the versatility of the program, that is the freedom to do something for it, is good. Now, I don't appreciate the administration's 40 percent cut in the program, which you know it runs about, but anyway, if we have something to kind of help back us up when things go wrong, whether it's drought, flood, hazard or whatever it is, and keep the farmers in business.

We're producing, the housewife is buying what—the groceries for 15 percent of their wages. No place else in the world are they doing this. The closest place you could find would be 25 percent.

So, I think it's time that we do have meetings like this and I'm just speaking for the farmer, for myself.

Thank you.

Senator BELLMON. You bet. I think you speak pretty well for a farmer. The only problem is, the people who ought to be hearing these things, they go to their consumer meetings.

I see Mr. Blalock is here; come ahead.

STATEMENT OF C. L. BLALOCK, CALUMET, OKLA.

Mr. BLALOCK. Senator Bellmon, I appreciate you being here to-night. I'm a very poor speaker but I've taken part in the Hay Bank this last year.

Senator BELLMON. Would you tell us where you're from?

Mr. BLALOCK. Canadian County, up by El Reno.

Senator BELLMON. You're a farmer?

Mr. BLALOCK. Yes, the hay bank was very successful. I talked to Mr. Tucker about it and we decided that it might work out.

I don't know how you would estimate how much it was worth this season but I hope they continue the program because the cattlemen in several counties of northwest Oklahoma lost a lot of cattle this time due to insufficient feed and protein caused by snow and ice. How much does it cost the Government to let us go along with this program? If it isn't too expensive, I'm sure it's a paying thing.

I want to go along with the program myself. I could make some suggestions; is it permissible to do so now?

Senator BELLMON. You bet, go ahead.

Mr. BLALOCK. If Canadian County isn't declared a disaster county, they won't release the hay, that's the way I understand it.

If they have a disaster in another county or state and they need hay very bad, they could go to their local ASCS office and get a permit to buy hay in Canadian County. They they could present it to Mr. Tucker enabling us to sell those cattlemen some hay, since we have a surplus of hay for our own use.

Senator BELLMON. Could you give us, for the record, some specifics, how many acres did you put into—

Mr. BLALOCK. I had 20 acres of alfalfa.

I had sowed 20 acres of hay on some real sandy ground and I needed some extra acres to use as set aside acres for my cotton program. I decided this being the first year for this 20 acres of alfalfa and it being on sandy ground that it wouldn't produce much hay, so I left it as set-aside acres.

Due to weather conditions we could buy it back at so much per acre and I cut some 3,000 bales of hay from that 20 acres of ground.

It's hard to estimate how much it really was worth.

Senator BELLMON. You fed it yourself?

Mr. BLALOCK. No, I put it up for feed for myself and I didn't get any wheat pasture. Therefore I didn't buy any cattle.

Since I didn't get any wheat pasture, it was for sale. We had restrictions on what we could get for it but that's all right, I'm all for that.

I made money by it. I built an \$800 shed to put it in and I paid for my shed and a little bit extra.

So, I'm all for the program and I hope it continues.

Thank you.

Senator BELLMON. Thank you, Mr. Blalock.

Mr. FOWLER. Can you speak on anything related to the farm program?

Senator BELLMON. Dick, if you'll hold up for just a second, let's finish these two topics we raised and then we'll go into general comments on the farm program; would you agree to that?

Mr. FOWLER. Okay.

Senator BELLMON. There's one other person I'd like to invite to comment if he's here. I went out this afternoon when we first came to town and visited the farm of Mr. N. A. Trammel, he drove us around and showed us the open acre area he had.

Has Mr. Trammel come in? He told me he was going to try to be here but apparently he hasn't come in yet.

Any other comments about either of these programs, open acres or hay bank?

Mr. HINKLE. I would like to say something about open acres.

Senator BELLMON. Would you come up and state your name for the record.

STATEMENT OF WILLIAM B. HINKLE, MIDWEST CITY, OKLA.

Mr. HINKLE. I have a few notes I'd like to submit.

Senator BELLMON. Okay, fine.

Mr. HINKLE. I'm William Hinkle, from Midwest City. I didn't get to participate this past year in open acres, but I previously hunted the public hunting areas in the State of Oklahoma and find that they are greatly overpopulated.

Senator BELLMON. Overpopulated with game or hunters?

Mr. HINKLE. With hunters, I'm sorry, not too much on game.

I do have a small portion of land in Lincoln County and although I didn't get to hunt it this year, there were a number of quail but I did not see a single area that was posted in open acres in traveling around through the southwestern portion of Lincoln County near Harrah. But I'd like to see some more land posted, especially if the people are participating in it.

Thank you.

Senator BELLMON. I might say, and this is in response to those of you who commented about the land not being posted, we're going to call the man responsible for getting it posted up here in just a minute, but the place we looked at this afternoon, Mr. Trammel's, maybe it was set up for my benefit, but it was well posted. I saw 8 or 10 or more signs saying that this was part of the program.

Anyone else have any comments to make on either of these two?

**STATEMENT OF RALPH SLATE, STEPHENS COUNTY QUAIL CLUB,
DUNCAN, OKLA.**

Mr. SLATE. Mr. Bellmon, I have a question.

Under this open acres program, when a farmer commits his land to this program and the hunting season extends from 1 year into another calendar year, is his land still supposed to be open for hunting until that season closes?

Senator BELLMON. Now, would you give us your name before we answer?

Mr. SLATE. Ralph Slate, Stephens County Quail Club.

Senator BELLMON. To answer your question, I'm going to call the man I was going to call up here anyway.

The State Director of the ASCS, Harold Hunter, will you come and do two things, first answer the question, secondly, if you will, give us any comments you may have as State administrator of the ASCS about the hay bank or the open acres program.

And tell these folks why these signs haven't been put up.

**STATEMENT OF HAROLD V. HUNTER, EXECUTIVE DIRECTOR,
OKLAHOMA STATE AGRICULTURAL STABILIZATION AND
CONSERVATION SERVICE, STILLWATER, OKLA.**

Mr. HUNTER. Number one, in response to the question. The program is a calendar year program, it expires—

Senator BELLMON. That, probably is a mistake.

Mr. HUNTER. We feel it's a mistake. It expires on December 31 and particularly in Oklahoma, where we have some of our hunting seasons which really don't extend too far into the next calendar year, it certainly is a little bit ridiculous to cut it off right in the middle of a hunting season.

So, this is one of the recommendations that we have already provided from our office and we appreciate your question which I think indicates that you would favor a different program year.

In regard to the signs that aren't posted, we're going to be real interested in finding some of those places because they are supposed to be posted. The sign is supposed to be there to indicate that there is public access.

Now, there are two or three things that could be factors here. One thing is that the signs were purposely made of a self-destruct type of sign. They were made out of paper, they said pasteboard, and it's not a very heavy pasteboard.

You must remember, this was a pilot program, when it was first presented it was only to exist for 1 year to the best of our knowledge. And so, the idea was to provide signs and they were provided from the Washington level, that would, actually, not have a long life. So, there's a possibility that weather or something like this might

have caused a sign to disappear, but really, I don't think it happened in too many cases because we see signs yet that were put up last year and they're still there.

So, really, the lack of the signs that showed the access was allowed should not have existed and I'm sure that we, in our office, and the county office personnel, will be real interested in knowing specifics about this because we'd like to pursue this problem.

I do have a few comments, Senator, which I think might elaborate—

Mr. KILLER. One question.

Mr. HUNTER. Yes, sir, please.

Mr. KILLER. I am a cooperator and I'd like to know, are we liable for anyone that gets hurt in this proposition of letting them hunt on your farm? I've been asked a lot of times and I've even thought that too.

Mr. HUNTER. It is our understanding, that under the State laws of Oklahoma, that where the farmer is not receiving a reimbursement directly from the person who is buying access on the land, that you do not have any additional liability toward that individual.

Now, personally, I don't think this would extend to that point of what is sometimes referred to as an attractive nuisance. I'm not sure whether the wording is right.

Maybe some of you folks know, but there is a facet of law, for instance that if I had a neighbor who had a real nice pond, that was real nice for swimming right next to the road and it was a normal thing for all of the kids after they hauled hay all day to head up there and go swimming. And after some of the advice that was offered to him in regard to this, it might possibly be an attractive peril, attractive danger for youngsters. He actually had that pond drained.

Now, I don't think this is a thing that's ever been established in law and I don't think it's a serious situation. But, we've heard it discussed, we've talked a little bit about it that perhaps there should be, in the program itself, some type of liability protection.

Mr. KILLER. That's what I'd think.

STATEMENT OF DR. AARON LITTLE, MINCO, OKLA.

Mr. LITTLE. I have just such a pond and I've had to post my land to keep people from going in there but do I still have any liability having that land posted in no trespassing?

Mr. HUNTER. Well, I would hesitate to advise you because this is beyond my realm.

Like I say, we've discussed the question of liability under the public access program and whether or not this increases the liability or decreases the liability. We don't feel it particularly has any bearing on whether a man's liability increases or decreases if he's in this program.

Mr. LITTLE. This is private land and it's posted for no trespassing.

Mr. HULSEY. One way to clarify this would be to request an Attorney General's opinion on this specific matter.

Mr. KILLER. What I'd like to see, before we participate, even next year, I've already signed up, but we need to know that, really.

Mr. HUNTER. Well, our advice from our attorneys within the department was that it really didn't affect your liabilities one way or the other, add to it or detract from it.

I'm going back to, Dr. Hulsey, to some of my legislative experience and I know this is a question I know you're aware of, that came up and was discussed at other times.

Mr. KILLER. As soon as I signed up last year I got a letter from my insurance company wanting to sell me some insurance for the open acres.

Now, that sounded like, maybe I wouldn't be covered in case somebody got hurt.

Mr. HUNTER. Sounds to me like they had some insurance to sell.

The only comments that I might add, which would broaden the discussion we've had, I'll start first with some comments on the public access program, we already seem to be on it.

The inquiries that we have had already this year, would indicate to us that the public awareness of this program is growing and as the public awareness of the program grows, I think the need for more access is going to grow.

The fact is, I think this is going to indicate a budgetary need, Senator, because we've utilized the money we had last year and we might see a need for more if we meet the applications that have already been made. So, we do feel an increased use can be expected in 1973.

Now, there are two ways that you can try to estimate how many people utilize that program and, of course, one of these things you might think would be a way, would be the return of these cards that were supposedly accessible to the user. But these cards weren't returned, we know, in any degree of percentage to the amount of use that took place. We know of producers who have actually kept track of how many cards that they personally handed out and they didn't, any great percent of them, come back.

But on the basis of farmers who estimate how many people might have used the program, the cost per user for the program, the amount of money that was appropriated for the program, ranged in Oklahoma, on the average in the county, from \$3 per user to \$15 per user, that is per user in the—on the hunting part of the program.

Now then, for fishing, the user cost figures range from \$1 per user in one county to \$4.30 in other counties. Now, your first thought might be, mine was when I first looked at it, that it was running too high, certainly in some counties.

I think what we're doing here, is learning what we're needing to learn in a pilot program and we have a fair analysis of why some of these counties were a lot higher than others.

The sign up finished March 16 for this next year. I'll give you just a little bit of figures, indicating a comparison. In 1972 for the hunting, there were 213 producers requested agreements. In 1973, 319 as compared to 213.

The number of acres that were offered under hunting, 1972 was 88,035 and the offer as of now, 1973, is 138,913 as compared to 88,000. A substantial increase in both cases.

For fishing, 1972, the crest was 81 producers. This year, 106 as compared to 81.

The number of ponds that were offered in 1972 was 193; 289 this year.

Which I think tells one thing, that the producer himself who we signed up in the program is pretty happy about it. Another thing we see is, to a large degree, the same producer who was in the program last year has signed up again and then some other people have come in with him.

And other things that we feel is, there could be come unfavorable public relation if the demand for access acres increases as some of these inquiries indicate might happen and if we don't have the resources available to them.

Under the funding that we anticipate this year, we're going to have to be very selective, we're going to have to cut back and really develop the pilot program like we'd like to do.

Now, if I may stray over to the hay storage program. This was a brand new program 2 years ago, not too many people knew about it. One producer here in the State indicated he went to the county office and the county office didn't indicate they knew about it. I think this happened a time or two.

I think one of the things we need to remember about this program is that the only thing it really provides for the producer is insurance. Insurance against the times when he might have a real definite need for that feed. That time may come about next year or about 10 or 12 years from now. So, because of this it has been suggested by quite a few producers, that the program would be far more palatable if there was an "escape" provision written into it.

In the case of a long-term commitment or a long-term tiedown of that hay without the county being designated as a drought county, he might have some escape way that he could get out of his commitment. It might involve a pretty strong penalty or an overpayment of the cost of the hay.

One of the real problems here is not only that he can't use his hay, but he has his facility tied up, his storage area.

One of the other things that has been suggested, Senator, is, silage perhaps might be added as a forage as well as hay.

Certainly, the use of this program, in the last year, the severe winter that we had upon us, gave us an opportunity to give us a real good idea of the benefits of the program and the possibilities of it.

We had a total of, not a great use of this program, 140 farms in the 2 years, harvested 2,005 acres of land and stored 56,022 bales.

All of this hay was released during this last winter during the severe winter problem and was made available to the farmers and used.

We do have a complete summary and we'll provide that for the record.

[The above mentioned reports follow:]

REPORT ON 1972 AND 1973 PILOT PROGRAM TO PROVIDE ACCESS FOR FISHING AND HUNTING TO FARMS PARTICIPATING IN THE SET-ASIDE PROGRAM IN FIVE OKLAHOMA COUNTIES, BY HAROLD V. HUNTER, OKLAHOMA STATE ASCS EXECUTIVE DIRECTOR

In 1972 and again in 1973, five Oklahoma counties (Grady, Lincoln, Pawnee, Washita, and Woodward) participated in the pilot program to determine producer and public reaction to this program providing public access for hunting and fishing. The 1972 pilot program provided that payment rates for hunting access in two counties would be based on a rate determined by the local county ASC committee in consultation with a representative of the State wildlife agency. For the other three counties, producers made a bid as to the payment they would expect for permitting access. In the bid counties, the value of the hunting resource was determined after the bids were made, and those which made the lowest bid in comparison with the resource quality were accepted for agreements. For fishing, payment rates were established on the basis of the size and quality of the pond or lake for all counties since a bid system did not appear practical.

Public reaction to the program has been very good. Attached are comments from users in 1972. For 1973, both State and the pilot county ASCS offices have already received a number of requests from the public for lists of both the hunting and fishing agreements. The inquiries to date from the public indicate that public awareness of the pilot program has increased substantially during the past year and that increased use can be expected in 1973.

Based on farmer estimates of users, the cost ranged from a low of \$3 to a high of \$15 per user for hunting. For fishing, the user cost figures ranged from \$1.00 to \$4.30. Another years of experience should produce new factors and confirm or refuse present conclusions as to the major causes of the variation between counties. A second year should also establish some standard as to the probable program cost in terms of the number of users.

The sign-up period for producers to request 1973 agreements ended March 16. Producer acceptance and interest in the program was very good, and a very high percentage of those who had access agreements in 1972 applied to renew their agreements for 1973. Requests for 1973 agreements substantially exceeded the number received last year. 1973 agreements for fishing should be completed by the end of April and hunting agreements by August 1.

To assure that the public access program would complement the activities of the State wildlife agency, both the State and county committees have worked closely with that agency. The State agency has been most helpful in lending their expertise and experience to this activity. In meetings with them this year, they acknowledged the very favorable reaction from both the sportsman and agricultural producer to the program. These technicians were agreed that an increase in the use of access opportunities by the public is a certainty and that unfavorable producer reaction is apt to develop unless there is an expansion of the acreage for hunting to accommodate the expected increased number of users.

Following is comparative data for the 1972 and 1973 programs:

	Hunting		Fishing	
	1972	1973	1972	1973
Producers requesting agreements.....	213	319	81	106
Number of acres per ponds offered for access.....	88,035	138,913	193	289
Number of agreements signed.....	128	(1)	54	(1)
Number of acres per ponds in agreements signed.....	57,758	(1)	120	(1)
Total payment.....	\$71,040	(1)	\$7,150	(1)
Number of users.....	7,589	(1)	3,835	(1)
Payment data:				
Per agreement.....	\$555	(1)	\$132	(1)
Per acre per pond.....	\$1.23	(1)	\$60	(1)

¹ 1973 agreements had not been executed at the time this report was prepared.

REPORT ON EMERGENCY HAY STORAGE PROGRAM INITIATED IN 1971 AND 1972,
BY HAROLD V. HUNTER, OKLAHOMA STATE ASCS EXECUTIVE DIRECTOR

The Emergency Hay Storage (Hay Bank) Program was first authorized by the Agricultural Act of 1970. During the infancy of a program of this type, participation could be expected to be limited.

The producer contributes the cost of producing and harvesting the hay in addition to the cost of storing that hay until released because of emergency need of forage. In return, he has the concept of an insurance against the hazard of a shortage of forage during some future emergency.

It has been suggested that an "escape" provision is needed that would allow the release of the hay under certain circumstances other than a feed shortage. Individual circumstances can change which could seriously inconvenience the continued storage of the hay. Even if such release required some degree of penalty, the producer would enter into the commitment with less "fear and trembling" of an excessively long-term denial of use of the hay storage facility involved.

It has also been suggested that the program should be expanded to include silage in addition to baled hay as now provided.

Benefits from the utilization of the emergency stored hay during the severe hay shortage of the 1972-73 winter is expected to encourage future use of the program. Present program provisions which allow haying of set-aside for a reduction in payments may decrease the use of the program. The decrease in total acres set aside under the 1973 program may also deter participation this year. The value of the program will vary year to year depending upon current details of set-aside restrictions.

Attached is a map of Oklahoma showing distribution of participation by counties. The top figure indicates the number of producers participating. The bottom figure indicates the number of bales stored.

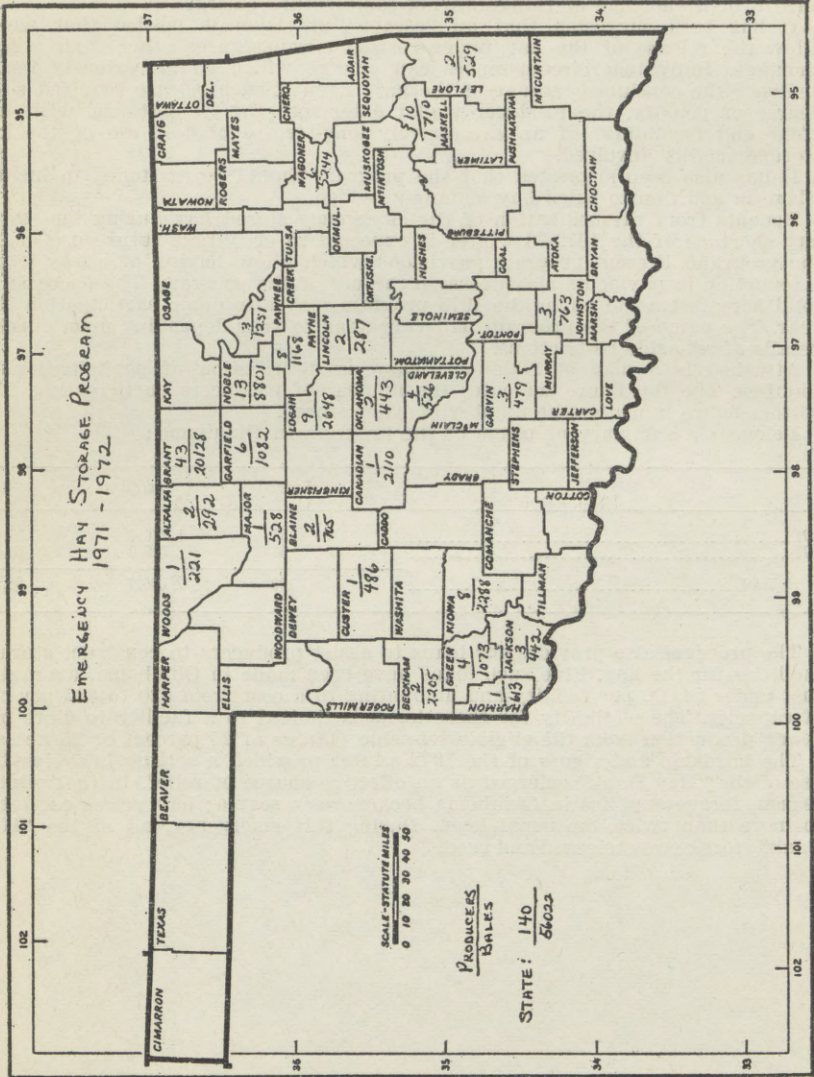
Below is a summary of usage of the program in Oklahoma:

	Farms	Acres	Bales
1971.....	86	1,276.7	36,926
1972.....	54	729.0	19,096
Total.....	140	2,005.7	56,022

The program also provides for loans to assist producers to construct storage facilities for the hay. Five such loans have been made in Oklahoma, averaging just under \$4,000 per facility and amounting to a cost from \$20 to \$35 per ton of capacity. The eligibility for these loans is limited to a facility to store one year's production from the eligible set-aside (larger of 25 percent or 25 acres).

The hardship and rigors of the 1972 winter provided a setting in which the use of the "Hay Bank" emerged as an effective source of relief. In that winter season, forage supplies in Oklahoma became very scarce; hay prices escalated to more than twice the usual level. During this emergency, all of the "Hay Bank" storage was released and used.

OKLAHOMA

EMERGENCY HAY STORAGE PROGRAM
1971-1972

Mr. CLIFTON. I'd like to—something's been going through my mind.

Senator BELLMON. Would you give us your name, please.

STATEMENT OF ED CLIFTON, OKLAHOMA CITY, OKLA.

Mr. CLIFTON. The way it's set up now, you go up to a farmer and you get a card. You tell him what your name is, now, we have some trigger-happy people in the sportsman, everybody knows this, tear down fences and leave gates open and so forth, I could tell you my name was something else and I'd tear up something, well, I have this card, I'm supposed to mail it in. This is the only identification he has of me.

Why can't there be some way set up that this person has to register at this farmer's house even down to the last number on his tag on his car, so he'll know who's in there and help find him.

Now, he may kill a cow and it could be 2 or 3 days before this farmer finds it but there's a way to determine how long this cow or whatever it might be has been dead. He hasn't got any protection to know who's in there.

Mr. HUNTER. I feel your question reflects an anxiety that's in the mind of some people. To begin with, the technicality of it has some problems in it. If you've traveled this old country and tried to find some farmers at home, I think you know what the problem is. Too many of us have jobs off the farm, too many of us are gone for various reasons and so the farmer is almost impossible to reach.

Mr. CLIFTON. I understand that.

Mr. HUNTER. The purpose of the card, incidentally, is not to identify the man for liability. In our case it was to identify the usage, it's a survey to find out what use is being made of the program.

Mr. CLIFTON. What I was thinking about, it's more for his protection. I know there's people that would tear up the property, I know this. I was a farmer years ago, born and raised on a farm.

Mr. HUNTER. I would say, that this is—and I would expect Don can bear me out, and Wendell, the problem that came about as much as anything, when we first talked about the idea of the program. Producers came to the counter and said, well, I wonder how this program would be.

I expect the most common anxiety that came about was, well, what's going to happen in case of vandalism, if I get a cow killed, all these other things.

And the same things we've heard all these years, about people that might or might not come in to hunt. But, I think the thing that proves to us tonight, that this has not become a very serious problem, if it's a problem at all, is the fact that darn near everybody that was in this program last year is asking to be in it again. They didn't get rich off of it, don't get me wrong, they didn't get rich off of it, but it didn't hurt them, they haven't had the unfortunate experience. If they'd had an unfortunate experience, Don McCreary would have heard about it. The people that are unhappy with any program are the fellows that really talk to me about it.

Mr. KILLER. There's one man in our county that didn't like it. He's the only one that I know of that refused to sign up again and I talked to several.

And, Senator Bellmon, I appreciate what you're doing.

Senator BELLMON. Thank you, I'm not doing anything much right now.

Any other volunteers before I start asking some questions here?

Mr. SCHLITT. I still have a question, if this is the time.

Senator BELLMON. Would you state your name for the record, please.

STATEMENT OF JACK SCHLITT, VERDEN, OKLA.

Mr. SCHLITT. Mr. Hunter answered one of my questions when he said they requested the silage be included in the April thing. Would we create more problems that we solve if we also include feed grains in this thing? Doesn't need answering right now, maybe I should make that as a comment, but I would like to see feed grains included in the same manner that hay is.

Senator BELLMON. Frankly, this is a new idea. I hadn't thought about it. I don't have an immediate reaction to it, I was going to ask Harold, Mr. Hunter, about the problems of administering the feed bank program. I can see some possibility of difficulties in administering a feed grain program because there might be some difficulties in keeping track of grain.

Harold, do you want to comment about it?

Mr. HUNTER. I would agree, probably, you could have a little problem with identity of that grain, it could easily lose its identity. I guess we don't lose the identity of farm-stored loan. So, this would be your answer.

I think we're looking at something which is a little bit separate and we're looking for a forage reservoir, and we have grain reservoirs throughout the industry in other ways.

Senator BELLMON. As I tried to explain earlier, the whole purpose of this hay bank, feed bank proposition was that we catch these periodic droughts. And farmers who normally produce plenty of hay don't have any.

Then, it's a very costly operation for the Federal Government to get into the business of shipping hay down here from Nebraska, Iowa or Wisconsin or some place else and it seemed to be in the interest of all concerned to let the farmers grow hay in the good years or set aside lands and have it in the bad years.

It wouldn't cost the Government anything, in fact, it saves the Government a lot of money because they don't have to pay freight on imported feed stuffs. But with the feed grains, it's a little different story, because it's not so expensive to ship feed grains and it's generally available at a point closer to where it's needed.

I think you have a good idea, we'll take a look at it, I assure you that, both on the idea of including silage and on the idea of the feed grain possibility.

Mr. SCHLITT. I had in mind of growing this feed grain on set aside acres.

Senator BELLMON. And storing it until there is a disaster; right?

Mr. SCHLITT. Oats, barley and things like that are needed by a lot of people, especially dairymen and I'm not a dairyman.

The other problems I had in mind was on the open acres. I've stayed out both years, this year in particular because they told me that we had to have a whole farm. Well, I assumed that means 160 acres. If that's what was meant, then, that particular farm—I found out that meant the entire unit.

I don't know whether this is a problem with me, maybe it includes a lot of other people, if it's just me, I won't take any more time but I've combined a lot of farms, some of them belong to other people.

I felt like it wasn't fair for me to go over and sign up the whole 1,000 acres when maybe 40 belongs to one man and 40 belongs to another man. He would be violently opposed to the thing. But I understood that I had to include what I had.

Is there any reason for it, why can't we—some of the men said some farms are not any good. Some of these I have in mind are just straight wheat, that's all there is. I have three other quarters I'd say would be ideal, especially quail. I'm wondering if there's a reason for it and if we couldn't get that thing eliminated.

Senator BELLMON. I think there must be a misunderstanding.

Mr. HUNTER. No; he is right and I don't have the answers to reasons, but this is true that this year they've made a change in the program that would require that you provide all your land, except, of course, the homestead, this is an area that might be free of peril but you have to sign up the full farm.

You do make a real good point in regards to relationship of landlord and tenant.

Senator BELLMON. Let me just say, we will try to look into it and see if we can't get it straightened out.

I can agree with you, that as long as the land that the individual puts in is desirable from the recreational viewpoint, it shouldn't matter whether that's all he has or a portion of it. The main thing is you want to be sure the public is getting something for its money.

I wouldn't think that you should insist that a farmer put in 160 acres, because there's not any way to get a recreational benefit from it anyhow.

There's one other person I wanted to call on, if I could, to give us his first hand experience with the program. He didn't volunteer with it, so I'm going to draft him.

He's the county director of Grady County, Mr. Don McCreary, would you comment about your experiences from an administrator's viewpoint. You might tell us the reaction that you had initially and your feeling now that it's been in operation for a while.

STATEMENT OF DON McCREARY, COUNTY DIRECTOR, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, GRADY COUNTY, CHICKASHA, OKLA.

Mr. McCREARY. Well, I certainly think it's a real good program. To answer Jack's question, he asked a while ago about whole farms. Last year we were one of the five counties in the State that could take whole farms or part farms but as Jack and Mr. Hunter have stated, now, it is whole farms.

So, I guess we're going to find out, Mr. Hunter, how the whole farm program will go.

So, Jack, it's like I say, it is of good interest. But a lot of our producers that we've had on our open acres, have some problems with ponds. Now, on hunting, we don't have very many problems as far as the hunting goes, because most of the farmers are really interested in it, but we are having quite a problem on our ponds.

At the start, they were thinking, well, littering would be one of the real big problems. As far as we know, there hasn't been one farmer in our county tell us that they really had a littering problem.

And I do know that our wildlife department is working very closely with us and is checking these farms more closely than it would just across county on some of these others, so, maybe this is part of it.

But I think it's a real good program from the CED standpoint, I think we really have a lot to offer.

Senator BELLMON. What is CED?

Mr. McCREARY. County executive director.

As a county director, I think we have a great deal to offer and to answer some of the questions asked a while ago about our signs, I'm sorry, that maybe a lot of signs aren't up and like Mr. Hunter stated, they were real flimsy and we will try to do better this next year. Maybe, we should keep a closer check on them, we're probably not going out enough and checking. This could be one area in which we could take part in improving the program.

Another thing would be, the man from Lincoln County mentioned, I believe, about the farmers. He said well, he didn't have to put his signs up, he's already received his money. But they don't receive their money until the latter part of the year or the first of the next year. So, really, a lot of farm producers don't get their money until the program is over. We've had a lot of questions, relating back to some of the information we had earlier about the season being extended. As Mr. Hunter said a while ago, we've had a lot of hunters come in and question us as to why the quail season couldn't go into the first of February. Well, it wasn't set up this way, but probably, we can arrange this at a later date or maybe get something set up on it.

Now, I would be glad to answer any questions, as a county director. Would you need any information on this at a later date, Senator?

That's all I have.

Senator BELLMON. Let's get a few questions here.

We haven't had any comments from anyone in the wildlife area, any ranger, I know we have some members of the State wildlife commission here, do any of you gentlemen have any comments you'd like to make?

Mr. HUNTER. While they're here, I'd like to comment in regard to this, as a part of our record, I think I need to say it publicly more often, we've had the most tremendous cooperation from the wildlife people, the professional people here, and in the State.

Frankly, we hear, as we talk to our agencies in other States, this hasn't always been true in other States. So, we're very appreciative

of the technical help that they've provided to us because it's been a real value to us and we lean on them heavily.

Senator BELLMON. Mr. Morgan and Mr. Veith, do you have any comments you'd like to make?

**STATEMENT OF ELMER VEITH, WILDLIFE COMMISSIONER,
KINGFISHER, OKLA.**

Mr. VEITH. All I'd like to say, is, we have them over in Blain County and I've got a good range over there, they seem to be getting along real well there. I can't see anything wrong with it.

We participate in that up in South Dakota ourselves and we see nothing wrong with them people.

Here's the thing about it, they hunt for nothing if you don't put it in there anyhow, so, you're making something extra.

I'd like to see people hunt. We've got land that lays right up here in town, creek runs through it and we run our cattle on there and colored kids and Indian kids, they go down there and they hunt and they fish and I never ask what kind of gun they're carrying or anything. If I see they're getting in a bad place, I tell them to be careful. After all, they've got to have some place to go hunt. I know, I used to go hunt. I didn't ask anybody, I just took off. You've got to have a place to hunt.

Senator BELLMON. Did you ever have any animals killed?

Mr. VEITH. Not that I know of.

[The following statement was subsequently received for the record:]

**ADDITIONAL STATEMENT OF ELMER VIETH, FARMER AND WILDLIFE COMMISSIONER,
KINGFISHER, OKLA.**

We participate in public leasing for hunting at \$3.00 an acre on our land located in South Dakota. This land is either in the Soil Bank or was in the Soil Bank.

I appreciate having the hunters feel free to hunt the land that is leased for that purpose.

To participate in the leasing program for hunting in S. Dakota it is necessary to either provide a pond or five acres of corn. A shelter belt is also planted.

The land would be hunted if not leased and therefore we feel better as we receive the lease money and the hunter feels better having the privilege to hunt.

I enjoy seeing others hunt and fish. Our land near Kingfisher has a creek running through it, on which we graze cattle. The whites, as well as the Indians and blacks hunt and fish this land. I have never bothered them as long as they are careful. After all, youngsters enjoy hunting and fishing and need a place to do so. As a boy when I went hunting I asked no one for permission—just took off.

To my knowledge I have never had livestock killed by hunters.

Senator BELLMON. Mr. Cleal Andrews, please.

**STATEMENT OF CLEAL ANDREWS, PRESIDENT; CHICKASHA FIN
AND FEATHER CLUB, CHICKASHA, OKLA.**

Mr. ANDREWS. I'm president of the Chickasha Fin and Feather Club, here in Chickasha. At the present time, we have 400 quail growing and we're going to turn them loose on some of this land that we're talking about.

All the people have said what we're doing for the people, nobody said anything about doing anything for the little birds, turkeys, and the deer.

In your farm program, you said you were rewriting it or fixing to. There should be an article in there, something, to provide a section of ground that the farmer can get paid for, and grow a crop on it and let it stay there, not harvest it, and do it year after year.

And during your grazing time, put a fence around it so the stock can't get in there. And I think you would find that our wildlife would increase tremendously over a short period of time.

We noticed it when the land was in soil bank here. There was real fine quail hunting around Chickasha and we haven't had it as good since.

I own some land up in Kay County and we have two 5-acre plots, on two different sections of land and it's remarkable what it will do for the quail and not planting any there either.

So, if you want to help the environment to put it into the farm program on this layout acres, would be the easiest, and it wouldn't be only good in Grady, it would be good in Western Kansas, it would be good in any of the counties that we have.

Thank you.

Senator BELLMON. It sounds like a very good idea, we'll check into the possibilities of making that kind of a requirement.

I think we ought to go on now and maybe get to some general comments about the farm program. I'd like to—by the way, I have several copies of a speech which Secretary Butz made to the Senate Agricultural Committee about, I believe, about a week ago, when he was testifying on the farm program. I will make these available to as many of you as wants them, Mr. Palmer will give you one.

I need to take some of them with us tomorrow to Ardmore, we're having—so, I don't want to leave them all here tonight.

I think you can get from this, some idea what the Secretary is thinking about so far as the farm program is concerned. If you have any comments about it, I'd advise you folks to correspond with our office after you've had a chance to read it.

Dr. Hulsey, you said that you thought the program ought to be expanded and properly funded. Can you expand on that a little bit, why you feel that we ought to provide more funding.

Mr. HULSEY. Well, I think that there ought to be additional funding in order to expand the program from the pilot State into every State in the Union and particularly in the States that are poor as far as public lands are concerned.

I am convinced that with the response we've had here in Oklahoma, that the sportsman would be willing to pick up, say, a nationwide open acres passport that would entitle him to hunt quail in western Oklahoma, hunt ducks in Arkansas, hunt pheasants in Nebraska, and so on, because many sportsmen are quite mobile plus, I think it provides a tremendous opportunity to put additional funds into the farmer's hands that he's derived from wildlife.

I think this is one of the big benefits in showing the farmer and rancher that there are benefits not to over grazing land and not clearing out all the bottoms and not clearing out all the plumb thickets that these can be dollars in his pocket.

Senator BELLMON. A problem that I might call your attention to is, one of the things we're trying to get to in this program was to make outdoor recreational opportunities available to the people in the low income bracket.

There's quite a lot of people who may be working, let's say, up in Oklahoma City, a man may have a 15-year-old son and perhaps this man grew up in a rural area and he had free access to creeks and lakes to hunt and yet, at the present time, he has no place to take his son.

The program was thought to be available on a no charge basis so that people with low incomes wouldn't have to pay a fee to use these public access areas.

Now, I can see merit in what you're saying, as long as the charge doesn't get to the point that it makes outdoor recreation prohibitively costly for people, who are already pretty well strapped for money.

What fee, what level are you thinking about; a token fee?

Mr. HULSEY. Like to Corps of Engineer users fees. There is a reasonable level, I would say, perhaps \$5 a year, and I don't think it has to be, I don't think the fee has to necessarily bear the total cost to the program but certainly to enhance the program.

Mr. SMITH. I think that there's enough people that would buy these things, I don't think it needs to be a mandatory thing, there's enough people like myself that would be more than willing to contribute whatever was necessary to maintain the program and fund it.

Senator BELLMON. Just on a volunteer basis?

Mr. SMITH. Yeah, if there was a need. I don't think there would be trouble in enforcing it or people that couldn't afford it.

Senator BELLMON. We might try to write this into the law and see what results we get.

Mr. HULSEY. One additional comment, Senator Bellmon, and that is, you know, you talk about the low income person but, you know, what if my county is 50 miles away from the nearest open acres county. So, I got 100 miles on my car, you know, getting to the "free land."

Senator BELLMON. Well, again, that's one of the things we're trying to get away from. At the present time, a lot of people, if they want to hunt they've got to go to Colorado or New Mexico, not only hunting, but fishing and other things, we're trying to get these lands opened up fairly near the urban areas.

Chickasha, of course, joins Oklahoma County and so does Lincoln County. I agree with you that that is a major cost, recreation cost, of getting there. And this is one thing we hope we can reduce by this program.

I wanted to ask a couple of other questions. Several of you folks, we talked earlier, are landowners, land operators, who have had experience. I'd like to ask any of you, if you would, to be specific about problems you've had with users. Have you had people come in and tear down fences or burn off lands or destroy property, any experiences, negative experiences, in the program?

Mr. KILLER. I've had the best cooperation. I believe. I think people appreciate the fact that they do have a place to go and I haven't had any problem whatsoever this past year as far as anyone. I've

had a lot of traffic on one farm of young people and hunters together, quail hunters and everything, I haven't had any problem.

Senator BELLMON. Has anyone had any problems you care to talk about?

I think this is making Dr. Hulsey glow all over to think that sportsmen are such nice folks.

Mr. KILLER. I think they are.

Mr. HULSEY. Senator, this is making me nervous, I think you may think that we set this thing up this way.

Senator BELLMON. Well, I guarantee this isn't a rigged deal, anyone that wanted to be here was welcome to be here tonight.

I also wanted to ask Mr. Bruce a question, he was commenting about the level of payment to the farmer. I don't know whether anyone who's not directly involved knows how the level of payments were set, but I'd just like to ask Mr. Bruce if he does have the level of payment, how it's derived at, and if he has any ideas how it can be done more equitably.

Mr. BRUCE. No, sir, I do not know how it's paid now.

Senator BELLMON. Could I ask Mr. McCreary or perhaps—is he still here; would you tell the group how much you decided to pay land owner or farmer.

Mr. MCCREARY. Yes, sir, this is set up by the Wildlife Department and the county committee. We have to first establish a resource value on the type of land, grass, or what have you, that you have on your farm. And then on ponds—the size of the pond plus the resource value that you would have in the pond, the depth and what have you. So, this is all taken into consideration, how long it's been stocked and whether it's a clear pond, full of moss or a really good fishing pond. Now, this is the way the ponds are set up. We first establish a resource value and this resource value is set up by the county committee and wildlife department, so much per acre and so much per pond.

In our county, last year, Senator Bellmon, we averaged about \$1.82 per acre for hunting and our ponds averaged about \$50. Ponds are \$50, \$100, and \$150. And each one of the ponds have certain requirements to meet, and your land does also, on setting up the resource value or quality.

Senator BELLMON. You talk about resources but tell, if you don't mind telling the group, how much do you pay for wheat land.

Mr. MCCREARY. Well, this is established by the county committee and the wildlife department, probably, zero to 25 cents. This would be according to the outlying areas but for just your wheat land, it would be zero.

Senator BELLMON. What do you pay for pasture without too much timber?

Mr. MCCREARY. Well, your pasture without too much timber probably \$1 and more if there's a creek running through it. Another factor would be the type of grass you have on it. Now for just straight Bermuda grass, of course, would be less than what your native grasses would be. I'm going to say 75 cents to \$1.25 and \$1.50, something of this nature.

Senator BELLMON. I think the point here is, that it isn't all paid the same. An attempt is made to pay to the farmer a fee that is

somewhat commensurate with the recreational value of the area. So, if there is a feeling that it's all paid the same, that's not right.

Mr. BRUCE. We, of the Blue Rock Sportsmen's Club, were just concerned about the farmer getting what he deserved for the better land and things of this sort.

In relation to the negative thing, I know, we of Blue Rock, are not likely to cut off our nose to spite our face by going in there and tearing down fences, littering and things like this. So, we didn't want to cut off our nose to spite our face.

Senator BELLMON. Well, I don't want anyone to think or be kidded, there's going to be some problems any time you go into something like this. Sooner or later there will be some difficulties. I hope the difficulties won't be so serious that the program is jeopardized.

I believe that's all the questions I had on the open acres program.

I am, frankly, very pleased and encouraged by what you have said here this evening. I hope we will be able to keep the program alive and in fact, there's no question that it will stay alive during calendar 1973. It's already been approved by the Secretary of Agriculture and it's in the President's budget at the same level. Now, there's one recommendation tonight that we expanded and will try to effect, but I'm not sure that we can because there is so much crunch in Washington as far as money is concerned this year; although, I'm sure when you're talking about the program only costing a million and a half nationwide, that isn't too significant when we're talking about spending \$268 billion for the budget in the next 12 months.

Now, then, I know Mr. Fowler has some general comments he wants to make about the farm program. So, we'll invite him to come up and make his comments. If anyone else has anything you want to say about the farm program generally, any aspects of it, peanuts, cotton, feed grains, wheat, I guess you wouldn't want to talk about tobaccos down here, but if there's anything you'd like to say about the farm program, I'll give you an opportunity now to make those comments. Mr. Fowler?

STATEMENT OF CHARLES R. "DICK" FOWLER, NINNEKAH, OKLA.—Resumed

Mr. FOWLER. Ladies and gentlemen, Senator Bellmon, I think that all farmers realize they're in a majority and I think that the time is coming when we're going to have to have a new idea on farm programs.

I think all of you remember killing pigs back in the Depression, when people were hungry, and killing cattle, it didn't make sense. And also, it doesn't make sense to pay farmers for doing nothing.

Now, I don't know what the answer would be, but my idea would be, is, we're competing with the rest of the world in livestock, this is shown in beef cattle, because they can ship it anywhere. And consequently, with the people in town hollering about the high price of beef, the farmers and people that are in favor of farmers are going to have to realize that if they don't write a program that makes sense

and pay people for producing, if they pay people for producing then the taxpayers feel like they get something for their money.

Now, all these programs we've had in the past have been stock gap programs that have lasted 3 or 4 years and have not solved any of our farm problems.

So, I think, even allotments are obsolete because, you go see a farmer farm a few acres of cotton, that's inefficiency and if we're going to compete with the rest of the world, we have to have a type of program that promotes efficiency, promotes production that we can compete with the rest of the world.

So, consequently, I don't even know what's in there, but I think with—I don't think people are justified in hollering about the price of beef, but unless we have some new ideas on the type of program we have, the farmer is going to be in trouble because he doesn't have enough votes.

Now, I won't take any more time, but I think it's real serious and we should write a program that favors the farmer before they write us plumb out.

Senator BELLMON. You put your finger on the problem, we have to have a program we can get through Congress and if we don't have it fast, we're in trouble. And the members of the Agricultural Committee of the House and Senate are well aware of the fact that we do have to appeal to the urban citizen and through the urban citizen representatives in Congress and this is one reason the open acres program is a good thing. It has a certain amount of appeal to urban people and let them know they're getting something for the investment they make.

Anyone else; you have a comment?

Mr. BOYER. Two years ago, I read in one of the farm papers about the experiment—I've always tried to work in Stillwater, farmers doesn't have time to trial and error methods for all these things, you know, and they run a 10-year test on planting sugar drip cane to winter cattle on and they let it stand.

Now, sugar drip cane is no good to pasture while it's green. But if you wait until after frost. So, I tried this this year on some set aside acres. I had wheat on it and then I pastured the wheat to May the 15th, took them off, summer followed a few days, and this cane gets way up there and makes a good cover. Now, this is a real good thing and this winter you think I wasn't tickled to death to have that dead cane and those wheat stocks for them cows to eat.

So, this would fit in with having cover on the ground, see, and I just thought of that there when we was trying to tie these programs together.

Thank you.

Senator BELLMON. Thank you, sir. This is one of the big battles that we had when we wrote the 1970 act. They managed to get that program included over the opposition of some folks. And, as you have said, it's a very popular and valuable feature as far as live-stock production is concerned.

I think now, though, those who oppose it, are perhaps glad that it's there because it has helped us in beef production efforts in the country.

STATEMENT OF BILL COLE, GRADY COUNTY, OKLA.

Mr. COLE. This would also tie in with the open acres program, this makes grain, which would be there in the fall for these birds.

Senator BELLMON. That's a great idea, very good.

Mr. HULSEY. There's one thing I know the sportsman has been real upset about and that's the G practice being cut out and reprogrammed.

In that the correct program; Harold?

Senator BELLMON. You called it G?

Mr. HULSEY. We call it the G practice, what these are, is practices that the land owner can be compensated for for things that he does which is beneficial for the wildlife on his land and this is like developing a marsh area down below a farm pond for water fowl, certain types of head grain planting and I think the shelter belts were under that too.

Mr. HUNTER. I don't know about the shelter belt, but these other things you're referring to is the major part of it.

Mr. HULSEY. But, we've been trying, Harold and I, meeting last year when we were trying to get the participation up to 100 percent because this was something in the past that farmers, he didn't make any money out of, he did it for the benefit of wildlife, he was out his labor and only got reimbursed 50 percent for his materials.

We felt that they ought to be increased 100 percent and this is one thing that could be incorporated into this other—into the open acres program and that is the landowners who participated in the open acres program would get 100 percent Federal funding for G practices that are beneficial to wildlife.

Senator BELLMON. Sounds to me as if your idea has merit. Of course, the problem is right now, the REAP program is all wiped out, we're going to have to try to get it going again and I really think we will succeed to a degree. Maybe not the same level as in the past.

Anyone else? How many of you, talking now just to farmers, producers, how many of you like the present program better than the one we had before? How many of you want to go back to the old program? No one. I think that speaks pretty well, Harold, for the jobs you fellows have done in the administering or the fact that it's giving farmers a great deal more freedom to utilize their resources the best way they can.

Mr. SCHLITT. On the present program, all I would suggest, I'm sure it's difficult, the only objection I had to it is, it simply isn't long enough, we talk about 3 years or 2 years extension or something like that and as you well know, sometimes it takes several years to, say, get a field in alfalfa or something of that nature.

If there's any way we could extend the 1970 Farm Act for at least 5 years, I'd be real happy.

Mr. KILLER. That's a good suggestion, I've got that in mind I think, 5 years would be good, it gives you something to plan ahead on. You can't plan a year or two not knowing what you're going to do, of course, you know that.

Senator BELLMON. Do you have something you want to say?

Mr. BOYER. I'm in favor the present farm program but I'm not in favor of the—suppose the program would be cut as much next year as it's cut this year over last year. I'm talking about as far as the dollars and cents that the farmer gets out of it, Senator Bellmon, and I'm real concerned about that.

I'm concerned that the REAP program has been cut out. This has been the program that has meant a lot to the country; that's why we can produce, the housewives can buy the groceries for 15 cents of the working dollar.

Senator BELLMON. At this time, we would entertain any comments you have to make about the farm program, about the way it's operating, about changes you'd like to see made, particularly so far as the commodity side of it is concerned, the wheat, feed grain, cotton or the peanut program.

Any of you have any comments you'd like to make about the features of the farm program?

Go ahead, sir.

Mr. SCHLITT. Could I back up just a little bit?

I'd like to direct a question both to you and to Mr. Hunter.

Senator BELLMON. I'd like to introduce to you Mr. Bart Brorsen, who's Chairman of the ASCS Committee, maybe you would want to ask him a question.

Mr. SCHLITT. This problem, once again, not particularly to me, but under your hay storage program, I wanted real bad to participate in it last year but the question came up in reading of the actual law, of where the barn had to be located. I got two versions of it, one was that it must be on the place where the hay was grown and another was that it could be in any suitable storage.

It just happens, that the barn I wanted to use was in the town of Verden and I never did get, what I felt, was a straight answer.

Anyway, maybe it's my fault.

Senator BELLMON. I'll have to pass the buck. When we write the laws, we don't put that kind of detail in it. It's up to the administrators to make those kind of decisions. So, Harold, maybe you can tell us why you—

Mr. HUNTER. I think Jack has already touched on it, really, because the word suitable is a judgmental thing and I don't know why, there might have been some reason occurred to someone who might have felt that storage in town was not appropriate. But, I don't have an answer for you but it boils down to judgmental factors.

I think, maybe, this would be a real good appropriate place to make one comment about the ASCS agencies and the contribution or actions that county committeemen and State committeemen make.

Because, here is a place that, when you get down to it, judgment of whether something is appropriate or not appropriate is it. I think it's real good these judgments are made, in most cases, within the framework of the regulations, yes, but made through the judgment of the independent committeemen and they're answerable to just one set of people and that's their neighbors out there because they're elected by their neighbors and they can pretty well thumb their nose at the secretary and the State offices if they want to, outside, and stay within the regulations.

So, my answer is, really, I don't know.

Senator BELLMON. The decision was likely made in your own county by your own county committeemen.

Mr. HUNTER. It might have been something that came out from our office but I wasn't aware of it.

Mr. SCHLITT. I went to two counties and I got two different answers.

Mr. HUNTER. That's par, that's usual.

Senator BELLMON. In that case, you should probably appeal it to the State committeemen if it happens again.

Mr. GODWIN. If the wording on that was like Mr. Hunter said, I'm sure that if it's left up to our county committee, we would approve that, Jack, if it is so worded.

[The following information was subsequently received for the record from Emmitt Godwin, Grady County ASCS Committeeman:]

The question Mr. Schlitt had asked pertained to a storage structure under the Hay Bank Program. These structures are to be approved by the County Committee and their determinations can vary between counties. Reference is made to Paragraph 59, 5-PA Handbook, which states: "The hay must be stored in a manner which the COC determines is suitable for the storage of hay.

Mr. HUNTER. I'm not saying that it is, Emmett, there may be some restrictions on it, or it might just be State regulation that I can't remember.

Senator BELLMON. They need to be straightened out.

Mr. FOWLER. I have another comment I'd like to make.

In the last 30 days, I've been leasing some Indian leases and we've talked about allotments. These Indians have gotten allotments. All they know that allotments is good for some money and if you have to go to Anadarko to find this Indian and sign him up for a lease, you can see what an allotment has done to this Indian.

All it means is some rent money so he can buy some beer. Now, this is not all Indians, a lot of Indians is good, but this is the same thing that an allotment does for farmers. They look to it as a means of money from the Government. That's the reason I think that we may be approaching a time that the usefulness of an allotment, and farmers have used it as a means of money, it's unfair to a young farmer who may want to buy a farm that doesn't have an allotment. I think the usefulness of an allotment on the land and that approach to the farm program is obsolete. And I think it should be based upon the productiveness of the land to pay the man for the production that he gets out of the land and it's silly to increase the efficiency of the agricultural economy where he can compete with the rest of the world.

Marketing would be another field, maybe a percentage of the crop produced should be marketed and the farmer be responsible for the surplus that's produced, and let the farmer himself, who is responsible for the surplus, because he's going to continue to produce a surplus as long as the Government pays him for doing it and there will be no deterrent from once again getting a wheat surplus like we did before, that the Government be responsible. That's what the people want, that the Government be responsible but they don't want to be responsible themselves for the problem that we get into.

Senator BELLMON. I think, Mr. Fowler, when you read the statement by Secretary Butz, you'll find you and he agree pretty much on the direction that the farm program ought to take.

I want to say to you that I'm not sure all the members of the Senate committee are quite ready to do away with the under girding, I guess is the word, that agriculture gets from some aspects of the present farm program. In other words, I don't think that members are quite ready to put the total confidence in our export market potential.

I'm afraid that, at least in my own case, I'm a little nervous that the Russians may not come back and buy so much wheat next year, that we may wind up with a depressed situation.

Mr. FOWLER. I'm not for eliminating support to the farmer because there's going to be a period when we're going to get into a lot of serious trouble. I'm not saying that, I'm just expressing an idea that has to be put into workable form where it's practical that a farmer can compete, as I told you earlier, I went to Chicago with a man that was making 6 and a 1/2 an hour building International tractors.

Unless the farmer has the type of program that he can buy a tractor that was built by a man making 6 and a 1/2 an hour, the farmer is not going to exist, he's not going to compete with the rest of the world.

Senator BELLMON. That's a good point. Anyone else have a comment?

Ladies and gentlemen, it's a real pleasure to be here with you and I want to thank you all for speaking your minds as freely as you have here this evening.

I know some of you traveled quite a distance and I appreciate the sacrifice and efforts you put forth to participate. I'd just like to say, that our interest in the Congress is to write the very best program we can, so far as agriculture is concerned, and also that the consumers will support it, because without their support we can't do anything. We've got to have a program that's fair to both.

So, I guarantee these things you said here this evening will be thoroughly reviewed and analyzed and I'm sure if you'll look at the new act, some of your ideas will show up in the language that's finally adopted.

So, again, I'd like to express my appreciation to all of you for participating and thank you for being here with us, and at this time, we'll conclude this section of our hearing.

Thank you very much.

[Whereupon, at 9:15 p.m., the committee adjourned, to reconvene at 9:30 a.m., Saturday, April 7, 1973, Ardmore, Okla.]

EXTENSION OF FARM AND RELATED PROGRAMS

SATURDAY, APRIL 7, 1973

U.S. SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Ardmore, Okla.

The committee met, pursuant to notice, at 9:30 a.m., at the Federal Building, U.S. Courthouse, Ardmore, Okla., Hon. Henry Bellmon, presiding.

STATEMENT OF HON. HENRY BELLMON, A U.S. SENATOR FROM THE STATE OF OKLAHOMA—Resumed

Senator BELLMON: I apologize for the delay. This hearing is authorized by the U.S. Senate Committee on Agriculture and Forestry, as part of the committee's consideration of the new farm bill that's going to be written this year when the present one expires.

We're here today in Ardmore, to get the views of producers in Oklahoma and later today in Texas, who are affected by this legislation.

Since producers of wheat, feed grains, cotton and dairy products are not the only ones who are affected by the legislation that's expiring this year we've asked representatives of other commodity producers to be with us today to participate in this discussion, particularly all those peanut producers who may be involved in the new bill that we write.

I'd like to say, it is our hope here today, to conduct this in a very informal way.

Hearings in Washington very often consist of somebody coming in and giving you a big thick statement and reading the whole thing to you and lots of times it becomes a problem to stay awake while that's going on. So, if you don't mind, we'll let our hair down and talk this thing over in an informal way and try to figure out what we like about the program that we have and what we'd like to change in the new law.

I assure you, that anything you want to have submitted, that's written, will be a part of the record and be reviewed when we have a chance to read the record, but I would appreciate it if you would be as informal and as candid as you can in talking about the program.

Now then, anyone who's here in the room who has a comment to make will be free to do so as the morning progresses. Let me also say that we have available here copies of the statements that Secretary

Butz made to the Senate Committee on Agriculture. It might be well to pass them out to everyone who's here. I think you'll find, as you read this statement, that the Secretary has some revolutionary ideas in mind, I'm not sure that you'll agree with everything he says, but I believe you ought to know that at the moment, this statement represents the Department's position on the new farm bill.

This is the statement Secretary Butz made to our committee. It hasn't been reduced yet to bill form, but I'm of the opinion we're going to be hearing from him very soon in a formal way.

Maybe others here would like to have those statements as well.

Now, we have representatives here who are producers, as well as those who help administer the program and we have representatives from wheat, feed grains, cotton, dairy, from the cattle industry and from agriculture generally.

These hearings are public and anyone who comes in and wants to make a contribution will be free to do so. Let's start off with asking a farmer who's a producer of feed grains, and I believe wheat and other commodities, as well, to give us his reaction to the program that we now have and ideas that he has as far as recommendations to the new legislation.

First, we call W. A. Elseener, farmer, stockman, from Route 1, Tipton, to make any comments he wishes to make. W. A., what do you think of the farm program?

STATEMENT OF W. A. ELSENER, TIPTON, OKLA.

Mr. ELSENER: Well, I think it's worked pretty well for us. I think the last couple of weeks has demonstrated that there is a ceiling on our produce and we're going to need some kind of a floor and if we have that, we'll have to have some kind of controls, it looks like, to me.

There's never been much, any, boycotts or protests because things get too cheap. So, I think we need something, if we're left alone, we know that we will overproduce and any time you have a surplus, you're going to have a depressed market and when there's just barely enough to go around, why the price goes up and it has to be stopped. In the last few weeks, especially, on cattle.

Now, I don't believe they ever put a lid on wheat and it's fluctuated considerably. I think it went up 10 or 12 cents yesterday. According to our newspaper, it was \$2.10, and it went to \$2.24.

So, I would like this program, even though, maybe, some of us would rather not have a Government program.

I don't like the idea that the Government subsidizes us and in reality you're subsidizing the whole Nation. As far as our cotton and wheat, if the mills pay this back and it's passed on to the consumer, I think that would be all right, and I understand that's the way it's supposed to be on our domestic allotments.

Senator BELLMON: I have some questions I'd like to ask you. It might be better, if we went ahead and let everyone say what they have in mind and come back to it later.

Mr. ELSENER: All right.

[The following letter was subsequently received for the record:]

Tipton, Okla., May 15, 1973.

HON. HERMAN E. TALMADGE
U.S. Senate,
Washington, D.C.

DEAR SIR: Below is a list of farming operations we use in a normal year to produce dry land cotton in Western Oklahoma.

Time of year and operation:	Cost per acre
November to February:	
Shread stalk-----	\$2. 00
Disc harrow-----	2. 00
Flat break-----	4. 50
February to March:	
Spring tooth harrow-----	1. 50
Do-----	1. 50
March to April:	
Disc harrow and apply weed killer-----	7. 00
Bed in rows or list-----	2. 00
March to May, Rotary hoe, or sweep furrow-----	1. 50
May, plant (2.00), seed (2.00)-----	4. 00
May to July, 4 cultivations at 2.00-----	8. 00
November to (?), strip (250 lbs per acre at 4 cents per lb)-----	10. 00
Interest on \$300 per acre land at 5 percent-----	15. 00
County taxes (\$2.25 per acre)-----	2. 25
Total cost-----	61. 25
\$61.25 ÷ 250 lbs = 24½ cents per pound cost.	

Some years we need to add part or all of the following items:

Fertilizer-----	4. 00
Insecticide-----	9. 00
Defoliant-----	2. 50
New total-----	76. 75

\$76.75 ÷ 250 lbs = 30.7 cents per pound cost.

The seed usually pays for the ginning, bagging ties, compress charge, transportation to compress and \$1.00 per bale to the Cotton Commission.

The rates per acre I have used are custom rates in this area. However with the increase in fuel and machinery and parts, these rates will probably go up.

Thank you for letting me express my opinion,

Respectfully yours,

W. A. ELSENER.

Senator BELLMON: Thank you, very much for your comment. We also have a cotton producer here, Mr. H. G. Spivey, Route 1, Ringling, Okla.

Mr. Spivey.

STATEMENT OF H. G. SPIVEY, RINGLING, OKLA.

Mr. SPIVEY: We cotton farmers, I think up in this area, Senator Bellmon, are mighty well pleased with the present program and we just hope that they can go ahead and extend it.

If we don't have some kind of controls, the cotton farmers, especially of Oklahoma, I'm afraid, he's on his way out because if we ever go into low cycle, most of our grains and everything like that will be moved out. Any time they're moved or discontinued, that will be the end of the cotton farmer as far as Oklahoma is concerned.

Senator BELLMON: Do you have any other comments to make about any other parts of the program, other than cotton?

Mr. SPIVEX: Well, I'm in feed grain and wheat, too, and I'm pretty well pleased with the program. We would like to have seen the reinstatement of the REAP program although, as you know, it has to do with all types of farms. That was the only thing that I would like to see reinstated.

Senator BELLMON: Okay.

We have a dairyman here, Mr. Ray North, representing the Oklahoma Association of Farmer Elected Committeemen from Seminole. Mr. North.

STATEMENT OF RAY NORTH, PRESIDENT, OKLAHOMA ASSOCIATION OF FARMER ELECTED COMMITTEEMEN, SEMINOLE, OKLA.

Mr. NORTH. Let me preface my remarks with two experiences I have had with farm programs. In 1948, a candidate for U.S. Senate, making a speech to a group of young farm men stated, "This is a young group, but I want you to know that you will never live long enough to see agriculture surplusses again." He went on to state his reasons for this. Increase in birth rate, loss of marginal land, highways and so forth. You know what happened.

Senator BELLMON: That was Bob Kerr.

Mr. NORTH. Yes, and the very next year quotas were reinstated. The other experience occurred when former Secretary Orville Freeman had some large foreign sales. Wheat stocks were greatly reduced. The next year wheat allotments were increased twice, one 15 percent increase and 25 percent. That year we had a wheat surplus. My point is that we must have controls administered with prudence. I am not an expert on dairy programs. I am not a member of the governing body of my Co-op. However, I do favor a minimum of 85 percent parity. I do know at this time in my area, we are losing money in the dairy business.

I would like to say that I believe it is necessary to reinstate REAP. This is the best and most effective program in our area. We have established pastures, ponds, and other practices with this program. This program not only has greatly helped the economy, but has tied the soil and stopped pollution. I have talked too long. Thank you.

Senator BELLMON. Do you raise any crops that are supported?

Mr. NORTH. No, I don't raise any supported crops at all.

Senator BELLMON. Next, I'll invite the president of the Oklahoma Cattleman's Association, Mr. Creede Speake, to make a statement.

Mr. Speake.

STATEMENT OF CREEDE SPEAKE, JR., PRESIDENT, OKLAHOMA CATTLEMEN'S ASSOCIATION, MILO, OKLA.

Mr. SPEAKE. Well, Senator, we've never been really involved as cattlemen in the writing of farm programs because all cattlemen don't farm, but most farmers do have cattle. So, we are interested in it.

I agree with some of these other fellows that we should have some kind of production controls, even if they be stand by, something that we can fall back on too, if we did get into a surplus situation.

As we all know, the world economic situation is different than it's ever been before and everyone's economy is sort of on the boom like ours, and the possibility of export of farm products is greater than they've ever been in history, and chances are we can produce more right now than we can dispose of. But who knows if this will always exist, so, maybe that we should have some kind of stand by controls or something of this sort.

I have some other things I'd like to talk about but not on the farm program.

Senator BELLMON. You go right ahead.

Mr. SPEAKE. Well, there's some legislation in the mill right now that is real dangerous and concerns the amendment to the Economic Stabilization bill which I understand the Senate has passed; is that right?

Senator BELLMON. Yes.

Mr. SPEAKE. I know we're all fairly certain, you all know what the House Banking Committee turned loose on us last week, some amendments that would roll back the prices of livestock, particularly to January 10. I think roll back everything to January 10, 1973.

This, in conjunction, added to the President's ceiling of week before last, would wreck the livestock industry and when it would wreck the livestock industry, it would wreck countless banks and PCA's, I guess, all the PCA's in this area, because the President's action of last Thursday locked in, somewhere between a \$30 and \$50 loss on all cattle that had been put in the feed lots the past 50 days.

Senator BELLMON. When he put the ceiling on it?

Mr. SPEAKE. When he put the ceiling on it, this locked in a \$30 to \$50 loss on all cattle that had been placed in the last 30 to 50 days.

If this was rolled back to January 10, it would lock another \$60 loss or better on those cattle plus the same loss on the other. In other words, we're talking about a \$100 loss on all cattle on feed in this nation right now, which is up in the millions of head.

Senator BELLMON. You say a roll back to January 10—

Mr. SPEAKE. This is an amendment which is—

Senator BELLMON. I understand what it is, but it would cost the feeder \$100 a head?

Mr. SPEAKE. Yes, on all cattle at the feed lots right now. Now, this doesn't take into consideration these cattle that are out here on wheat pasture, grazed out wheat, coming up to grass and there are a lot of these cattle on contract at \$0.50 per pound and above that I'm certain that these contracts couldn't be fulfilled anyway because they wouldn't work and they couldn't—well, you just couldn't expect them to be fulfilled or terminated.

Mr. NORTH. Is it all right if I ask a question of him?

Senator BELLMON. It's all right, go ahead, I better make a note of it and we'll come around.

Mr. NORTH. Well, I'd like to know a little bit before I forget it, the President's freeze was the highest, wasn't it? I didn't understand—

Senator BELLMON. His is a ceiling.

Mr. SPEAKE. A ceiling and not a freeze.

We've put figures together, the actual ceiling price, let's put it at wholesale level, it's at packer level right now, it goes to retail but it's

all the same, it's the highest price that they move 10 percent of their volume in the 30 days preceding the President's announcement, which would make somewhere in the neighborhood of \$45 to \$46 fat in this area, High Plains. Well, most of the cattle that have been put on feed in the past 45 to 60 days have been put on with a projected higher fat market than that and this is realistic on numbers, because the numbers that we had on feed and the numbers we had coming out and had we had the same demands and hadn't been disrupted by this boycott—

Mr. NORTH. They were planning on \$2 or \$3 raise?

Mr. SPEAKE. They were planning on a \$48, \$48.50 market, this is the reason.

And so these cattle that were put on were put on too high, feed too high.

Mr. NORTH. Feed's too high, too.

Mr. SPEAKE. And this is another thing, a year ago this time we were seeing gains out of the feed lots costing 21 to 24 cents. You're hearing gains now, well, I talked to Harley Custer yesterday and they've got 38 to 43 cents in the national lots there at Oklahoma City, and we're seeing 33 to 40 cents feed lot gains in the high plains, nothing under 30 cents.

Senator BELLMON. 30 cents per pound?

Mr. SPEAKE. Per pound gain. Mostly 35 cents and above right now, but this can be contributed to weather, mud, feed cost, grain cost, and special protein cost, it's the highest, It's out of sight.

There's another kind of a subtle thing that's been an amendment was proposed to this, well, it's been proposed by Congressman Ashley from Ohio to eliminate an amendment to the Agricultural Stabilization bill which would take away the powers of the Secretary of Agriculture—over the embargo of agricultural products. This was put in last year, as you remember, and we got into a—to take care of our hide situation and this new amendment is sort of subtly worded and they just did pick out—but this is an amendment to this thing, which would be detrimental to the livestock industry.

In other words, it would put it back just like it was before we got this hide things settled.

Senator BELLMON. Just for the record, so we'll know what you're talking about, the Secretary of Commerce put an embargo on the export of hides for a while, trying to hold the price down. Then Congress passed an amendment to a trade bill that took away his right to do that.

Now, what you're saying is someone is trying to give him back that right; is that right?

Mr. SPEAKE. Yes, the authority to limit was transferred from the Secretary of Commerce to the Secretary of Agriculture. And I assume this bill—we can't find out where it would go back to, but we assume it would go back to the Secretary of Commerce.

We didn't have much luck in convincing him that it wasn't a good thing to do although it hadn't worked twice before.

So, really, what we advocate is the simple extension of the present Economic Stabilization bill, which is up for—well, it would have to

be done before you recess, because it expires the 30th of this month. So, something would be done this next week, probably in conference between the House and Senate.

But this and a few other things play in the cattle industry, that might not be the time to do things, I know there's a time when you can and a time when you want to keep your mouth shut but I think they should be aware of the importance of the Delaney Amendment if the time arises when the climate looks like we can get something done, I think we need to do something about the Delaney amendment for the feed additives would be taken away from us like DES has already been done.

This thing is out of date, the Delaney amendment was, I'm sure, a good bill when it was passed and probably needed but it sure limits the thinking and the clear thinking of the Pure Food and Drug Administration.

I really believe the FDA is on our side and they've shown that they're on our side about being realistic in looking at residues and things of this nature, but we're in danger of losing all of it, antibiotics, feed additives, and everything else, by this law, any residues and anything else that's found, no matter how minute, it makes it illegal.

The FDA should, by law, should have suspended DES years ago, a lot longer than they let us ride with it. And they say themselves that there's nothing wrong with DES, I think, you probably saw in the paper the other day where the FDA released this morning after pill which contains 260 milligrams of pure DES. People don't understand it but it isn't a drug or a cosmetic. I mean, it isn't a food or a cosmetic, it's a drug.

So, it isn't controlled by the Delaney act. They know it's harmless so they can release it as a drug but they can't release it if it was a food or cosmetic, the Delaney clause doesn't concern anything except food and cosmetics.

I've probably said enough.

Senator BELLMON. You're doing fine, I think you've made a real good point. I don't know whether everyone here knows what it is. Does everyone understand, it's a requirement in the law that any time any product being used gives indication of causing malignancy, it has to be immediately withdrawn.

Mr. SPEAKE. In other words, a suspected cancer producing hormone and the basis for the whole thing on this DES was one experiment by the University of Purdue, I believe, or some Midwestern professor, ran one little experiment on some mice and 50 percent of them died with cancer. Later on, another professor took the same strain of mice, fed them nothing but grain, and more of them died with cancer. So, this is what we are dealing with.

Yet, the stigma is there and with the sophisticated testing techniques that they have now, they could find residues of almost anything that they want to in any given substances, if they want to do so.

We need to do something about this if the time arises, this may not be the time, we're under fire enough right now, maybe we should sit back and—

Senator BELLMON. I have some questions I want to ask Mr. Speake, but I'll wait until we hear from the rest of the witnesses. We also have Mr. Carroll Smith, peanut producer from Lookeba, Okla. Go ahead, Mr. Smith.

STATEMENT OF CARROLL A. SMITH, LOOKEBA, OKLA.

Mr. CARROLL SMITH. On peanuts?

Senator BELLMON. Yes, or on the farm program generally.

Mr. CARROLL SMITH. Well, I'm a cotton producer, feed grain, and cattle. I agree generally with what these gentlemen have said. I favor the extension of the 1970 farm bill as much as possible. I feel that we must have some regulation of farm products.

I think any industry must have some type of planning and since the farms are scattered from coast to coast, there needs to be some form of central planning.

For that reason and for the success, I feel like, cotton program in particular has been very successful.

I feel like the feed grain program will have to be adjusted from time to time, but basically, nothing's wrong with that.

In relation to peanuts, I feel like the peanut program has been in effect or has been on the law since 1938. It has been changed very little, the amendment in 1949, and the longevity of the bill, and I think the smoothness with which it has performed, that we should maintain basically the present peanut program.

I might further state that as the present peanut program has one price system, I would be emphatically opposed to any form of two price. I feel like two price was proved to be not good in the cotton industry. I feel that it has, it's been questionable in wheat and some of the other grains.

What I'm trying to say, specifically, on the peanut program, if some of these two price plans that have been proposed are put in effect, it will spell the end of the peanut program and a catastrophe for the peanut farmers.

Senator BELLMON. Anything else?

Mr. CARROLL SMITH. No, sir.

[The statement and attachment thereto of Carroll Smith follows:]

Mr. Carroll Smith. As a peanut producer since 1951 and having had experience in peanut production since the depression days of the thirties, I have grown to really appreciate this crop as a cash crop and natural food source, high in protein, vitamins, and minerals. Peanut oil is one of the best cooking oils with the unique quality of not transferring flavor from one food to another. Wholesome peanut butter is an economy food as it has been for many years.

The peanut crop requires specific soil and climatic conditions. In those areas where it is grown the economic picture is heavily influenced by the crop. Also, there is a tremendous amount of machinery, chemicals, and supplies used in production and processing which generates employment and income in many areas.

Considering the food value and economic importance of the peanut crop, it is imperative that we maintain a policy on production and price which will assure continued stability in all areas surrounding this crop from production and manufacturing to end use. With this in mind, may I submit the following suggested changes in the Agricultural Act of 1938 (amended 1949) as it relates to peanuts.

SUPPLEMENT TO SUGGESTED ALTERNATIVE PROGRAM FOR PEANUTS

I. As is.

II. As is.

III. Any load of peanuts thought to have *Aspergillus Flavus* mold would be held at the grading station until positive identification could be determined to be or not. The original sample suspected would be part of the evidence to be examined. In event of a positive finding the entire load would be put in segregation 3 storage. (It would be advisable to mark these peanuts by spraying a dye or some other form of identification on a percent of the hulls.)

A. Any producer refusing to cooperate could have his marketing card invalidated.

B. Any purchaser failing to cooperate could lose inspection service and the right to participate in CCC programs.

C. Enforcement of A and B would be a duty of Federal-State Inspection Service.

IV. V. VI. VII. VIII. as is

IX. National check off funds to be used for the purpose specified. Use for lobbying prohibited.

X. Negligence on the part of Grower Associations could put their contracts with CCC in jeopardy.

Senator BELLMON. Next, I ask the president of the State Farmers' Union to make his comments, Mr. George Stone.

STATEMENT OF GEORGE W. STONE, PRESIDENT, OKLAHOMA FARMERS' UNION, CHOCTAW, OKLA.

Mr. STONE. Like the Senator, I want to say, what comment here is a little bit parting from our position as far as figures are concerned because we, in meeting with various people, are trying to arrive at something the people could support.

So, naturally, there's a big interest in extending the present farm bill and here's a recommendation that we will be pushing for, not only us but some others, that is, that the wheat loan would be set at 65 percent of parity or \$2 a bushel, whichever is higher.

Corn, 65 percent of parity or \$1.38, whichever is higher. Grain sorghum, 65 percent of parity or \$2.33, whichever is higher. Soy beans, 65 or \$2.93, whichever is higher. Manufactured milking, 85 percent. This would be based on the paritive percentage in 1910 and 1914, you know, some ideas have been presented where we should have parity but we support the old basic. These figures are certainly too small, but on the other hand, there has to be a realistic approach to it. We've always felt farmers ought to get 100 percent and don't apologize for it.

When it comes to a government program, if we had the 65 percent based on the old parity ratio, we would still have a much better program than the ones that just expired this year. Tied along to that, if you recall, a year or 2 ago in the House, we passed the Smith-Melcer bill, a strategic reserve bill, and this proposal should be brought up again.

I know a lot of people don't want to stockpile and don't want anything laying around, but, for instance, this winter, the bad winter we've had, the crops were never harvested too well, as you know, the grain feed especially, they talk about high prices, we still have grain in the field but the trouble is we can never get it, you know, as far as milo.

I was up north not too long ago, it's hard to believe, really, how much grain is still there and I guess will be lost.

There wasn't any extra grain, the wheat sales depleted that automatically, forced everything to be fed, everybody had to suffer because we couldn't get the crops harvested.

Now, if we had something laying around, a reserve, it would help the whole situation.

We believe, too, that there must be some sort of supply management and always have felt so, commodity by commodity, I don't have a formula, but the Secretary of Agriculture will have to have some sort of a plan and it will have to be directed like a rifle shot program from time to time, there just has to be commodities programs to have the supply at hand.

We have had them in the past, and we've had them effectively in many instances and we've had them that were ineffective, but, at the same time, there has to be some method to control supplies.

And frankly, we talk about extending this farm bill, whatever, 1 year, 2 years, 5 years, but as far as we're concerned, if these proper things were put in it, it could be extended permanently because they're going to amend it, kill it or correct it every year, but every time we get at this crossroad, we come to three years, we have to do something all at once.

If we had a permanent bill, Congress could kill it any time they wanted to, I guess, but we don't have to worry about what's going to happen year in and year out unless a change is proposed.

For example, they want more wheat planted, talking about more wheat for 1973 market. Now, Oklahoma farmers, as you well know, being a key wheat area, had no decision to be made in this matter because they weren't notified by planting time last fall.

Who took advantage of it, the people up in North Dakota, South, or other places who plant spring wheat, Canadians will benefit, if we have a shortage, Oklahoma farmers, Texas, Kansas, and all the people who plant in the South have no way, as you know, to increase acreage because planting is done so early as compared to the northern states.

I know some in Noble County who didn't get to plant wheat, weather-wise, which that was beside the point, no man can overcome that. But had this program been announced as early as July we would have been prepared. They were caught short just like we were caught short on the sale, which is behind the scene, we were caught short because of the difference in growing in the South all the way to the North. So, we need something that spreads out and I'm selfish enough to believe that we need to look after our people first and if we do, why the rest of them will catch up. As it is, it works in reverse.

These changes have to be made, I want to say the percentages are too low, but at the same time they have to be realistic and have something that you can live with.

Now, the farm program is something that's a real problem, as to what changes ought to be made. I had a meeting in Oklahoma City and I had people, representing farm bureau, from Louisiana, had their executive people, two board members, had some from New Mex-

ico and had some Farmers' Union people in Texas, New Mexico, and Arkansas, there was about 12 or 15 people and all were cotton farmers, the little and the big ones, trying to come up with something, hassled this thing around. Later, I attended two different meetings that others called and there is a lot of difference. On the other hand, everyone agreed we had to have a cotton program, these cotton farmers are hurting and they have to have some changes made—we don't have any specifics that will be arrived at, but I just say that there are a lot of people asking how the cotton program and the commodity ought to be handled.

If Oklahoma doesn't have a real good working program, we're practically all gone. If I remember right, I may not have any figures, I grew up over in McClain County and when I was a kid, we planted in excess of five million acres of cotton in Oklahoma, now, I may be wrong, but today, our total allotment and everything is considerably less than half a million. We plant about 300,000 acres. You see, we just lost that, we can't afford to lose any more of it. That's the tragedy of the cotton still being in the field, but that's another thing we can't control, the weather.

We've got to have a real good working cotton program because that's a cash crop that many people, any time they go out of it, they go back to the cattle business, in competition with someone else, grow grain, grow wheat, because they can do all that as you well know, so, we've got to have these commodities, or at least I have, so I hope that we can extend with realistic changes that will help the income of our farmers.

Senator BELLMON. George, do you have a statement you'd like to make as a part of the record?

Mr. STONE. No, I just wrote down these figures, I don't have a prepared statement.

Senator BELLMON. I noticed.

Mr. STONE. I just had these figures prepared, I don't have a prepared statement.

Senator BELLMON. I appreciate your comments. We have now, Paul Hines, from Coalgate, who is a County Executive Director of ASCS.

**STATEMENT OF PAUL HINES, COUNTY EXECUTIVE DIRECTOR,
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE,
COALGATE, OKLA.**

Mr. HINES. I appreciate being called down here today, we're kind of in the middle between the farmer and the program and I might say we generally find wide acceptance to the Farm Program. And to make one of them effective, you certainly need the consent of the farmers that you're issuing the notices to and signing up and I know they largely accept the '70 Program.

We have very few complications ever come up, things that the county committee can't work out with the farmer. The farmers in the county are still planting their cotton, our entire allotment will probably be planted this year through various provisions of the program, the transfer and release, it is getting on the farms that want to plant the cotton.

The feed grain program, I live in eastern Oklahoma, the feed grain program has largely phased out the feed grain producers. They have been participating in the program, but at the same time they're not planting the feed grain base and we are losing the feed grain base on most of our feed grain farms, and will under the 1970 act, go out next year.

Now, due to the prices on cattle, in the last 3 or 4 years, we've seen cattle numbers increase in eastern Oklahoma, we largely produce stocker cattle, have increased the cattle numbers in the county, by 40 percent in the past 3 years.

And so, there again, it's one of the flexibilities that we have in the program. There again, I do find that the farmers are accepting the program as such and look forward to the extension of the program.

They've adapted well to the shifts in the pattern, as I said, 75 percent of them will lose their feed grain base or their wheat allotments next year, but they have accepted that fact.

A facet of the program we find working there is this question and I'm sure most of you are acquainted with it, of closing up 800 ASCS county offices nationwide. It's going to lose some of the public acceptance of the program, I'm sure, when the farmers of the county, don't have places to go to air their complaints and to have somebody to talk to.

It's one thing to go to the county seat in town or to go to some other county seat town, they come in, they're feeling like they're strangers. So, it is one of the things that I think we will find in the extension of the farm program that will interfere with public acceptance or the farmer acceptance of the program, is closing out of these county offices and the farmers losing their local contact with the program.

So, I would, if there were anything we could do to have the county offices available for the farmers, we'd certainly like to see that and the farmers respect county committees.

The only other thing that I might like to mention is phasing out or closing out of the REAP program. As I said, we've had several shifts in production, I notice some under this new program, that Secretary Butts is proposing, he's talking about the conservation benefits and if we've lost these bases, those fields that have been turned out and losing the REAP program, I'm sure we would have seen a lot of them put in a more permanent type of cover.

We've phased out the program with the feed grain bases and wheat allotments, at the same time we eliminated the REAP to protect the land that's been taken out of production.

I think that's everything that I have to say about the program.

Senator BELLMON. Thank you very much, Mr. Hines.

I seem to have two more witnesses who want to discuss the peanut program. I think I'll call them one after the other.

We may want to sit down and a special meeting on peanuts, it seems like that's one area that we've really got some controversy about.

I think we should go ahead and hear from those that are here today and have a more indepth meeting on it later. I will call first one of these two witnesses, Mr. Joe Pace, member of the Oklahoma Peanut Commission, from Holdenville.

STATEMENT OF JOE PACE, CHAIRMAN, OKLAHOMA PEANUT
COMMISSION, HOLDENVILLE, OKLA.

Mr. PACE. I want to thank you for having me here and hope I can contribute something to this and maybe I can learn something. This peanut program which we're concerned with is livable as it is and it's no big money thing. I've been growing peanuts since 1941. I still live in the house I was born, I haven't been able to afford a new one. So, it's no get rich scheme.

The machinery of the peanut production, is far too large for private industry. We've got to have controls, we must have commodity credit people to buy and warehouse. We must produce a quality product that's controlled from planting to shipping, and this must be controlled very rigidly.

If this was suddenly done away with, it would wreck the whole thing. If we lose our acreage control and price supports then we're wrecked and we can't produce peanuts at world prices or oil prices, we can't I don't think.

I guess I've made dozens of peanut meetings and talked to hundreds of growers. I've never heard one come up with a suggestion of a two-price system. They say, simply, "Let me plant a certain number of acres, to keep the supply and demand equal, and let me grow a few acres at a profit instead of growing many acres at a loss." It's just that simple, you want to grow a few at a profit, not the other way around.

I talked to many peanut growers and I say this simply for what it's worth. Of course, the weather controls our production and a better variety has kind of got us into a production jam, but that might be temporary, next year—but anyhow, I talked to a specialist yesterday in the peanut business, he heard from a specialist in India, where we can produce 1,610,000 acres and they produce 17 million acres. They had a fair crop and they didn't export any, they ate them all, they ate their seed, they have none. He says, this guy, says they have to seed and they're not making any arrangements to get seed.

Now, a little over supply might not be the worst thing to have, of good eatable food.

I don't see the evil in it, or I don't see why it wouldn't be a fine thing to have a pantry full of eatable food. I'd like to say, the growers that I know—none of them have suggested anything other than just an acreage cut until supply and demand gets in line.

I guess that's about all, I know there's a lot of things I would have liked to say, but can't think of.

Senator BELLMON. If you do have further comments to make, we'd appreciate your sending a letter and we will get it into the record also.

Let me ask you a question, do you raise soy beans?

Mr. PACE. Yes, sir.

Senator BELLMON. What type of soy bean crop did you raise last fall? And when did you harvest?

Mr. PACE. I did it in the last of February due to excessive rains, I know in the southeastern countries, a hurricane wipes them out.

There were 6 solid months up there that I could not do anything and I finally got a set of halftracks, installed them on the combine and clanked through the mud and finally picked them up.

Senator BELLMON. Harvested the peanuts?

Mr. PACE. No, soy beans, and the peanut combines would bog down too, they didn't get them all.

Senator BELLMON. All these peanuts that weren't harvested, would they be worth harvesting?

Mr. PACE. No; they were out there 4 months.

Senator BELLMON. Are the soy beans all harvested?

Mr. PACE. No, sir; there's hundreds of acres out there yet and they're deteriorating pretty fast.

Senator BELLMON. Can they still be harvested?

Mr. PACE. There will be a few of a poor quality.

Mr. SPEAKE. Do you have a shatter problem?

Mr. PACE. Yes; normally we do. This year it's so damp, we didn't have the shatter problem that we usually have.

Senator BELLMON. Thank you very much, Mr. Pace.

Next, we'll invite Floyd King, who's a peanut producer and member of the Oklahoma Peanut Growers Association and also president of the National Peanut Growers Group. Floyd, your turn.

STATEMENT OF FLOYD L. KING, PRESIDENT, NATIONAL PEANUT GROWERS GROUP AND OKLAHOMA PEANUT GROWERS ASSOCIATION, EAKLY, OKLA.

Mr. KING. Senator, I appreciate the opportunity to say a word or two regarding the peanut program.

I can say a few hundred words or a few thousand words and I'm sure you realize this, and first of all to alleviate any idea that there's any discrepancy in thought between producers, I want to say here that I don't think among this group there's any difference of opinion relating to whether or not the program has been successful.

Senator BELLMON. You're talking about the peanut program or the farm program?

Mr. KING. I'm talking about the peanut program as such, specifically right now.

We have had many, many meetings and many hours of work has gone into attempting to improvise something that could be unanimously agreed to from the producer segment and also the manufacturer and sheller segment, because we feel if we do not have unanimous consent of each one of these particular parts of our industry, we cannot get the program through Congress.

Now, whenever you attempt to get this done and also get the USDA approval of such an idea or such a program, you've got a real chore on your hands. But for the record, first of all, the peanut program has created few, few problems, other than cost.

A recent meeting, with the Secretary of Agriculture, Mr. Butz, brought this one factor out. This question was asked him. Would we be here attempting to modify the program if the peanut program did not cost anything, the answer was no.

Therefore, the cost of the program is, I suppose, a thorn in the side of the peanut producers right now as well as USDA and the Treasury.

So, efforts have been put forth to attempt to modify this program and much work has gone into this. Peanut producers across the Nation have helped with this.

Number one—since this program has been a successful program, maintain it with an eye toward increasing the operations through the FAS, through possible national checkoffs, if necessary, toward promoting the product overseas as well as domestically.

Realizing what Joe has just got through saying, relative to the cost of the program, I would like to adlib just a second on that. In addition to being a farmer and to being a representative, that is, representing, I should say, the producers, I'm also a businessman. Have been for 20 years and if necessary can produce many mortgages and notes of farmers who are obligated to pay back for machinery, tractors, farm machinery, land, irrigation equipment, et cetera, on contracts, Senator, that go as high as 8 and 10 years in length of time before payoff.

Now, whenever this situation exists and someone gets up and says because the cost of this program has, within 3 years, moved from 36 to 85 million, we must discontinue it. They are not looking very clearly at the impact of this philosophy on that community and area where these things are grown.

They are not taking into consideration what Joe has just said relative to some peanuts that are still in the ground, never been dug, never been harvested, and will never be dug or harvested. This situation exists and we can't keep from recognizing it.

The mortgage notes and obligations from a money standpoint exists because it's necessary, it has to be that way.

Do not destroy the program.

There has been much effort made toward implementing, if possible, a new parity concept. The idea behind this is to formulate a different base than what we have had in the past to work from. We don't think this is a good idea. Why change the parity base, why change the parity concept, we know what this one is and that would only complicate the matter and also give serious doubts on the part of the people in the program itself toward realizing what modifications could best be formed after such a thing was changed.

The program, we think, must have in its end, some sort of an escalation of price as the parity index rises. Otherwise, we are looking at ourselves 5 years from now as if we would look at ourselves now, 5 years ago. We cannot live on 4- to 5-year-old prices, so we must have in that program a concept of increase in prices as the other items rise.

A simple acreage reduction type program, perhaps, might be one that, across the board nationally, we could agree with and I have no later than yesterday evening contacted official representatives of national peanut organizations, state and regional. A simple acreage reduction is an acceptable starting point for negotiations.

A thought of how much to produce has been considered in depth, many many times. The concept of the USDA has in the past years ranged around 115 percent of the eatable use. We don't think this is what we should aim for.

USDA presently wants an expanded type program whereby an excess amount of peanuts would be available for foreign export. If this is the case, then, let's set the acreage reduction so it would leave 125 percent of the eatable use or thereabouts.

If an acreage reduction program is put into effect, we would recommend that it not exceed over 5 or 10 percent acre reduction per year until it reaches that point of 125 percent of the eatable use.

We think that if a program is put through Congress, and it certainly would have to be if it's modified, it would have to be modified by law, other than the administrative changes I'd like to refer to in a second, but if it's modified by law and changed, we think it should be as George mentioned a few minutes ago, that is in a permanent status rather than having to come back every three years and fight the battle all over again.

We would like first of all to recommend, in the strongest terms, to the USDA and would suggest that the Congress and those people who are representing the Congress and the Senate, react vigorously and quickly against the implementation of three administrative adjustments entered into the Federal Register by the USDA and Thursday was implemented.

I don't know whether you realize what each of these are or not, but the producer has as of Thursday, been shouldered with the responsibility of assuming the storage, handling an inspection fee of \$14.52 a ton.

Mr. NORTH. How much?

Mr. KING. \$14.52 a ton, every time he sells, every time he produces.

This is not related, now, to the surplus tonnage, it is all tonnage. In addition to this, a penalty of \$50 per ton has been set as of that same time Thursday on all segregation three peanuts.

Senator BELLMON. What kind?

Mr. KING. All segregation three peanuts. We are talking about peanuts that contain a flagillis Flaius mold. In other words, segregation three.

Mr. NORTH. Pardon me, what was that now that they contained, the segregated three?

Mr. KING. Peanuts which has flagillus Flavius mold.

Mr. NORTH. What is it?

Mr. KING. Alphatoxin is a mold similar to bread mold.

The question of whether or not it exists is immaterial. It does exist. We agree that this does exist. We have a quality control program, self imposed on the peanut industry to take care of this and the Food and Drug Administration is in the know on this and completely inside of it and we have taken care the quality aspects of this program, up until now.

The next item they acted on, was the cancellation of the Sheller Purchase Program price for peanuts. Senator, this is a very serious act on the part of the Department. We think to some degree that they're attempting to keep us between the traces and force us to act by implementing these things and the reaction across the nation since the implementation of these things, to some degree, has been different than this. Antagonistic in some areas, if they really want the peanut producers to hold up their shoulders and say, "We'll fight

the hell out of it in Congress", that just might be what will happen, if you'll pardon the terminology, but they canceled the Purchase Program, sometimes called the Sheller Purchase Program and this will subject the peanut producer to carry his peanuts to town with a major part of his production possibly subject to whatever that sheller will give him.

And this—I brought out and others brought it out in a hearing recently in front of the Walter Jones Subcommittee in the House. We brought it out in the meeting with Secretary Butz and Herman Talmadge Senator from Georgia, 2 weeks ago.

It was brought out again in a meeting with Secretary Butz last week, a week ago yesterday it was. It was brought out with Mr. Frick, Mr. Brunthaven, Mr. Butz, Laurel Meade, Mr. Holloman, and Jess Moore that this would destroy the program and yet it has been implemented.

We have agreed to meet next week in an effort to try to reach some sort of a conclusion as to principals of modifying the program, but we have attempted to get the USDA to say what they're going to do and not hide behind the bush, so to speak, till they know what we are going to do. But we cannot modify the program unless we know what they're going to do.

If we modify the program and they leave these implementations in, what have we done? We have further destroyed what little we have of the program. So, we recommend in addition to what I have already said, that the Department rescind their action so that we can sit down and modify in a better atmosphere of discussion. It's a very serious situation right now.

The seed in India, that Joe referred to, is open for possible export and certainly indicates that an export program along this line is possible in the future. On a recent trip to Japan, for the Foreign Agricultural Service, we implemented and agreed with the Japanese on possible trade relations, with cooperation of Ambassador Eberly and the Agriculture Attache in Japan, relating to a concentrated export program for peanuts through Japan.

One export program is planned for Europe. We have proposed that the Department rescind the action, recognize our effort toward the promotion of our surplus peanuts, and then let us, if necessary, work on the reduction of acreages and those things necessary and conducive toward getting down and working out these things in a reasonable amount of time.

As far as the cotton and grain programs are concerned, I don't think that you can take either one of them, as such, by itself and live on it.

I'm speaking as an individual now and not as president of the Oklahoma Growers or president of the National Growers. I don't think you can take either one of these programs and live on it as such. I don't think if you threw out the Peanut Program that we could live on peanuts, many of the peanut producers are small producers, they're not like the wheat producers who have many more acres.

Cotton, in our area, we can't live on it.

Senator BELLMON. Can't live without the program?

Mr. KING. No.

Senator BELLMON. Okay, thank you very much. Next, I'll call on Bart Brorsen, who's a farmer from Perry and he's also a State chairman of the ASCS.

STATEMENT OF BART BRORSEN, STATE CHAIRMAN, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, PERRY, OKLA.

Mr. BRORSEN. Our background is wheat, feed grain, and cattle. So, the Agriculture Act of 1970 came on the scene and permitted us to operate our land in the way that we desired, gave us the flexibility that we could go more into wheat, in our particular situation, and a little less into feed grain.

If the market condition would change, under the same program, we could shift back the other way without any government involvement or any penalty to us.

I think the Agricultural Act of 1970 has brought the flexibility and efficiency to the farmer himself.

In reading the Secretary of Agriculture's recent remarks, it would seem as though he desired a little more flexibility for the Government itself in administering Federal farm programs. Perhaps this could be accomplished in taking a pattern from the present wheat program, when there is a good wheat market, the amount of Government subsidy payment is small. If the wheat market is in bad shape, it's going to cost the Government more payments in order to keep the producers out there.

What I'm saying is, that I think a program that makes it to the Government's benefit, as well as farmer's benefit to have a good market, is desirable.

If the decisions of how to operate the farm programs are wrested from the USDA to groups above them, I think this would give them a strong support to hang on then if you're going to have low markets, you're going to have to have a higher cost of Government program.

I think these two would work together to the benefit of the consumer and to the benefit of farmers. So, as your Senate committee looks at writing a new farm program, perhaps this could be incorporated in it.

Cotton and feed grain, rigid support could be made more flexible, like the wheat program presently is. Therefore it can satisfy more Congressmen and perhaps lower the cost to the government for administering farm programs, and still encourage good market for the farmers and keep them out on the farm producing.

Some other parts of the secretary's remarks and others we have heard, have referred to changing the system of figuring set aside or idle production land. We would agree that the present bases and allotments were established long ago and do have some inequities in them but the farmer never has particularly normal periods of time to take a reading on what he's growing and say that that's exactly normal and that's what he's going to be doing from now on.

I think any new system that was set up on cropland basis or production basis, would also be unfair to some. Due to a time of drought, and other weather conditions you can't come along and pick these

basic years up. You might have a cotton farmer or grain farmer when he didn't get his crop planted or he had grazed his crop off or due to wet conditions this winter might not have gotten planted what he had expected to.

So, obviously, you're going to have to pick some basic period that is used to establish a set aside program. The present bases and allotments are now reflected in land values. In conclusion, I'd say that the Agriculture Act of 1970 has been a great step forward, and one that's been a benefit of the farmer, benefit of the Government and consumer. Not only in this country, but all over the world.

Senator BELLMON. Thank you very much. I have one other person I wanted to call on, perhaps two, then we'll have a little break.

The other witness is Mr. Quinton M. Hightower, from Stephens County; I take it you must be an administrative officer?

Mr. HIGHTOWER. Right.

STATEMENT OF QUINTON M. HIGHTOWER, COUNTY EXECUTIVE DIRECTOR, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, STEPHENS COUNTY, DUNCAN, OKLA.

Mr. HIGHTOWER. Senator, I appreciate the opportunity of being here. I want to emphasize, what little I have to say is from my personal observation, I don't speak for anyone else.

When the 1970 act was announced with the set-aside provision, it was one of the hardest sales that we had to county producers, but after 2 years and into a third one, they like it much better than what we had prior to that on the strict allotment planting basis.

We hear that every day in the office. There are a few things that they would like changed in the act, I'm just going on what I hear from conversations with our actual producers.

Mr. Stone pointed out one of them, that's the time of the announcement of the program, that has been particularly true on wheat.

Now, we're all right with feed grains, but wheat producers just don't know where he's at at planting time. The wheat certificate plan if incorporated, in whatever legislation comes up to follow this 1970 act, our best observation, they have been talking about some consideration on the figuring of the 5 month average price on maybe a state basis rather than a national basis, as you know, there was quite a bit of concern this part year of the Oklahoma producers. Now, it may be feasible, it may not, I don't know, they haven't discussed this item.

On the cotton program, about the only difficulty that we are experiencing is the 3 years that the production is figured for the pay rate. Now, this 1972 crop has been, so far so time consuming, we don't have our production in yet, but the 1972 production enters into the pay rate for the 1973 program.

Consequently, we're signing up in 1973 and the signing up is already overwith and we can only make an estimate of the cotton payment to the farmer with him estimating what his production will be.

I don't know whether it would be feasible or not, but they would like to have, they would like to have considered dropping back one more year, in other words, for the 1974 program, 1970, 1971, and 1972

would be considered instead of using the 1973 production. Wheat works pretty much that way.

About the only other problem we have on this set aside concept is the conserving base. There seems to be less knowledge of that, what it's about and what it's for, we have tried to get out information, keep out information, but we wonder if that could possibly be dropped and if a larger acreage was needed, increase the set aside and not use the conserving base approach. Now, whether this thing would be at all feasible, I just don't know.

Those are about the only problems that we have in this program and I would like to emphasize, after the hard sale in 1971 in starting on this program our producers, actual producers, liked the program. With the fellows going out of production, I don't know what type of program would fit them, but I mean the fellows that are actually producing crops.

I have heard a lot, this has nothing to do with that, I'm just throwing it in, our agricultural producers have mentioned time and again in appreciation of having a senator on the Agriculture Committee that is agriculturally orientated like you are, they have trust in the decisions that you do make more than some others would make.

Thank you, sir.

Senator BELLMON. Thank you, Mr. Hightower, I appreciate the comment.

It really kind of troubles me to tell you the truth, that we have an act that seems to be working and the Secretary comes along suggesting we change it.

Is there anyone in the audience who would like to make a comment before we take a short break?

STATEMENT OF JIM CONRAD, MADILL, OKLA.

Mr. CONRAD. In relation to the peanut program, the investment per acre is as tremendous as these peanut producers have mentioned, and to keep as a protection, to keep this investment where we can't produce, we nearly have to have some kind of production form.

So, this is the way I feel about it, we, in conjunction, we do need to continue our production program on peanuts.

Thank you, Senator.

Senator BELLMON. Floyd, Floyd King, do you have any comments?

Mr. KING. I'd like to comment just one second relative to some of the help the Senator has been and I'm not saying this to put him on the spot or give any indication that I was trying to plug something that I shouldn't plug, but I have worked at length with Democrats, Republicans, Congressmen, Senators and whatever, and I don't think I have ever found an office where the door was more fully opened to real constructive work than the Senator's has been in Washington, and certainly here with Carl Williams, in Ardmore, it has been. Agriculture research efforts, extension efforts and so forth, as well as program modifications are subjects the Senator has helped us with.

He has been invaluable and, frankly, I don't know, what we would do without friends like this in agriculture. We have got a terrific job ahead of us.

And Harold, I would say one word relative to the REAP program. I didn't intend to leave it out because certainly we have concern in this field. I think, generally, we've all got to look at our whole card, wherever we are, and eliminate the fat where it is and get down to the lean part of it, but let's don't destroy the heart of whatever program we're looking at here and hopefully we won't allow anyone else to do so.

Senator BELLMON. Well, I might say, on the REAP program that I think the attitude of Congress is to perhaps, take out the so called temporary practices and get this one back on track.

I'm of the opinion that the administration will finally come along with that.

Floyd, I appreciate what you said about our office. Carl Williams, who lives here, I know, has tried very hard to be helpful on these matters. Harold, we didn't hear from you and I don't know whether you feel like it's in order for you to comment for the record about the Farm Program, or not, you are a USDA employee, I don't want to put you on the spot.

**STATEMENT OF HAROLD V. HUNTER, EXECUTIVE DIRECTOR,
OKLAHOMA STATE AGRICULTURAL STABILIZATION AND CON-
SERVATION SERVICE, STILLWATER, OKLA.—Resumed**

Mr. HUNTER. Any comment I would make would be a real brief one. I'm Harold Hunter, State Executive Director, but I think it will be a little bit separate from what I've heard, but perhaps it would be appropriate, it relates to a faculty of the ASCS, and as such, maybe it's worthy of a comment since Ray North is sitting here representing the farmer elective committeemen and some comment has been made by some other people about the acceptance of the program.

I think we have a rather unique structure within the Agricultural Stabilization Conservation Service in the form of the committee itself. It might be worthy of comment here, as has been said, a program won't be accepted and the program won't work out without the acceptance of the producers that are being involved in it.

We have a tremendous mechanism in the committee system in that I think it tempers the bureaucratic aspect of the governmental program and governmental service.

For instance, it we come to the county office, to the producers, through the County Committee System with a program which those county committeemen won't buy, if they say they don't think there's merit in that program, I believe we'd find immediately as bureaucrats, that we'd better turn right around and look at the merits or demerits of that particular program, I think we'd better see if we made a mistake in our thinking because the county committeemen serve tremendously as a two-way street.

They certainly carry to their neighbor farmers in a way no one else can carry a service of government. Because they're elected by those fellow farmers, they answer to them, they don't answer to the Secretary of Agriculture, they don't answer to the State executive directors, they don't answer to the county office, they answer to the people who elected them.

And if they say no, there's problem in this program, we'd better look at it again and do it a little different way. I think this thing has reacted right back into a bureaucracy in a way that doesn't happen in very many agencies.

So, there's a two-way street and because they can carry the gospel, you might say, of a good program, like the Agricultural Act has turned out to be.

When we did get to the point where the county committeemen bought the program, if they got to the point where they began to realize the concept of the set aside program, the possibilities in it, then and there were the people who sold that program to their neighbors and then, of course, the experiences of their neighbors helped too, but then, in a like manner, certainly there has been a tremendous input of the county committeemen themselves, to the agencies of the things that needed to be changed with the approach.

So, I thought perhaps this has been reflected in many other remarks made here this morning. I don't think I would comment on the program itself.

Senator BELLMON. Thank you, Harold. Let's take a 15-minute break.

I have some questions I'd like to put to you. Would you pick up copies of the Secretary's statement, please.

(After recess)

Senator BELLMON. We are having reception here today. We're opening the office informally and then at 2 or 2:30 we're planning to hear from the producers from the State of Texas, so we need to try to wind up by 12 or a little after.

I made some notes as we went along, I thought I'd give you all a chance to make your comments, but I'd like to enlarge on some of the things you said a little bit.

I'd like to talk about some of the things the Secretary has recommended. I think there's some things we're going to need to discuss with him in depth when the time comes.

First, Mr. Elsener, you mentioned the need for a floor under farm prices and I tend to agree with you. As you read the Secretary's recommendations, he's, more or less, talking about putting agriculture pretty much on the free market where the income will come from the market rather than from the Treasury.

As a cotton producer, what kind of a floor do you suppose we need under cotton, what are your costs of producing a pound of cotton on the average?

Mr. ELSENER. Well, we've figured it a lot of ways, of course, different years will make a difference on the production cost, but I've figured it, just on the actual dollar that I have in an acre of cotton, somewhere around 25 to 30 cents per lb., in western Oklahoma, and we do use herbicides and we machine harvest and it's relatively short staple cotton that the loan rate has been on it about, normally, we get a grade of 41 or 42 which is a strict low middle, one inch or strict low middle in light spots, 15/16ths, which is between 17 and 18 cents per pound.

Senator BELLMON. That's your actual cost?

Mr. ELSENER. That's the loan on it—17 to 18 cents per lb.

Senator BELLMON. That's the loan?

Mr. ELSENER. In our county, the average yield is, I could be wrong on this, I haven't seen this year's calculations but it's around 240 pounds, which is a little less than half a bale.

So, 2 acres to produce a bale at \$30 would be \$60 per bale cost on \$100 bale.

Senator BELLMON. Now, when you figure cost, you don't figure the land cost?

Mr. ELSENER. No, sir, this is just your plowing, cultivating, planting, feed, herbicides and your harvesting and your ginning.

Senator BELLMON. Again, that's about \$25 an acre or about \$30 an acre, about \$60 a bale?

Mr. ELSENER. Yes.

Senator BELLMON. A bale is——

Mr. ELSENER. 500 pounds.

Senator BELLMON. Seems like an awful low cost.

Mr. ELSENER. Well, as I say, that's not true in the irrigated, they have more on the cost in their irrigated cotton but on our dry land cotton——

Senator BELLMON. If we're to rewrite the farm program, and I'm not going to give the impression that that's going to happen, because I'm not sure Congress is going to agree with what the Secretary wants, but if we rewrite the program and put in a high enough floor under the price of cotton, what price per pound should we set as a floor?

Mr. ELSENER. And not have any subsidy?

Senator BELLMON. Nothing but the——

Mr. ELSENER. You put the bee on me now.

Senator BELLMON. Well, I think this is what we're looking at.

Mr. ELSENER. Well, this past year we just finished harvesting cotton, in fact I finished yesterday, most of my cotton I sold for 28 cents a pound and I realized some profit out of it this year.

Senator BELLMON. But you got a Government payment in addition to that?

Mr. ELSENER. Yes, sir. And I think that in dry western Oklahoma, I can get by on 28 cents a pound.

Senator BELLMON. That will include your land cost, and your living cost, and cost of chemicals in farm machinery and the whole thing?

Mr. ELSENER. I believe so, I'd like to—in fact, we've been offered contracts for this cotton I'm speaking about right now, we can get about 27 cents contract on it for next year.

Senator BELLMON. But you do have your Government payment. Now, I'm talking about not having any Government payment—do you think you can raise cotton and stay in business at 28 cents.

Mr. ELSENER. That's as cheap as I would want to do it.

Senator BELLMON. Any other cotton growers here?

Mr. SPIVEY. Now, he was saying the average is around 28 cents for their cotton now. I'm in Love County down here and maybe our cotton grade isn't as high as theirs, but ours run approximately 20

cents a pound at the gin with the 15 cent Government subsidy which amounted to about 35 cents and that's just about as cheap as we can grow cotton.

Maybe, if we were getting a bigger price for it, that's the biggest problem, we look at the cotton program and it's all based on middling and 1 inch upland cotton. We don't see any middling cotton any more and specifically that long a staple or grade in our area.

So, say your middle and 1 inch, I believe is 19—

Mr. ELSENER. 19 something a pound.

Mr. SPIVEY. Well, you see our Government grade price is down to 13 or 14 cents a pound.

Senator BELLMON. Now, I'm not talking about the price you get, I'm trying to figure out what would happen if we, for some reason, do accept the new concept of no more Government payments, no more production payments but rather try to jack up the support price.

Mr. SPIVEY. That's what I was trying to explain, that we would have to have a price of around 35 or 36 cents for middling and one inch cotton.

Senator BELLMON. You see what you get into, and I don't want to argue the point but if we get the support price of cotton up to, say, 35 cents a pound, then the mills shift over to more synthetics and there is higher production of cotton in other parts of the world. What we're almost doing is making cotton noncompetitive.

Mr. SPIVEY. That's right, too.

Senator BELLMON. Anybody else, any cotton growers?

Mr. CARROLL SMITH. Yes, I agree with the comments there that have been made to make a profit, a fair profit, a farmer needs 35 cents or more for his cotton but on this competitive thing, I feel like possibly 32 or 33 cents would be competitive as a support.

Senator BELLMON. You mean, if we had a support price of 32 cents?

Mr. CARROLL SMITH. 32 or —3 cents would be competitive with synthetics as the latest information that I've had on synthetic coming through the National Cotton Council and Cotton Inc.

Mr. STONE. Just a brief moment. These meetings that we've had, trying to get some deal, I mean it wasn't any just trying to get some answer from different States, and the biggest problem on what he pointed out over here, as to the difference in cost.

Now, if I understand right now, the maximum loan which we're talking about calls for a maximum of 19 cents per pound.

You see, the grades last fall was terrible, it repoded terribly in dry land areas, and the loan dropped down to practically nothing and some of them just barely could get 10 or 11 cents if they had real poor quality. Now, it doesn't mean it could not be used, there's a use for it, but the point of it is, that the guy that has to produce it, if it's spotted, he's had it.

Well, you made some money, but you sold cotton late, didn't you? And the only reason you sold late was because you couldn't harvest it. Now, the guy that sold early, he could only get a 19-cent loan and he had payments to make at the bank, so he had to accept the 19 cents. Now, if the loan had been up a little more realistic the guy could have borrowed and grown the cotton and paid off the bank.

Mr. ELSENER. This cotton that I sold for 28 cents, I, at Christmas time, was when I harvested it. And at that time, it was worth 24 cents, that was what I could sell it for. The loan price on it was about \$17.50. But I didn't sell it until the last of January and got 28 cents for it, but the market was going up and due to the fact that cotton, in the South and East, was still in the field and on the plains of Texas, there was a shortage.

Senator BELLMON. Well, now, considering the competition from the synthetics, considering the fact that if we get the loan price sufficiently high, it then becomes an incentive to get production from countries like Sudan or other countries and considering the cost of producing cotton, if you gentlemen had the authority to set the loan level, what level would you set it at?

Mr. SPIVEY. 31 or 32 cents for the farmer. Another thing, Senator Bellmon, cottonseed, although you don't think too much of the cottonseed price, it does help the producers.

I know I received about \$48 a ton for my cottonseed this year and you know, cottonseed meal is a little higher than that and I can't see that much difference.

Mr. ELSENER. Well, we got \$57 a ton for our seed and, of course, most of it went to the co-op mill in Oklahoma City and no doubt we'll get an added——

Senator BELLMON. Is there any reason for the Government to get to the place of putting a floor under cottonseed?

Mr. SPIVEY. Well, they have one under cottonseed, if I understand it right.

Mr. ELSENER. I'm not sure what it is, but it's around \$40, I think.

Mr. HINES. It's \$38 to \$40.

Senator BELLMON. That is the floor under cottonseed?

Mr. NORTH. If the market price falls below that level, well then, they would make the program effective but that's not the way it works, it's not.

Senator BELLMON. You generally agree that with the 31 cents——

Mr. STONE. There's one comment that I would like to make. There's a difference when you're talking about 31 cents. I'd have to agree that's low enough, but then you get into the irrigating factor and then the expense cost is so much higher and the yield is so much higher. Is there any other irrigating fellows here?

Mr. ELSENER. I irrigate some cotton.

Mr. STONE. And then you've got to average that out, would this average out to 30 cents or so?

Mr. ELSENER. Well, I think really, I'm in a section that can produce cotton as cheap as they can anywhere.

Mr. STONE. On dry land or——

Mr. ELSENER. On either one. We use wells to irrigate with and when you get an irrigation district where you have a water cost regardless of whether you have water on or not, such as Altus District, those people have to pay so much money each year for a quarter section of acre of irrigated land, whether there's water available or not, and their cost is considerably higher.

Also, you have your insect problem goes up with your irrigation and this can run up as much as \$30 an acre just to keep the insects out of irrigated cotton.

Senator BELLMON. We had testimony up there 3 years ago that the most economic cotton producers in the United States are right here in western Oklahoma and the high plains of Texas. When you consider everything, this is the place that produces cotton the most cheaply and the theory back of this whole approach to agriculture is, let the production migrate to the areas where it can be done most efficiently and most cheaply.

So, that, I think, the figures you folks are giving here regarding the costs of cotton show they are cheaper than they are anywhere else. I'd like to get into one other area, Mr. Elsener, then I'll pass it on to some others. We have a great controversy raging in government right now about which agency, if any, is going to be charged with the responsibility for weather modification.

Every time we have a drought, the farmers want cloudseeding and they start contacting politicians, which is the way it ought to be. We go to the agencies and they horse around for 3 or 4 months and finally, at the end of the summer, when it's too late and everything is burned up, they get a little dab of money and they start messing with the weather.

But we've been trying to figure out a way to get some kind of a weather modification system going on a continual basis so you can get rain early in time to keep people from losing their crops and having to have disaster relief.

Also, if we can make it work, we would probably be able to head off the immense investments that we will otherwise ultimately make to transfer water from where it's plentiful to places where it's short.

How would you react if we put in the new farm bill some authorization, some responsibility for the USDA to take a role in weather modification? Would you, as producers, be interested in working with your State ASCS Committee or your County ASCS Committee to put up a small price per acre to handle weather modification? Can you see any need for the USDA to get into weather modification?

At the present time, it's being kicked back and forth between the Bureau of Reclamation and the National Oceanic and Atmospheric Administration. Right now, it's really nowhere.

Do you think the USDA has a role in it?

Mr. SPEAKE. Would you like for me to comment on that? I can tell you what's supposed to be said but I think that something needs to be done and we know the Bureau of Reclamation has not done a good job, they're still doing the same research they've been doing for 30 years with just a repetition of what they did the year before.

So, they obviously aren't the people to do this. I, personally, would be agreeable to the USDA as long as it was down to a county level or a district level, something local, where we would retain local control, where we could or couldn't, depending on the seasons whether we wanted to do it or not.

There's been legislation introduced in the State house or State senate, one of the two, and State legislature authorizing, one mill, I think the, ad valorem tax levy, voted by the individual counties which may not be the way to do it, but the USDA not to be the answer to the thing, to administer the thing.

Senator BELLMON. One of the problems is that the weather system that affect Tillman County a lot of times, are clear across the State

line into Texas or even maybe in New Mexico. If you limited it to a State approach then it may very well make it possible for the people—

Mr. SPEAKE. We're involved in one right here, I don't know whether you're aware of it or not, but we have a five-county weather modification district right and we're having trouble getting the money and you know why, because we get stuck when we go to see the guy to get the money, which doesn't make it very conducive to raise money, but we have five counties here that, if we can swing the thing, on individual county basis, to set up this district and tie in with the cotton county and some of the counties who are under weather modification west of us, we would have a district that would be big enough to be beneficial, I think, but we have to do this now. I think we have a target date of next week to either wind this thing up or else forget about it because we have to advertise the Texas generator, so we have to have a 60-day advertising agreement with the railroad commission or whoever controls in Texas, set these generators up, making it somewhere around May 15 or June 1, even if we do it now.

So, we're right in the middle of this thing and we can't find anybody, in my personal contacts with people around the area, I can't find anybody that's opposed to this thing, except maybe for religious reasons or what have you, but really, I haven't found any opposition to it, but they just don't send this money in and when it gets dry in the summer and the predictions are that we'll have a dry summer.

I'm sure we can collect all the money we need in the middle of June or July, no problem, but it will be too late, but the Bureau of Reclamation has always waited till the last minute to shoot a rocket into a cloud and this is the end of it.

Mr. PACE. There is opposition to this. I live in eastern Oklahoma and we think someone is pretty irresponsible seeding clouds because we've had 21 inches dropped on us and think there should be some responsibility placed on someone because you just can't go seed any cloud and we know from experts that it can produce a flood 500 miles downwind, when normally these clouds go over dry they have some amount of rain—I don't know about that.

Mr. STONE. We had a rain last year, I guarantee you that.

Mr. PACE. I'd like for the rain to fall where they wanted it to all right, but we need a cutoff date.

Mr. CARROLL SMITH. What I'd like to see, I'd be very much in favor of some control of this and primarily in that organization have—

Senator BELLMON. Which organization?

Mr. CARROLL SMITH. May be able to put within the USDA or some other branch that has representatives from the various areas or the agricultural commodities, from the cattlemen, from the peanut growers, from the wheat growers, from the cotton growers, and rather, I'm afraid too often these rain making projects are set up too late and the directors on there might be newspaper men, businessmen, professors, regents, and now I'll say, first, we must have the know how, we must have someone to prevent what Joe has suggested, but also, we need some coordination there so that the wheat farmer doesn't get big rains during peanut planting time, so the peanut farmer doesn't get big rains at wheat planting time and so on.

Last summer, when we gave money voluntarily, I was glad to give immediately and I suffered through the summer, I wondered why they were waiting to seed the cloud, and then about ten days into the peanut harvest they seeded the cloud and it rained almost since. It was almost too late for the fall crops and pastures, and too bad for the peanut harvest.

So, we definitely need agricultural representatives.

That's all I have to say.

Mr. SPEAKE. What specific area, whereabouts are you talking about?

Mr. CARROLL SMITH. Caddo County.

I'm saying we need to break it down statewide providing you have the various areas represented.

Mr. SPEAKE. Local control. The thing is set up on a district weather modification district with the county control and we've taken this into consideration, what you're talking about.

We try to get a representative on the board from each various commodity, cotton, peanuts, what have you, to serve on the Board to make a final decision as to whether or not to participate.

I think this is enough, it has to be done this way because, now, me as a cattleman, it's hard as hell for me to get too much rain, but I know, I respect the people who raise wheat, hay, peanuts, cotton, whatever and we have to do it to fit everybody.

Senator BELLMON. Well, the point—

Mr. SPEAKE. We have a—well, we have got a lot of misinformation about weather modifications, like sort of similar to our consumers and the beef right now.

Senator BELLMON. The point is, do we need to get the USDA involved in this bill?

Apparently, you're doing this through some cattlemen's association?

Mr. SPEAKE. No, just a group of people that suffered through the drought the last 4 or 5 years and see a need for something.

We're not in favor of any aerial seeding which does what he has done, what he is pointing out and ground generators obviously don't do this, you have a solid weather pattern rather than one individual cloud.

Now, this Rapid City, S. Dak. thing can be pinned right on aerial cloud seeding, irresponsible aerial cloud seeding, one of the few instances where they really pinpointed it, but where ground generators and people who are supposed to know the weather pattern, and what's the weather patterns, and have this information available, they weren't contacted, they weren't doing the actual seeding of the clouds.

Mr. KING. Senator, you asked a question, as it relates to the USDA?

Senator BELLMON. As directly related to the farm program we're going to be writing here in the next 2 or 3 months.

Mr. KING. The question was, should the USDA be involved from a U.S. Federal standpoint or State standpoint?

Senator BELLMON. What we could perhaps do in this bill, and I don't know if anyone else has anything really finalized, is to provide authority for the local ASCS or the State ASCS to provide a means for coordinating farmers' efforts in weather modification.

Mr. KING. I don't think there's any reason to doubt, in the long haul, you would have to have the USDA from the Federal standpoint involved in it because of interstate action and reaction, and certainly, I would say yes to the question from the monitoring standpoint.

Senator BELLMON. Monitoring?

Mr. KING. From a monitoring standpoint, not from a policy standpoint.

Senator BELLMON. It looks like that should be done by the Weather Bureau. I don't believe the USDA has the facilities to——

Mr. KING. When I say monitoring, I'm not saying monitoring from the standpoint of how much rain fell where, but rather from the standpoint of the input that are coming into it from other segments of our society, we're not only including agriculture, but we have to include society as a whole.

A monitoring standpoint in this case. Should there be something in a regional area which should receive Federal attention, this could be the focal point of drawing this attention together statewide but the policy should be formed at the State level and certainly not by newspaper editors. Bureau of Reclamation should, I think, be a part of this, but not the dominating part.

Mr. CARROLL SMITH. Senator, I'd like to suggest that in view of the way this thing is so loosely handled, that some organization should be set up to set some guidelines on it.

Senator BELLMON. An organization; you mean the USDA or——

Mr. SPEAKE. The obvious place for it to be is the USDA.

Mr. CARROLL SMITH. There's going to be more and more of it and I think we'll need some control.

Senator BELLMON. I'm not trying to sell anything here to you gentlemen, but we've already got some pretty good structures in every county through the USDA and whatever you put together, you would have to go about building another structure.

Mr. SPEAKE. This is repetition; right, this is repetition, I agree to that.

Senator BELLMON. Does anyone here oppose the USDA having some authority or responsibility for weather modification? Does anyone object to that?

Well, we'll see, if you have any specific ideas about how it should be done, specifically seeding, I'd appreciate your working on this. I'm not sure that it will ever be accepted because weather modification is not a big thing. People up in Alabama or Maine or some place else don't know what you're talking about.

I was going to ask Mr. North a question on a point that he raised about the dairymen, but since then Mr. Howe has come in. Pat do you have a few comments you'd like to make to the record before we start talking about the dairy program?

STATEMENT OF S. F. HOWE, MANAGER, SOUTHERN REGION, ASSOCIATED MILK PRODUCERS ASSOCIATION, SAN ANTONIO, TEX.

Mr. HOWE. I just want to say, that these cotton farmers should produce more cotton because not having cottonseed to make protein last fall got our dairy farm in one heck of a mess as you might know, but I haven't any prepared statement, I just dropped in on this meeting.

I would say, we think that between the three phases of government and dairy farming, which take in support prices, Federal ordering and cooperatives, that we've probably or are furnishing the housewife with the cheapest milk that she's ever bought in relation to her income.

And if they interrupt these things, and get them in the discord that we seem to be about to slip into with imported cheese and powder to lower the price still further, we're going to put the local dairy farmer, and I'm talking about in our area, out of business because we're 4 percent under production this day with 1 year ago, and consumption is up 3 percent.

We've imported 35 million pounds in the six Southern States which I'm regional manager of, in the last 4 months from the milk bowl of Wisconsin, Minnesota, and Iowa, and this is something that had never been done before.

So, if the trend that we see right now continues with the high feed price and lower dairy price, the farmers will take their cows and sell them at the sale by the thousands, good cows that should have been milked for a good many years, and bringing \$500 at the stockyards and losing money milking. Then, you're going to put a local economy out of business, right out at the edge of Ardmore and other towns. And you're going to be importing powdered milk from foreign lands and bringing the milk down from the milk bowl to Oklahoma for fluid consumption.

I don't see why people can't see that, you can't put a dairy back in business in 24 hours even like you can your wheat, soy beans and cotton, it takes a long time to get a dairy in condition and back in and with the competition of your exotic breeds and your dairy breeds, and beef breeds coming in and getting the heifers and cull dairy cows to breed exotically, I just don't think we're going to have enough dairy cows left in the United States to furnish the United States with the milk that they need and I know the southern region of Kansas, Oklahoma, Texas, Arkansas, New Mexico, and Tennessee, which I'm over, I know that we don't have the cows and with the present price we can't go north and pay \$1,000 for a spring heifer, which costs that, and sell milk for the price we've got.

So, I'm saying, that with the present administration's policy of lowering this still lower, there isn't any way. Now, we're not criticizing the Fed. price being too high. I know they need it. However our milk price is less than a 3 percent of a year ago and cost of production is up 50 percent, basically, because of the higher grain prices and higher protein prices.

Two years ago, our dairymen were at the top of the economy as far as agriculture is concerned and today they're at the bottom within 5 months time.

Of course, you know you helped us with them, no need of crying about it, but I'm just pointing out that we're overlooking one of the basic economies right here, not just the dairy farmer, he has all kinds of alternatives, he's generally a cotton man on the side and he will divert to other things, but then, if you can tell me anything that will help the local economy and pay as much taxes and labor as a bottle of milk from the time it's a heifer calf, and a little seed,

and a little fertilizer all put together about 3 years later and it's another factory out on the farm and another factory in town, and then hauled to the stores and distributed in and then you're fixing to do away with those people in Oklahoma.

Senator BELLMON. I'm told we've only got about 15 minutes, so let me not to try to draw this out too long, but one of the problems you seem to have right now with the dairy is that the industry feels that there's a reason to adjust the market price and yet we can't get the USDA to give you a hearing; is this right?

Mr. HOWE. Right.

Senator BELLMON. Would you feel that we ought to require in this bill when, say, a third of the people affected by marketing orders ask for a hearing that the USDA must hear them? Seems like what happens up there now is that they make up their minds ahead of time that there is or isn't a reason for adjustment and then they go ahead and have the hearing.

Mr. HOWE. If the evidence is presented and, of course, the Secretary has—he's the one that is judging the evidence, then they are required to give whatever the hearings are asked for.

So, at this particular time, when we ask for a hearing, the Secretary indicated he was going to give it to us, but somewhere at the White House with Mr. Shultz, I guess, he said, "No, we can't give a price increase."

Well, he dare not give us a hearing then because the evidence will show that you have to have a price increase because protein and grain is something like twice the price it was just 90 days before, so, they knew that the evidence was here.

So, they stretched the rules of the market administrator far enough to say that we just won't give them a hearing. So, what you're saying, I think they should be required to give a hearing.

Senator BELLMON. Senator Bartlett's just come in, welcome.

You all have copies of the Secretary's speech and I wanted to take just a minute to review it with you and then perhaps if we don't have time today to get over all your comments, you may wish to submit something to us in writing.

If you notice, I said earlier, that the main crux of this is, we need to get agriculture on a market oriented basis and do away with, as much as possible, the dependence on direct Government financial aid—that's at the top of page 5 if you're looking for it.

If farm commodity legislation is modified to reflect our changing situation, farmers will be able to claim a larger part of their income from the market with less dependence on direct government financial aid.

And that's the thrust of what he says here.

He also says, down at the bottom of that page, farm income payments, those that exceed the amount necessary to achieve set-aside or production adjustment objectives, should be phased out. Now, we're talking about doing away with the 15-cent payment on cotton or with the certificate payment on wheat, or with the feed grain payment, over a 3-year period and then to have a farm program whereby the Department of Agriculture tries to adjust production to meet the demand and try to keep the market price at a level high enough so that the farmers will get their income from the market place and not so much from the Treasury.

Now, there's one other point I want to make before you react to that, and that is that he talks in here, in a couple of places, about doing away with the acreage allotment and going to a crop land basis. He says:

As the income supplement payments are being phased out at the end of three years, we recommend a shift in the fourth year from the present outdated allotments and basis to a new crop land base.

I'd like to ask you gentlemen, specifically, to comment on how that would affect—now, we're talking about the cotton farmers, how would that affect your own operation if you knew you were going to be shifted over to a crop land base four years from now; what would this mean to you?

Mr. CARROLL SMITH. I'd like to comment, I don't think it would be—would likely come out proportionately good for the country.

Senator BELLMON. But what would it do to you?

Mr. CARROLL SMITH. What would it do to me, specifically, I'd be guessing whether to plant more maize, more wheat, or more cotton, I wouldn't refer to peanuts because I don't want to think about them in those terms, but it would be too much of a guess. I think we would need some figures or guidelines for farmers on various crops.

Mr. KING. Senator, I'd like to make one short statement.

I'm not favorable to referring back to peanuts now because it's a reality, Carroll, and you're not either really, but this concept was implemented in a proposal recently to a certain group of peanut people.

The concept was this, that we would move away from the 1,610,000 acres as a minimum acreage and let the Secretary set a figure whereby the income of peanut producers would be maintained at the 1973 level for 5 years; 991,000 acres instead of 1,610,000 was to be planted and after the third year it would be on the open market but for 3 years it would be held at \$306 a ton.

Now, keeping in mind, 1,610,000 acres is about 30 percent, 35 percent above that. The next item was open it up for 1,026,000 additional acres. Now, this is double the acreage as we now know it. And after all, the problem, as they state, is surplus. But here we're doubling the acreages and somewhere within this quantitative figure, he has a selection of planting this addition acreage almost double what he has now but how can an individual in Georgia, with 50 inches a year of rain, where in eastern Oklahoma, with 40 inches of rain and 20 percent destruction of his property, make a decision based on that. A dry land person in Texas couldn't even harvest his crop this year, or put extra money into this program.

The variation of land, weather and so forth, make it impossible for him to do so.

Senator BELLMON. I tell you what bothers me, to get right down to it, if we shift over to a new crop land base for crops, whatever they are, I think everybody's going to be under the gun between now and that time to get as much crop land as he can.

Do any of you have crop land that you put back to grass? If you knew you were going back to a crop land base, what would you do with your grass, probably be out there plowing it up; wouldn't you, or not?

Let's say, at the present time, you may be farming 500 acres which, say 200 is grass and 200 is crop land. You're going to go over to a system whereby you'll be given the right to grow, right to produce, based on how much crop land, you're probably going to wind up trying to get that grass in cultivation; am I wrong about this:

Mr. CARROLL SMITH. You're right. I feel like reducing this soil conserving base, if we need more of these grains and cotton, some of those things. Soil conserving base, because that has been cropland and what we are saying, is that in the development of more cotton on a soil conserving base has been kind of loose in that you could go out and buy some allotments and harvest this in cropland.

So, I'd say this, everything on cropland basis, everything thrown in one pot would be real bad for agriculture and for the country as a whole, that reducing the acreages that are presently in conserving base by half or whatever percentage would be needed to give extra production, I think would be equitable.

Senator BELLMON. The Secretary makes a recommendation here on top of page 8, apparently, they're trying to get away from a conserving base.

Conserving bases have never really met their objective while continuing to be an annoyance to farmers, creating inequities among some farms. This needs close scrutiny in light of our recommendation for a cropland base.

As I understand what he's talking about here, if you take a farmer, who may have 500 acres of cropland, he would be given a crop base of some amount, say 400 acres. He could put in any commodity he wanted on that 400 acres. If the Department decided that, in any given year, we needed to reduce agriculture producing capacity, then, there would be a set aside, that might idle 50 acres or so.

We would try to adjust our total agriculture production by adjusting the amount of land that was kept out of production and they would pay farmers for the land they actually took out of production. You would no longer get production payments for cotton, or for wheat, or feed grain.

Mr. ELSENER. If there aren't any controls on the amount of acres on a crop, for instance, if they wanted to slow down the production on wheat and they'd have you set some of this in set aside, would they tell you to cut your wheat or what would keep the farmer from going ahead and planting the cotton.

Senator BELLMON. At the present time, you have virtually the same thing in effect, because even though you may have an allotment for wheat, an allotment for feed grain, and an allotment for cotton, once you have met your set aside requirements, you can plant any commodity that you want.

Mr. ELSENER. I like this.

Senator BELLMON. So, he wouldn't change that a great deal. The only thing he would change would be to do away with the certificate payments and the production payments on production of cotton seed. I wanted to raise one other question and that's this, the cost of this program, of course, you know, has made it kind of tough to get some of the votes that the Secretary thinks we're going to need and we in wheat have got a system whereby the payment goes down as the market price goes up.

For those of you who produce cotton and feed grain, do you think you could live with that kind of a situation in these other two commodities? At the present time, your payments are fixed, no matter what the market is, you get so much a pound for cotton and so much a bushel for feed grain. The wheat producer, if the market goes up, gets less and, of course, some wheat growers got a raw deal last time because the price went up after the wheat was sold.

It's in the new farm bill. If we stay with what we have, could farmers live with a flexible cotton and feed grain production payment based on the cash market price the way the wheat growers are?

Mr. SPIVEY. I believe we could.

Senator BELLMON. Anyone else have any comments?

Mr. ELSENER. I think so.

Mr. SPIVEY. It would actually be a comparison of averages, because, you know, a certain price and that way your parity wouldn't cost the government as much money and cuts down on cost.

Mr. CARROLL SMITH. I feel like I've said more than my share but I think what you're suggesting there would be confined to individual control, sometimes individual control over various crops, rather than just lumping it in there, what they're planning. Do I understand—

Senator BELLMON. Yes, the market would, more or less—

Mr. CARROLL SMITH. In other words, I think we must have some individual control by feed grain, by wheat, by cotton, by various commodities, I don't think we can throw them all in a lump sum and let the farmers go because there would be some bad guesses, like shooting for a point out there without ever looking.

Mr. SPEAKE. One comment I'd like to make to the record here before we quit.

Cattle producers have always supported the grazing rights on set aside acres as they are now. We wouldn't be agreeable to any change in those. In other words, no subsidation of cattle production on diverted acres or set aside acres without reduction of payment.

Senator BELLMON. Okay, gentlemen, I thank you very much.

As I said to some of you, we're going to reconvene here about 2:30, and at that time, we intend to take testimony from a group of Texas producers who have been invited to come in and if any of you would like to stay, we'd be happy to have you help us keep these Texans straight and not let them get off the straight and narrow. Also, I'd like to say as I have before, if you think of something that you should have said here, that's what I always do, we welcome you to, of course, correspond with us or call and give us your ideas. It's the intention of the committee to probably mark up this bill to finalize a bill by the 25th of this month or thereabouts. So, we're getting very close. The bill will then go to the House and probably wind up being written in the conference.

If you have any ideas or know anyone who has a contribution to make, we'd like to have it fairly soon because time is going to run out on us pretty fast.

I appreciate you all being here and want to do the best we can to write a good agricultural program, because it's in the interest of agriculture that we do this, particularly in the interest of the consumer.

For the first time in our history, we may find out what it's like to begin to run low on food. So, we want to be able to keep agriculture strong and keep everybody in the business of raising food. We're going to need more and more as time goes on.

Thank you very much.

[The following information was subsequently received for the record:]

A SUGGESTED ALTERNATIVE PROGRAM FOR PEANUTS

Amend Agricultural Act of 1938 to permit the following:

I. Beginning with the 1974 crop reduce planted acreage of peanuts by 10% if it appears to be necessary to reduce production by that amount after the 1973 crop is harvested. This 10% reduction from 1,610,000 acres would leave 1,449,000 acres to be planted. Let this 1,449,000 acres be established as a *TEMPORARY* minimum national allotment, not to be adjusted upward until such time as demand reached 85 to 90% of production, or until such time as the Secretary of Agriculture deemed it necessary to plant more acres. If demand reached 90% of production the Secretary would be required to ask for more planted acres. Then a gradual upward adjustment as demand made this feasible. Keeping in mind that planned production should be not less than 115% of estimated demand. The long standing minimum national allotment of 1,610,000 acres would be reinstated as a minimum if and when that figure was necessary to produce the needed amount of peanuts.

II. Secretary of Agriculture authority to put temporary freeze on support price of peanuts. This would be a three year authority but not to be a flat three year freeze. Rather, the authority to freeze or set the support each year prior to the marketing season of the new crop. Further, the Secretary would not be required to set the support at exactly the 1973 level, but in no event lower than the 1973 level, or the preceding year. Beginning with the 1977 crop the support price would once again begin to be adjusted upward each year on the basis of prices paid by farmers. The starting point would be the 1976 support. This moving price would constitute the new minimum support.

III. Seg. 3 peanuts supported at 37½% of parity or world market price for oil nuts, which ever is greater. Once diagnosed Seg. 3, peanuts would not be allowed to leave a grading station. They could be rechecked at that station to allow for error.

IV. Sale and lease of peanut allotments continue to be handled on a pound basis as at present.

V. Stop transfer of peanut allotments for anything that must cross more than one county line except in event three or more counties come together or very near at a given point and one landowner owned land in two counties that were separated by such a corner or intersection. In which case the Secretary or the county and state ASCS committees would determine whether the peanuts should be transferred, based on local conditions. Any transfer or reconstitutions to be done on a pound basis.

VI. Any peanuts planted for boiled peanuts in amounts larger than 1(one) acre would be subject to measurement of which ever state they were grown in. No new acreages of peanuts for boiling or for any other purpose that would require mechanical harvesting. Growers who have been growing and harvesting peanuts for boiling would be given quotas based on past history. Hugged off peanuts and 1 (one) acre plots would not count.

VII. Retain Sheller #2 program with provision that sheller must pay support price for any peanuts purchased from grower to qualify for #2 program.

VIII. Growers not to be assessed for inspection, storage and handling. These charges to be handled the same as in 1972 and prior years.

IX. Legislation allowing for up to \$2.00 per ton (farmer stock basis) national check off from grower by first handler. This money to be used for promotion including new markets. These funds to be administered by National Peanut Growers Group.

X. Growers Associations representing the three main grower areas specifically: the South-East Area, Virginia-Carolina Area and Southwest Area, to be charged with the obligation to see that this program is strictly adhered to and to do whatever possible to promote an understanding among all growers of the

importance of producing a high quality peanut in order that when new markets are opened up we can fill them with quality and not just quantity.

[Whereupon, hearing recessed at 12:05, to be reconvened at 2 p.m.]

AFTERNOON SESSION

[The following was held in chambers.]

Senator BELLMON. We've got a group of Texans sitting in there waiting on us and we better make this short if we can.

Mr. PACE. I started off once this morning and thought maybe some of these boys might have something new to add and maybe answer questions that you might have in your mind as to our feelings, if there is any, and we can answer a few of your questions right quick.

Senator BELLMON. First, let me tell you, I think I understand the wheat program pretty well and feed program pretty well and the cotton program, but I don't want anybody to think that I know much about the peanut program. It hasn't come up for review since I've been in Washington, so, I kind of need to be educated.

As I understand the problem and I don't have the notes that made up here, there's three things, one is this \$50 a ton deduction for alphatoxin; you don't want that?

Mr. KING. Oh, no.

Senator BELLMON. Can you tell me why? If the peanuts are not desirable for human food, why does the Government buy them at all?

Mr. KING. Basically, this is to maintain quality in the eatables.

Senator BELLMON. In other words, the Government didn't buy them to destroy them, and to keep them from getting the market under the table?

Mr. KING. Yes. There's no way in the world to control them unless you can maintain identity and the sellers contribute to a particular fund, it's called the P.A.C. fund, that keeps these things segregated as to whether or not they have alphatoxin through the marketing season and through the next year at particular times the producers employ good marketing of all the meal and oil.

Senator BELLMON. They are used for livestock feed?

Mr. KING. No, either as oil or fertilizer, one or the other.

Senator BELLMON. What's the oil used for?

STATEMENT OF CLINTON WILLIAMS, SECRETARY, OKLAHOMA PEANUT COMMISSION, MADILL, OKLA.

Mr. WILLIAMS. It's eatable, sir.

Senator BELLMON. It doesn't hurt the oil?

Mr. WILLIAMS. No, it doesn't hurt the oil.

STATEMENT OF WILLIAM FLANAGAN, EXECUTIVE SECRETARY, OKLAHOMA PEANUT COMMISSION, MADILL, OKLA.

Mr. FLANAGAN. We have a lot of research going on trying to determine how to control alphatoxin in peanuts, nobody can tell us how so, the farmer is really at the mercy of the elements. He does not know what to do to control it.

Mr. KING. There is no definition as to the cause. We thought wet weather caused it and now, last year with dry weather in the Southeast, we found the greatest increase in alphatoxin that we've ever had.

Senator BELLMON. What's wrong with paying less for them if they're not used for human food?

Mr. WILLIAMS. Let me attempt to answer that. It's because of the way a peanut is marketed. In other words, if I take two loads of peanuts to town and one has alphatoxin in it and one doesn't, if I'm so in mind, I'll hop inspection stations until I find a station that it won't show up in. Then that proceeds to the sheller point, then it's picked up there and it would just be utter chaos if they didn't do anything other than condemn the peanuts at the point.

If we're going to maintain this present posture that they have, then they must condemn those peanuts whenever that is found this first time.

Mr. PACE. It may be only one half of one kernel contaminated in a whole load, and it would be easy not to see that if you got it graded at another station.

Mr. KING. When he's considering \$50 or \$100 reduction on a ton or in some cases even less than this, he is subjected to the thought, "Am I really getting for my peanuts what I ought to get."

However, I must add this, if it has to be, we would take this, we would take this penalty.

Senator BELLMON. Take what, \$50 a ton?

Mr. KING. Yes; before we would approve the cancellation of the sheller purchase program.

Senator BELLMON. You're going to have to explain this to me, what is a sheller purchase program?

Mr. KING. The purchase program, whereby an agreement was made between the sheller himself and the Government, to keep high damaged peanuts, regardless of what they are, off the market or if there is a surplus of peanuts. If he has a warehouse over here, the Government can put peanuts in. There is an agreement that was made with him to cooperate with the Government to maintain only eatable peanuts in certain warehouses. Cancellation of that sheller purchase program, forces the possibility of bad peanuts being mixed with the good and running out of storage and no place to put them and would put the producer at the mercy of any unscrupulous sheller that might exist and the producer would be subjected to the possibility of taking whatever he offered him.

Mr. CARROLL SMITH. It looks like I'm going to be on the other side. I feel like that if they inspect these peanuts, used to when we sacked them, they took one sample from every 10th sack and if it's going to get down to this one kernel in one truckload, there's one chance in a million that we'll find it. If it gets this minute, we don't have a problem.

They may take a sample every 10th sack and find it, I say it's in there and as to not be able to control it, it's continuously in the same areas, Oklahoma, in the last 5 years has averaged a little over 13,000 pounds per year or less than 7 tons per year of these segregation 3 peanuts.

Senator BELLMON. Out of a production of how many pounds?

Mr. CARROLL SMITH. Let's say 7 tons, less than 7 tons.

Senator BELLMON. Out of 120,000 tons?

Mr. CARROLL SMITH. Yes. Now, 1972, Senator Bellmon, it was reported that average—13,722 lbs—for the 5 years, there might have been 11 tons, something like 11½ tons, in 1972 but for some of those other years there might have been 3 tons. The 5 year average is 13 some thousand pounds average.

Now, Oklahoma growers, we're taking a \$1.8 million loss on storage and handling, the growers, are taking that in order to support this contaminated peanut in the humid areas, this thing that happened in the dry areas of the Southeast was, as I said, brought on by a combination of drought and 7 days of rainfall.

The peanut suffered there under drought and 7 days of rain, it expanded and opened up the hulls and contaminated the peanuts.

If I get a freeze, if I get hail, if I get drought, whatever I get, no consideration, I feel like that if we continue to not look at it and say go away, that we are not doing the best thing in the best interest of the peanut industry.

Senator BELLMON. Primarily the southern—

Mr. CARROLL SMITH. It's south Texas and the Southeast.

Mr. KING. I might hasten to add here that I am not recommending and I don't think the representatives from the other areas are recommending that we could not take a penalty, as I said, and if we've got to take a penalty, let's take a penalty.

Let's say that peanuts are worthless, let's don't assume that we can pass a bill when one area will not go along and make it unanimous as far as the draft is concerned.

This is what's going to happen if you eliminate the segregation 3 program completely. You're going to have it in the Southeast, where most of it's happening, objected to and therefore you're going to break the producer industry and you're not going to get a bill through Congress. In my opinion, if you don't have unity among producers—if the producers can't make up their minds which direction to go, how can we get a bill passed.

In the second place—in south Texas, due perhaps to the early marketing—July and August—of that crop, during this warm season, evidently lends itself toward more alphanotoxin. So, these people are affected also and I certainly would like—I've talked quite a little bit here, and so have some of the rest of us, and I know that Ross Wilson has just entered the room here and he's been manager of Southwestern for years and years and very versed in this respect—I'd certainly like to have his comments as to the effect of the three provisions in the Federal Register's Office.

STATEMENT OF LUTHER ROSS WILSON, MANAGER, SOUTHWESTERN PEANUT GROWERS ASSOCIATION, GORMAN, TEX.

Mr. WILSON. I'm Ross Wilson, manager of the Southwestern Peanut Growers Association at Gorman, Tex. We operate in Texas, Oklahoma, and New Mexico. We carry out the peanut price support program in conjunction with Commodity Credit Corporation but we also carry out a number of other functions directly in behalf of the growers.

Floyd, you've probably already done this, but I'd like to express our sincere appreciation on behalf of all peanut producers in Texas and Oklahoma to Senator Bellmon for getting funding on the biological insect control project last year, which was certainly a significant thing and there's just no way of telling how valuable this is going to be both to Oklahoma and Texas. We appreciate that so very much.

With respect to the three items in the Federal Register, item No. 1 would be a reduction of what we presume to be \$14.52 per ton for handling, storage and inspection costs, from the peanut price support value per ton. This is one certainly, that producers don't welcome but it's one that they look on as the lesser of three evils. The peanut producers need 75 percent of parity, but even at \$14.52 off, we feel that with the advance in parity this year, that we'll still get an increase probably of \$10 or \$15 per ton over last year.

With respect to item No. 2, the elimination of the sheller purchase program, this has been referred to through the years as primarily a sheller program but it really isn't. It's a program which offers shellers the opportunity to offer back to the Commodity Credit Corporation their less than top quality shelled peanuts. It encourages shellers to go out and buy commercially peanuts from the farmers all over the Southwest, the Southeast, and the Virginia-Carolina area, and to do this with their own financing. In order to participate in the sheller purchase program and this is where the importance is to the growers—the sheller agrees to pay at least price support for the peanuts, most shellers are honest, reliable people but if their competitors are inclined to pay less than support price to a grower, another sheller either has to try to compete with him or pay more than he's paying so that he gets more in his farmer stock peanuts and more in his shelled peanuts, so that it throws the whole marketing system out of line, this is the first item, the second—

Mr. KING. The Senator doesn't really understand the sheller purchase program, he wanted amplification on any part that you deem necessary.

Senator BELLMON. Let's assume, I'm a peanut grower, I bring my crop to you as a sheller and you buy them on the spot; is that the way it is?

Mr. WILSON. Yes, sir.

Senator BELLMON. Regardless of the quality?

Mr. WILSON. Yes, sir; if they're segregation 1 peanuts.

We do have a quality control program which includes purchases by shellers of only high quality. These moldy peanuts are classified segregation 3, in our quality control regulations. Then peanuts, with more than 2 percent damage must go under loan and be diverted, all of them—otherwise I buy your peanuts directly.

I shell those peanuts, I put my own money into them and then I can offer back to Commodity Credit Corporation from 100 to 150 pounds of shelled peanuts out of that ton, these are low quality shelled peanuts which ought to go to crushers for oil and meal and have no business on the edible market.

Now, prior to the sheller purchase program, the shellers put these peanuts on the edible market.

Without a purchase program, there's no doubt that shellers will have to go to the edible market, at least with a portion of these and perhaps disrupt what we think is a very good quality program now.

So, the importance to the grower is that shellers are encouraged to go out and buy peanuts from farmers commercially rather than letting them go into government loan, that's No. 1.

And No. 2, every grower is concerned with a quality program so this is encouraging a good quality program. The argument is, there's a long history on the argument, as to whether it's better not to have a sheller purchase program and let larger quantities of these peanuts go into price support loans but there's a lot of adverse effect here.

Quality mainly, and cost to Government in handling the peanuts under loan; so, for the past 15 years, there's been a sheller purchase program operated in this manner.

And on item No. 3, the Secretary has left——

Mr. KING. Ross, could I interrupt you here and ask you one question to clarify a point?

What part of the cancellation of the sheller purchase program would cause unscrupulous shellers to possibly buy peanuts at whatever price they buy them now?

Mr. WILSON. Well, one of the requirements for the sheller's participation in the sheller purchase program was that he pay full price support for all farmers stock peanuts that he bought.

This is the only leverage that either the Government or the association had on the sheller to see that he did, at least pay price support. Now, the only leverage that we will have is the operation of our association in the price support program where we will go out and contract with the buyers over the area and, of course, we'll pay price support. To the extent that we're able to acquire loan storage in all those localities, we can provide enough competition to make the sheller do this. But, we have many areas, particularly in south Texas, some areas in eastern Oklahoma, where storage is critically low and where the program may be in danger. The Virginia-Carolina area, of course, is in worse shape than we are with respect to storage.

Mr. KING. In those places the producer would be subject to whatever the sheller would pay for them.

Mr. WILSON. Yes; he would.

Senator BELLMON. Listen, we're going to kind of have to speed along here, these fellows from Texas are going to get impatient with me.

So, you want to protect the sheller purchase program, that's your first priority?

Mr. KING. Yes, sir.

Senator BELLMON. Now, the \$50 a ton penalty is a last resort; you could live with that?

Mr. KING. I'd say yes.

Senator BELLMON. Okay then, the third point in the difficulty right now, again, I apologize for not knowing more about it, but you're talking about a two-price system, is this——

Mr. PACE. This third point, was the storage charge and handling. Let me put it in the way I understand it, if you are a farmer and you go on the scales with a load of peanuts, they buy them from

you, and they gave you a check, and then they say, "Farmer Bellmon, here's your check for them, but we're going to charge you \$14.52 per ton for storing and handling them for us, all winter" what would you say to them?

Mr. CARROLL SMITH. The intent of the ruling was, Senator Bellmon, to charge the grower for the storage and handling of those peanuts that go into the loan, but it was estimated there would be in 1972, a cost to the Government on loan peanuts, of about \$7½ million. But by lowering this price on the loan, the shellers, those honest shellers, take advantage of that and give you \$15 a ton less for your peanuts. So, in effect, that's a \$16½ million, a \$24 million overall cost to the grower, \$16½ million is windfall to the sheller, 7½ million is saved by the Government.

If this charge could be confined to loaned peanuts, I would be for it because I think it would be right. But as long as the sheller can take advantage of it and reduce the price to the grower, approximately, \$15 a ton, it isn't fair.

Someone said, we're getting a parity increase, that's simply because we've got a 75 percent floor. That's built in, it's due the grower and why share it with the sheller. That is the way I see it.

Mr. FLANAGAN. There's one point I'd like to mention, Senator, nobody else has mentioned it, I guess it's kind of hidden in the background, but we have initiated a promotional program with our National Peanut Council, to promote peanuts and peanut products on a national basis. We have just begun to get this program off the ground. We do feel like this is one way to sell our product, and sell our way out of this problem. But we have not had the opportunity to see any results due to time.

I am firmly convinced that we can increase the consumption of peanuts enough that we won't have a surplus if we just have time to give this promotion effort a chance. Give us a couple or 3 years to get this program initiated, I think we can sell all of the surplus that we now have.

Senator BELLMON. Well, that gets down to the point of this whole business. In order to get the cost down to where USDA could live with it, you would be willing to take a reduction in acreages; that is, leave everything about as it is but bring the acreage down to where you could balance production with consumption. Is this what you'd like to see done?

Mr. KING. Very much so.

Senator BELLMON. Everybody agrees on this, no objections.

Mr. KING. Except, Senator, we'd like to have it gradually down and —

Senator BELLMON. What, 5 percent a year?

Mr. KING. Not over 10.

Senator BELLMON. Now, what would it do to these fellows, again, I apologize about not knowing any more about peanuts, but do you have some variety that's favoring the Southeastern growers; is that going to hurt the dry land, or the Texas, Oklahoma grower, if you reduce acreages and they bring up their production?

Mr. FLANAGAN. I don't think it will hurt any of the producers as much as the program they're trying to initiate.

Senator BELLMON. Then, we could get the cost to the government in line, whatever that is, just by bringing acreages down and leaving everything else alone.

Mr. PACE. And by increasing promotion efforts and maybe we can take care of it ourselves, we're trying, we're working hard at it.

Mr. WILLIAMS. The way I see it, Senator, we in the Southwest, have been for straight acreage reduction all these years and at least by an acreage reduction, the people who have been contributing mostly, more greatly to this surplus, they're the ones that's going to be hurt more than we will out here.

Senator BELLMON. If we're going to cut acreages, are we going to cut everybody, what about a guy that's got 5 acres or 10 acres or something?

Mr. PACE. He'll have to take his lumps with the rest of us.

Mr. CARROLL SMITH. There used to be a provision, that under 10 acres did not take a cut.

Senator BELLMON. You don't want that in there?

Mr. SMITH. It might have been county policy, but this was in effect.

Senator BELLMON. Again, what is a two-price program, is this one price for human food, one price for livestock, and one for domestic, one for export, and one for—

Mr. KING. One for eatable and one for noneatable. The percentage that is used is about 70 percent eatable—30 percent noneatable.

Senator BELLMON. Thirty cents would be used for worldwide—

Mr. KING. World over, \$150-\$160 a ton, somewhere along in there, but we have to think what we can get passed thru Congress and not have it get on the floor and get torn all to pieces.

Senator BELLMON. Well, this program doesn't have to come up on the floor of Congress, as I understand it.

Mr. SMITH. I'd like to see what the opinion of this is, how many are in favor of a two-price program. The three points are the administrative, the three points that the Secretary is proposing, has been put in effect last week, are administrative, but this acreage reduction or any overall modification of price or acreage will have to come before Congress.

Senator BELLMON. You mean the Secretary doesn't have the authority to adjust it?

Mr. CARROLL SMITH. No, sir, we have a minimum and maximum acreage allotment of 1,610,000 acres.

Mr. KING. He wants this sort of authority and these measures, perhaps, we think are being used as a tool to force the industry to legislate to give him that authority.

Senator BELLMON. Now, are you talking about how many—

Mr. SMITH. When you mentioned this two-price program, the guys in my area are not in favor of a two-price program, I'm like Joe, I've yet to talk to one that's in favor of it. And I would like to see if there's anyone here that favors the two-price program. There's a certain amount of guys growing peanuts for nothing and they're too expensive, they're too risky.

Senator BELLMON. The way you put the question, don't think anyone's going to dare to be in favor of it.

Mr. KING. I don't think there's anybody in favor of it either, but don't get the idea that there are no producers not in favor of it because in the Southwest there are producers that are in favor of a two-price system and producers in the Southwest who are in favor of throwing the whole thing out. As far as the Southeast is concerned, where over 50 percent of the peanuts are grown, are in favor of a two-price system.

Senator BELLMON. Oh, they are?

Mr. KING. Yes, they are and this is the thing that you've got to look at from a national standpoint.

Senator BELLMON. Why would they be in favor of a two-price system?

Mr. KING. They've got a bountiful supply and they've got a flow runner peanut which can yield higher than ours.

Mr. FLANAGAN. They can produce peanuts cheaper than we can. And those same peanuts, had 10 to 30 percent alphatoxin last year. I say get them in line on production and they'll take better care of their business.

Mr. KING. This is true, and this is also a valid reason for not being able to maintain unity in the industry. In Alabama, 30 percent of their peanuts were alphatoxin and those people over there, whenever you begin to rule out the alphatoxin support on seg. three peanuts entirely or reduce it to 50 percent of parity or something like that, the Alabama people say "Heck no, this makes me broke," they're scared of it.

Senator BELLMON. Are the Southwestern peanuts more desirable for cooking purposes, eating purposes?

Mr. KING. I wouldn't say so.

Senator BELLMON. You wouldn't.

Mr. KING. We are losing some of our market in peanut butter because of the shelf life and taste variance, there's more of those going to peanut butter use and less of ours than there was 10 years ago.

Mr. CARROLL SMITH. What it's boiled down to, actually, peanuts are peanuts, and you can develop a taste for it, I prefer the southwest peanuts.

Mr. PACE. Anybody would that was a peanut eater.

Mr. CARROLL SMITH. And in this thing, we come to a bargaining, do we support Oklahoma growers or Texas growers or do we support the Southeast? I've talked to two of the important leaders in Virginia and Carolina the last couple of weeks and they feel like I do, that it is not right to assess the grower for storage and handling and they could care less whether you supported seg. three peanuts because they don't have much more of a problem than we do. So, we've got Virginia, Carolina, and the Southwest area that could make their needs known and put up a place for a compromise, but I say if we compromise before we go, it's a pure——

Senator BELLMON. Give away.

Mr. KING. We've been there 50 times already.

Senator BELLMON. Now look, we're going to have to break it up.

Let me ask Mr. Flanagan here, if you want to do it, to compose a letter to me saying pretty much what's been agreed upon here. I'm not sure that we can get it all, but indicate that you want the

acreage reduced rather than to have a two price or anything like this. As a last resort, you could live with the penalties and that you want the, call it sheller, processor—

Mr. WILLIAMS. Purchase program.

Senator BELLMON [continuing]. That's to remain. In the letter I get, I suppose it will have to be to the Secretary of Agriculture, telling him to withdraw these things from the federal register.

Mr. KING. We have that on record already from Oklahoma, Southwest, and across the board, but I'm sure we will be happy to give you another letter on it.

Senator BELLMON. I think it would help if you could get a few members of Congress to go on record also supporting—

Mr. KING. We've had Albert and Poage and these others on record, plus the fact that they have recommended to us, when I say "they", I'm talking specifically of Poage, Burleson, Albert, Talmadge, Mathis, Jones, have all recommended that we do something toward modifying the program; haven't they Ross?

Mr. WILSON. Well, we were going to meet with Senator Bellmon, but I believe your father died or something.

Senator BELLMON. Yes.

Mr. WILSON. This would be very good now what you're suggesting.

We've imposed long enough, we appreciate this extra time.

[Whereupon, the meeting adjourned in chambers and reconvened in the courtroom.]

Senator BELLMON. We got the peanut fellows back there. they've got special kinds of problems and we've been back there talking to them for just a minute.

As you all know, the Congress is in the process of reconsidering the farm legislation. We've held hearings in Washington for the past 5 or 6 weeks. It's likely that, what we call the mark up on the new bill, will be in the 25th or 26th or so of April. So, during the next couple of weeks, we'll be hearing in different parts of the country, we've listened to Oklahoma growers this morning, they were hearing yesterday in Kentucky and there's going to be hearings in Georgia next week.

So, what we'd like to invite you gentlemen to do, is give us ideas on two things. First, whether or not you like the present program and second, what you'd like to see in the new one, because we do have to write a new bill this year.

Now, if you have prepared statements, it would be fine if you want to read them or talk about them. It would suit me better, in the interest of time, I know a lot of you have distances to travel, if you could file your statement with the reporter here, for the record, and talk a little bit informally, just get right down to the nut of what's wrong and what you'd like to see something done differently in the program, when we get around to writing it. If you prefer to read your statement, it's fine, but I think if we keep it informal that you might be able to get your ideas across just as well that way.

So, if you don't mind, I have your names here and I'll just call on you one at a time and you can make your comments, extemporaneously or read whatever statements you may have, but if you wish

to file your statements, we'll have them in the record and they'll be looked into carefully by the staff.

First, I'd like to invite Mr. Garland Ray Sawyer, who is representing the Association of Farm Elect Committee Men from Hillsboro.

STATEMENT OF GARLAND RAY SAWYER, PRESIDENT, TEXAS ASSOCIATION OF FARMER ELECTED COMMITTEEMEN, HILLSBORO, TEX.

Mr. SAWYER. Senator, basically our association is in favor of extension of the act with a few modifications as possible.

Senator BELLMON. That's short and sweet and to the point. Before I go any further, I made a little mistake, we have two gentlemen here that I think you all should know are present, one is Larry Combest, who is the agricultural assistant for Senator John Tower.

Mr. COMBEST. Thank you, Senator.

Senator BELLMON. And, also, a Jack Fisher, who is assistant to Congressman Bob Price. Mr. Fisher, do you want to come up here?

Mr. FISHER. No, thank you, this is fine.

Senator BELLMON. Senator Tower would have liked to have been with us and, in fact, I'm sure you all have a letter that he sent out saying he would like to have been able to join the session today, but is not able to do it, so we're doing this largely at his request. Texans can't vote for me very much so I'll be glad to do something for John. Maybe I can get him to reciprocate some of these days.

Okay, Mr. Sawyer, you just wanted us to keep what we have.

Mr. SAWYER. Basically, I think that would be our association's position—continuation of the act of 1970 for a 5-year extension.

There are some technicalities that we could go into, but as a time saver, I think that would suffice, Senator.

Senator BELLMON. Let me just ask one question, it won't take too much of your time, but do you find the present act difficult to administer, does it lend itself to abuse? For instance, people who approve their yields and—

Mr. SAWYER. No, sir, we've, in my county, which is in Hill County, Tex., central Texas, I've been chairman of the county AC committee for about 10 or 12 years, and over the last 10 years, we've got records of yield on practically every farm in the county, voluntarily on part and now they're not exactly voluntary, but they are and we have no problem on yield.

Is that your question, Senator, about the yields on the farm or—

Senator BELLMON. We have cases or at least we have charges that sometimes the farmer will claim considerably higher yield.

Mr. SAWYER. No, sir, sir, under the present act, in our county, can speak specifically for Hill County, Tex., the farmer is required to bring in records of production and those are gone over by our clerks in the county and not the county committee, but the clerks mathematically figure out the yield for a 3-year average on the farm. We have found no difficulty in that now.

Sometimes, where you have losses due to adverse weather conditions or something like that, we have appeals on those basis, but it's

pretty hard to argue with the facts, Senator, we're going by records. I think most counties in Texas are, it's my understanding.

Senator BELLMON. As far as you're concerned, that doesn't need to be changed?

Mr. SAWYER. No, sir.

[The letter from Senator Tower follows:]

Mr. DON ANDERSON,
Crosbyton, Tex.

DEAR DON: As you may know, the Senate Committee on Agriculture and Forestry is presently considering legislation to extend the Agricultural Act of 1970. In order to obtain the views of southwestern producers who participate in farm programs and those who directly depend upon the crops produced by these program participants, Senator Henry Bellmon of the Senate Committee will be visiting with a selected group of Oklahomans and Texans on April 7 in Ardmore, Oklahoma.

It appears at this time that I will be unable to attend. however, I will have my agricultural assistant present with Senator Bellmon and the Committee staff.

I hope you will be able to join in this occasion from 2:30 p.m. until 4:30 p.m. in the Court Room of the Federal Building in Ardmore. This will be a discussion rather than a formal hearing. However, if you would like to bring a written statement with you, it will be entered in the record to be read by other members of the Senate.

If you will not be able to attend or send someone in your place, it would be appreciated if you could notify Mr. Larry Combest in my Washington office at (202) 225-2934.

Sincerely yours,

JOHN TOWER.

Senator BELLMON. I'll next invite Iven A. Neal, who is vice chairman of the ASCS in Pearsall, Tex.

STATEMENT OF IVEN A. NEAL, VICE CHAIRMAN, FRIO COUNTY AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, PEARSALL, TEX.

Mr. NEAL. We would like to continue the Farm Act as it is presently and would like to keep the peanut program as it presently is, keep it separate from the other farm programs.

Senator BELLMON. You sound pretty well satisfied.

In case there is a need to get peanut production more in line with consumption, would you favor reducing acreages down or favor some kind of a two-price system, part of them going into livestock feed? Or if it is decided that it's desirable to reduce or get production more in line, how do we go about it?

Mr. NEAL. We would rather take a percentage cut in acreage to get it in proper line.

Senator BELLMON. Okay. Any other peanut growers here? Mr. Wilson, you've already said you agreed with that pretty well?

Mr. WILSON. Yes, we agree with that right down the line, Senator.

Senator BELLMON. Thank you, very much, Mr. Neal. We also have Mr. Don Anderson, a farmer from Crosbytown.

STATEMENT OF L. DON ANDERSON, CROSBYTOWN, TEX.

Mr. ANDERSON. Senator, we appreciate you coming to the country and talking to us about some of the problems facing us in the legislation.

Basically, we support the extension of the act of 1970. We note with some concern some of the discussions that are being put up, particularly by the Department people in the move toward a more market oriented agriculture.

And, in this regard, we think that we can utilize some of the tools that are now available in the 1970 act. Such as, the anniversary loan that we have in cotton which we appreciate your reference to very much in the 1970 law. This gives us the opportunity to bridge over production years and carry these in producer hands to the periods of adjustment, through the period of adjustment, and we feel that to make this work in cotton as well as it's worked in sorghum, we should have the resealed privilege, and use the resealed privilege, as effectively as we use it in sorghum to bridge these production years whereby good graces of the Lord, we just have a good year and overproduction exists.

We are concerned about the gearing up of our agriculture production system to demands, such as we're seeing now from Russia, where it's primarily precipitated by drought in that area. We know, generally speaking, that droughts don't last forever and those adjustments in their production can take place and if that happens, and we're geared up to overproduction, then we can go through a period of depressed prices.

Of course, the same thing can apply to cotton as far as the demand we see in China now. If the demand in these foreign countries readjusts to whatever may be the cause, if their production comes up or their consumption goes down, then we could be looking at an overproduction and the prices in American agriculture and we've seen the effects of this and our producers fear the effects of going through these periods of depressed prices due to overproduction.

For that reason, we would like to emphasize the use of the commodity programs for carrying the farm produce, in the hands of the farmer, through a production and adjustment period, and I see this is not too much in contrast to what the secretary said in his speech on the last page, on page 12, where he says:

Supplies of farm commodities should be and can be controlled by farmers and the private trade not government. Market decisions should be made by farmers at the prices best for them. This gives the market benefits to farmers as they are now getting.

And this we agree with. So, we'll take a little bit more realistic loan, particularly in the case of cotton, in order for us to live through those periods.

Our loan level, at the present time, as far as cotton is concerned, is pretty low, and the use of the loan as a marketing tool for which it was intended, makes it real difficult for the cotton farmer to use it with the loan levels like it is now.

Of course, now, we're in a high-demand period and everything is fine, but if we come to that overproduction period, we'd like to see our loan level a little bit higher than it is, we recommend 90 percent of the average market price for a 2-or 3-year period.

I say again, we appreciate your efforts in the 1970 act in assisting us in this anniversary loan concept which I think has served its purpose in that it has caused the trade to move aggressively to the country side to buy stocks because they knew that the farmer had this tool that he could use if he had to rely on it.

Another thing, as far as cotton is concerned, we're very grateful to you people, particularly in the Senate, and that is the provision of section 610 and the funding through section 610 that gave additional funds for us to use in meeting our competition with the synthetic fiber industry.

We feel that we can compete in the industry with the synthetic fibers if we have the necessary tools through research and market development to aggressively warrant in the consumer and the marketing aspects of it, product research and so forth. The work that the cotton growers are doing in the past 2 or 3 years, we think they're doing an excellent job and we're beginning to see the benefits from that.

My personal belief is that part of the program demand that we're seeing in the country today for cotton is the result of some of the research work and market development work that Cotton Inc. has been able to do with the assistance of the section 610 funding.

We recommend very strongly that something be worked out that we can continue this aid to the farmer and in helping him market his own products effectively in the marketing system.

We think that one of the greatest assets that this country has today is the productive ability of the American cotton farmer, grain farmer, wheat farmer, soy bean farmer, peanut farmer, across the board, it's a great asset that the country has and my personal opinion is we're on the threshold of being able to use this productability to help cope with the international trade balance problem that we're faced with.

I noticed in the news the other day that the projected deficit in the petroleum products by 1985, was projected to be something like 25 billion, we can offset, I believe, this trade deficit by the furnishing of food from the American farmer to the world in exchange for his raw materials of other types that we need, but we must be able to bridge the cycles that will occur because of overproduction periods and to be cast into the marketing system without any tools to bridge these cycles of production, we think would be hazardous for us and consequently it may be hazardous for the farmer in trying to get financing from the banker in planning forward in his year because he needs to know that he can produce it with the reliance on getting a possible return.

Thank you again for being here.

Senator BELLMON. Thank you, Mr. Anderson. I'd like to call on you, just for a moment, the point you raised, we need some more realistic loan levels.

Can you give me, or give the committee, some idea about what the cost of producing cotton is in the areas you know best, how much a pound does it cost to raise cotton?

Mr. ANDERSON. Well, it's very difficult, Senator, to—I've attempted to find cost of production on my own farm and we wind up getting lost in a maze of figures where your allocations to cattle, to wheat, to maize and to cotton, I suppose the best source of figures, that I would know to draw from, would be some of the figures that have been developed by the Department of Agriculture and I think this will run somewhere around 32 or 33 cents a pound.

I'll be frank to admit to you, that I have not been able to determine what my cost of production is on my farm because it would take, I'd lose a crop trying to figure it out with the account that I have.

Senator BELLMON. You would think that the loan level ought to get up close to that price; 32 cents?

Mr. ANDERSON. Well, I think, Senator, that the loan level should be market responsive and that's the reason why I said 90 percent of the world market price.

Senator BELLMON. 90 percent of the world market price.

Mr. ANDERSON. Yes, sir.

Senator BELLMON. You think cotton producers then could survive 2, 3, or 4 years of low prices if they got a loan in that amount?

Mr. ANDERSON. Yes, sir, if we continue the present subsidies that we're now operating under.

Senator BELLMON. That's the point, you probably haven't had a chance to read the Secretary's statement but he comes out pretty hard here against any continuation of, what he calls, income supplement, is his term, that's going to be the big battle up there now, should we keep what we have or do we shift over to a more market-oriented agriculture and raise the price support floor as you suggested, and a suggestion with which I thoroughly agree. The World Market doesn't always demand our output, so that we'll need to give the farmers a source of income so they can get through these years of surplus into the year when their commodity will be needed.

If we go that route, what should the loan level for cotton be?

Mr. ANDERSON. Well, unfortunately, Senator, we're in a position that if we attempted to demand, from the market place, the total amount of money that would need to be paid to the cotton farmer for production, that at the present time, it would put us in an undue position in competition with synthetic fibers.

I think that given time and research moneys too, where we can work at it from two points, one from the angle of cutting cost of production in the countryside, which I think we're making some gains on in that score, unfortunately, inflation is tending to offset our gains. We have been cutting our costs but we've just been maintaining sort of a status quo because inflationary pressures will offset that.

The most opportune place, in my opinion, is to work at the consumer level in selling the American public on the natural aspects and benefits of the cotton fiber. We've been working at a very definite distinct disadvantage in the synthetics in the amounts of money that they've put into this area. The last reading I've had, they were spending some \$60 million a year where we've been spending somewhere in the neighborhood of \$8 or \$9 million a year in product development and promotion of our product.

If we can get our market demand for our product to a point that it will pay the cotton producer a profitable level, I don't think there's anyone that would be more happy than I would to be able to sell cotton for that price in the market and not have to depend on the subsidy payments, but unfortunately, at the present time, I don't see much alternative to it, Senator.

Senator BELLMON. Okay. We may want to come back to that a little later. Thank you, Mr. Anderson.

Next, we'll ask Mr. Ray, who represents farmers in South Texas, unofficially, from Sinton, Tex.

Mr. Ray.

STATEMENT OF ULUS E. RAY, SINTON, TEX.

Mr. RAY. I believe I could tell you better what I think by reading a little bit.

We've visited with a number of farmers from four counties, we tried real hard in the time that we had to prepare this statement. We worked until about the time we were ready to leave home. We had enough interest in this thing that some people came along up here today to say that they know it's life and death as far as economy is concerned to us.

Let me explain something to you very hurriedly and then you'll better understand what I'm going to say in just a moment.

I live in San Patricio County and I have a farm which is only about 2 miles from salt water, and when I look across the space I can see an elevator, they haven't built me a road across there, I have to go around the bay to get to it, Senator, so, we're very conscious of exports at all times and this is the thing that always stays with us.

I'm going to tell you that in visiting with the farmers, without exception, they favor the continuation of the present program. They found some things, little things, they don't like but basically, they like the way the thing is going.

I'd like to say these farmers believe that the present enabling legislation is good and that the administration of the program, from the president to the local committees, has been excellent. By the way, that's my answer to a question you asked earlier. They have done an excellent job in our county and they seem to work at it; we don't find that they were missing anything that we thought they should have done. We think they were fair and we think it was reasonably easy to administer, at least it was good for us and we think we have some good county administration there.

Then, we want to say that our farmers commend the policy and encouragement of this Government in the recent grain sales to Russia and the cotton sale to China, I don't believe it's been mentioned before.

Senator BELLMON. Could I interrupt you for just a second. I talked to someone the other day, not in the Department of Agriculture, but as I remember, in the State Department. They were telling me that there are almost 800 million people in China now and that on the average, they get 1 yard of cloth a year per person, maybe it's 3 yards, about enough for one garment a year, so you can see what a fantastic potential market that would be for cotton.

Mr. RAY. We believe, and I hope that I have said this in a fashion that could be understood, I'm a farmer and, incidentally, of the three people who came with me, none of us live in town, we all are professionals, we live on farms.

We believe that properly controlled exports calculated to maintain desirable levels of domestic supplies can bring us to full produc-

tion; now, what we mean there, by full production; we believe that this is the way to use all of our land and, now, we want to hurry and tell you something that we've been challenged on a number of times. If I work all of my land, I'm caring for it better than if I just let it lie fallow at least in my country. We produce more and more every year, and the reason for it is, we're very careful not to let this land blow away, not to let it wash away, our fertilizers increase productivity, as I've said to you, year to year, and we actually find that we can do a better job. It just stands to reason, ultimately, this extra production, the amount kept here for domestic use, can actually mean a saving to this housewife who seems to be so perturbed at the present time.

I say here, at the same time, it is tremendously valuable in the solution of the trade balance problems, somebody else has mentioned that, too, actually, we think this is an excellent program. We believe that this is the way for us to get on our feet, we think it offers adequate opportunity for the Government to get out of the business. We're grateful for the opportunity of getting back into a condition that permits us to farm the way we think we ought to farm and not seek to comply with a bunch of rules as we have done in the good many years before.

We like it, we like the program very much and we think you've done us an excellent job and I'm grateful for the invitation to come here and talk.

Thank you.

Senator BELLMON. I see you have some recommendations about changing the program, would you want to go into that?

Mr. RAY. Yes, two, not big ones. May I read this further?

Senator BELLMON. Yes, do that.

Mr. RAY. We make two recommendations that, for us, would be improvements. First, we would have announcements, especially those concerning land use, come to us earlier. As an illustration, the recent change in the feed grain program came to us after our planting time, my grain was that high. (Indicated about 8 inches) Now, to comply, I must plow up acres of beautifully growing grain that has been fertilized and prepared for a crop, it rained an inch down there last night. Now, my neighbor, listen to this, my neighbor who set aside 25 percent to comply with the program, under the earlier announcement finds that he cannot plant because the allowed 15 percent increase because he has plowed away his top moisture to keep the ground clean and when you plow it clean early in the year, there's no moisture to plant on. And besides it's too late to plant milo, the bugs get in it now. We live in a tropical country, it's just different, I planted my ground in February and this is a problem, we aren't screaming about the whole thing, we just think maybe it looks a little rough to go out and plow up good growing grain. Conversely, that man my neighbor isn't going to get anything, he can't plant his allowed 15 percent, he's dead, you follow me?

Senator BELLMON. Sure do.

Mr. RAY. This is an administration thing and at the same time, we don't want to cry too loud.

Now, we would also like to say that, we believe, that the rural environmental assistance program is one of the most beneficial in re-

building and preserving our land for now and posterity and we urge that it be reinstated.

We like it very much and we urge that it be reinstated. We think it's real good and we think it's one of the best things they've spent money for in our county.

Senator BELLMON. I was glad to hear you speak up for REAP program, it's certainly done a tremendous job here in Oklahoma, particularly for the cattle industry.

Mr. RAY. Would you let me say one more thing?

Senator BELLMON. Yes, sir.

Mr. RAY. We talked a lot to people, we spent a lot of time on this, we've talked to them in our surrounding counties, four counties, and these are the only two things that they all wanted, they did mention other things but we didn't bring them to you; we felt they were insignificant or they weren't earnest in it.

I'm so grateful to you.

Senator BELLMON. You know we have kind of a flexible payment on wheat, it varies according to the market level, could you live with that on cotton and feed grains, would it be the same kind of a deal? If the market price of wheat, you know, is high and the certificate payment is low, the cotton and feed grains have a fixed payment.

Mr. RAY. Senator, our people want to do this.

In answer to your question, yes, it could work, but we are looking forward to the day that the people who have sense enough to write a program that has brought us this far can get us into the markets, the foreign markets with necessary subsidies to the exporter or to somebody, not to make anybody rich, but to get it out of here, we think this is the answer for farmers, we think this can help everybody, we think it can bring some of our dollars back home and we think ultimately it's going to be best for all. I'm an old man, it's not going to help me much, but my grandchildren can be helped by this.

You have taken us out of almost a slave condition in 3 short years. I think you're smart enough to get us out of the whole mess and get us into the foreign markets.

Senator BELLMON. We've got a problem with cotton, and that is whether or not we can ever compete with cotton without some kind of a direct——

Mr. RAY. I raise cotton, half of my farm is in cotton.

Senator BELLMON. Can you raise cotton and compete with synthetics?

Mr. RAY. I don't know how to answer you, because I don't know what they have to have. You asked a question, I'd like to answer it. I think I know what it takes for me to produce cotton.

Senator BELLMON. Would you mind saying for the record?

Mr. RAY. \$28.60, that's what I think it costs me, I'm an old man, I know how to keep records.

Senator BELLMON. Mr. Ray, thank you very much.

[The statement of Mr. Ray follows:]

Mr. RAY. My name is Ulus E. Ray. I live on my cotton and grain farm three miles from Sinton, San Patricio County, Texas.

I am here today on behalf of the farmers of South Texas to represent some of their views on the Farm Program. Some of these farmers are here with me.

In the last few days we have met with numerous, and we believe representa-

tive, farmers of South Texas to learn just what they want in a Farm Program. Without exception, they have favored a continuation of the present program. A few suggestions for improvement were offered and we will later note the two most often mentioned. These farmers believe that the present enabling legislation is good and that the administration of the program, from the President to the local committees, has been excellent. It has been pointed out over and over again that the price depressing surpluses along with the despised storage costs have been all but eliminated. The flexibility of the program has enabled farmers to be more efficient in that farming has become a business of judgment rather than compliance with regimentation. Prices are becoming stabilized at reasonable levels.

Our farmers commend the policies and encouragement of this government in the recent grain sales to Russia and the cotton sale to China. We believe that properly controlled exports calculated to maintain desirable levels of domestic supplies can bring us to full production, thus lowering our costs to the ultimate benefit of the consumer, and at the same time be tremendously valuable in the solution of the trade balance problem. We suggest that this program is good for everyone; it is good for our country. We would like to point out here that interference in the steady movement of farm products into export can ruin the whole farm program and inevitably contribute to inflation.

We make two recommendations that, for us, would be improvements.

First: We would have announcements, especially those concerning land use, come to us earlier. As an illustration the recent change in the feed grain program came after our planting time. To comply, I must plow up acres of beautifully, growing grain that has been fertilized and prepared for a crop; my neighbor who set aside 25% to comply under the earlier announcement finds that he cannot plant the allowed 15% increase because he has plowed away his top moisture to keep the ground clean, and besides, it is too late to plant milo.

Second: We believe that the Rural Environmental Assistance Program was most beneficial in upbuilding and preserving our land for now and posterity and we urge that it be reinstated.

Senator, to you, and to you other people who came to hear our views on this matter, we are deeply grateful.

Senator BELLMON. I might say, we had another witness earlier today, dryland cotton farmer from southwestern Oklahoma, who said he could raise cotton for 28 cents. He was challenged by some of his neighbors but he made the statement.

We now ask Mr. Holmstrom, he's from Georgetown, Tex.

Mr. HOLMSTROM. Right here, Senator.

Senator BELLMON. Okay, you take off.

STATEMENT OF HARTWIN H. HOLMSTROM, GEORGETOWN, TEX.

Mr. HOLMSTROM. I'm in favor of the extension of the 1970 act. One thing, the farmers haven't been able to organize good enough to tell what we want for our products, looks like, the Government has to do it for us. And if we turn we phase out our Government program, we'll turn the farmer loose and we'll overproduce and be back like it was in the thirties.

Of course, our beef price, right now, is about 12 percent higher than it was in 1952 and labor is 200 percent more and they're protesting about it. It looks like the beef men can protest a lot more.

But, I think our biggest problem is educating the American consumer on why the farmers are getting subsidized. Actually, the American consumer is getting the subsidy, they're getting cheaper food and fibers. That's about all I've got to say.

Senator BELLMON. Thank you very much. Don't you think it's kind of, I almost want to say unfortunate, that the farm program

runs out this year when the consumers are all mad at the way the prices have gone up.

Somebody suggested today that we not write the next program for an indefinite period of years, pick a favorable time and then try to work the farm program over.

Mr. HOLMSTROM. Well, I think the Congressmen on both sides are misinformed about the subsidies to the farmer.

Senator BELLMON. Well, I'd just like to say to you gentlemen, if you didn't catch it, that when we had the Economic Stabilization Act before the Senate recently, that is, to set the extension of it, that some of those who consider themselves to be consumer representatives put in amendments trying to give the President authority and in one or two cases, trying to insist that he roll prices back to the levels of January.

Some of those provisions got 8 votes and some 10 votes, 85 against them. It's pretty obvious to me that the Members of the Senate aren't foolish enough to think that you can produce a commodity and sell it for less than it cost to produce.

So, I think we've got a better attitude in Congress than that which might appear, even in spite of the cost of some commodities at the present time and all the racket that's being generated.

Next, I'd like to invite Mr. Don H. Marble, who represents the Plains Cotton Growers Association and the Grain Sorghum Producers Association, at South Plains, Tex.

**STATEMENT OF DON H. MARBLE, SECRETARY AND TREASURER,
PLAINS COTTON GROWERS ASSOCIATION, AND BOARD MEMBER,
GRAIN SORGHUM PRODUCERS ASSOCIATION, SOUTH PLAINS,
TEX.**

Mr. MARBLE. Senator, I'm Don Marble from South Plains, Tex. and I represent the Marble Brothers, three partners, we started the partnership in about 1951.

Senator BELLMON. Are you farmers?

Mr. MARBLE. Yes, grew up on a farm, the only way we could get started was to join hands and go to work. We operate in excess of 10,000 acres of land, started off renting 200 acres of land. We've, you know, been able to make it work up to this time.

One of the things that has helped to make it work is the stability that we've had in these farm programs. There's been a lot of criticism of the farm program, a lot of people have criticized it keeping prices down, lots of other criticisms, but the stability that we've got out of the farm program ourselves, has been a great factor in the growth of agriculture in this Nation and also a great factor in holding the prices down to the consumer, they haven't had enough foresight to see this and most of us, in the country, probably have a little trouble seeing some of these things but we think that it's worked very well, we've been able to get financing with the different commodity programs we've had, ASCS has always had a loan program that would keep you from going completely broke and the finance people, that would finance, they can add up what you were going to make pretty well, and they didn't mind financing you.

If we go into a program similar to what the administration has got laid out, this program, we're going to have serious problems. In this last year, I've made more money than I've ever made in my life, I don't mind telling you we made an excellent cotton crop, got some pretty good money for it, we had it contracted.

When the administration announced a new cotton program, it seems like that everybody got scared, the cotton shippers decided that there might not be all that much cotton around, so they decided to go to the country and buy some cotton. We got our cotton sold pretty well, feed grain prices been high, we made some feed grain and things have been pretty good. So, the reason I point this out to you, is I'm not in direct financial problems today, but the amount of money that we spend and we run 20 to 25 hands, well, I don't mind telling you, we can run 3,600 acres of wheat, this year we're going to plant 3,500 acres of cotton and we've got 3,100 acres of grain sorghum. So, you can see that we do spend some money.

We think that we're the ones, people like us and our neighbors and all, are the ones that make the wheels turn in agriculture. The wheels turn in this economy. You can kind of imagine probably that the \$55,000 payment limitation might be one of our problems.

Under partnership, we've still got room under the \$55,000 payment limitation. Personally, I think the \$55,000 payment limitation is very unfair, they figure my payment just like they figure the smallest farmer in Floyd County, they figure it on a certain cents per pound, he doesn't need any more than I do for mine, because my cost is as much as his and maybe even more, we're under the minimum wage, we're one of the few people on the Plains that are directly under Federal limited wage in agriculture.

A few years ago, we were getting hand labor for 75 cents an hour for hoeing weeds and irrigating and things like that, and today it's at least \$1.50 an hour, and there's not any of it available at that price. If it wasn't for chemicals, chemical weed control, the efficiency that we've been able to come up with in agriculture, we couldn't even exist, we couldn't even start.

General farmhands and those who work with us the year around, are drawing \$7,200 a year, house and utilities, doing very well, doing a lot better than the people are in town. Our cost just continues to increase, we've got insurance programs, hands' medical insurance, life insurance programs, trying to build stability into our labor force, we've got people that's been with us for 16 years. We feel like we've got it, but our cost has continued to increase, diesel cost just 2 or 3 years ago was 12 cents a gallon, then this last month it's 17½ cents a gallon, that's 45-percent increase. You can just go up and down the line, insurance, seed, and everything has gone up to a new plateau.

I don't think that anybody can look me straight in the eye today and tell me that we're going to have a leveling effect. I don't think they can say, well, Don, 17½ cents is all you're going to have to pay for diesel.

Senator BELLMON. I can tell you for sure that's not the way it's going to be.

Mr. MARBLE. I think that's right.

Our cost on production for cotton, I'm sure his cost on production for cotton is in the ball park. The cost production on cotton can be related to how much cotton you make.

Senator BELLMON. And depends on what year it is.

Mr. MARBLE. The cost production on cotton can be related to how much cotton you make. If you make 1,000 pounds of cotton per acre, the cost of production may not be 15 cents a pound, I'm sure it's something above that, but you don't make but 200 pounds per acre, it may be \$1 a pound.

So you just have to take the average, the cotton production and wheat production and all these agriculture commodities fluctuate pretty drastically from year to year.

Mr. MALAZZO. What you're saying is, regardless of what your production is, you have a certain fixed price of cotton?

Mr. MARBLE. That's right. I'm a member of the Grain Sorghum Producers Association, based in Lubbock, it's 29 counties in Lubbock, in Texas, and it includes Oklahoma, Kansas, and Nebraska, it's really a U.S. organization, United States organization.

Our position is to create a—get the USDA in new legislation to make a nationwide study of the cost of production in grain sorghum. We feel like the producer shouldn't be asked to produce grain sorghum or feed grain for less than what the cost of production is. We don't know whether—we're not going to tell you exactly whether that ought to be put at a loan level or whether it ought to be put at a loan level plus price support payment, like you mentioned a while ago on wheat, this payment has some attractiveness to me, personally, there's some things about the wheat payment, the wheat payments are just what we used to call a domestic allotment, I guess it probably is called that but—

Senator BELLMON. That's right.

Mr. MARBLE. But not any of us can live on domestic allotments, we can in feed grain and cotton, but we're not going to be able to in wheat either.

This last year we didn't get any wheat pasture, for all practical purposes, and we—well, it's according to what's to come on this, whether we're going to get any on it this year or not. We made the mistake of selling our wheat too early and the prices went very high and we didn't get any payment and we didn't make much wheat. The wheat this last year really was worse in our country. We've got one of the best wheat crops growing than we've ever had in our life, this year. If it doesn't rain too much, we're going to raise a wheat crop and I hope they know where they can go with it, because we're flat going to raise it and the whole country is.

So, I've got a statement here from the Grain Sorghum Producers Association that I'd like to put into the record, I'll hand it to him when I finish.

Just a couple of more things I'd like to mention, is on this new minimum wage law. You all were able to handle this minimum wage law that came up last year, had they gone on through with the levels of minimum wage in agriculture that were set out in the minimum wage law last year, it would have been very destructive. What it really amounts to, Senator, is that we're using people that are not, don't have any education and, all of our hand labor, you know, they don't have any particular job in this life and they go out and do this

hand labor in the fields and if you get up to where we've got to pay \$2, \$2.50 an hour, we can't afford them, it's just going to put them out of work. They're going to have to be retrained, they're going to be on welfare, we've got too many people on welfare right now. We've got lots of people that don't even want to work, they don't even come around any more and ask for a job. I don't go around asking them too much because I don't want to embarrass them, you know, and so—but I understand that the minimum wage law is probably going to go up, going to be rewritten, but we've got to keep it down to a realistic level.

Now, this REAP program that you mentioned a few minutes ago, in our country the REAP programs work very well. It's probably been one of the cheapest programs that the U.S. Government has ever run as far as participation in the country. We've had to come up with about 40, 50 percent of the money that it took to put these underground pipelines in and whatever type of conservation practice we were using, terraces, there's a whole book full of them, you know, but if they had limitations on that money, if you took advantage of that money, you couldn't do certain things that would be anti-soil-conservation, I haven't burned any stubble in 10 or 15 years. Well, out there just the last year, they did away with that REAP program and the sky's been full of smoke ever since, you know, everybody's been burning stubble.

So, I don't know, to the soil conservation people, that's not too good and another thing is, if we spent, say, say we put in a pipeline and we got \$1,000 worth of money from the REAP program of 500, they related, according to how much demand there was as to how much money you could get in our county.

They stacked that up on top for income and we had to turn that in as ordinary income for that year. We could depreciate the installation but if you run it through your computer, we'll say, and print it out, probably you weren't getting but about half the amount of money that in the rest you were paying back in taxes that year. So, it's a real cheap program.

One other thing I'd like to mention in closing, is the ASCS offices. I think the ASCS offices and the personnel in these offices have done a very fine job, they put up with a whole lot. The farmers, down through the years, they changed the program, like on a weekly basis, you know, and these people are on the edge of losing their jobs because of the decentralization that we're seeing and all, and if some of these ASCS offices are eliminated, we're going to be in trouble in the future in whatever type program we've got because of the loans that will need to be processed. I think it's going to be a tragedy if they do away, you know, these ASCS offices in the counties that are primary farming counties. I'm really worried about it.

I'll close on that, Senator.

Senator BELLMON. You're the second witness today that talked about closing the ASCS offices in the county. To tell you the truth, till we got here today I hadn't heard about it.

Mr. MARBLE. There's lots of smoke. In other words, down through the ASCS channels these people know which one's going to be closed and when, and after July the 1st, a lot of these people are not going to have a job and they're thinking about laying off people that's been with them for 20 years, 15 years, and I think—well, I'll say

this, last year they needed more people than they got down here. Now, what we're going to need next year, I don't know.

Mr. ANDERSON. I think Senator, that it comes from some preliminary projection that they have set out in the countryside. I saw one in an ASCS office where they suggested rezoning of the ASCS offices in consolidation of some of the ASCS offices rather than in the county, they would be consolidated with some of the major counties.

Senator BELLMON. I don't believe the Department ought to go ahead and close the offices in an anticipation of the elimination of the permanent elimination of the REAP program. I think Congress ought to put that program back on the track one of these days.

Mr. MARBLE. Senator, another thing I'd like to bring out here, we've got an estimated cost production in Oklahoma, Kansas, and Nebraska, up at the top, you'll notice that the estimated cost production in Oklahoma on irrigated is \$2.24 a hundred. On dry land, it's \$2.47 a hundred. Now, these are figures that were put together through the land grant colleges in Texas and Oklahoma and it's from the best sources available.

Now, we're not married to these figures, we're asking the USDA to make a nationwide study of the cost production on all agricultural commodities. The thing, the USDA in their cost studies that they made, Senator, is that they never used the price of land as a fixed cost into that. They thought that the man was standing out on the end of the turn row wondering what he was going to plant when they started this cost production figures, they didn't realize that he had cost in his land and that's what Mr. Anderson was indicating to you a while ago, is allocation of fixed cost, in overhead, that's just hard to get a hold of, in fact, there's not anybody that's not most sensitive to counting procedures would be able to allocate these costs, and this is what we're asking for them to allocate and we feel like this is—well, it's not only grain sorghum, the USDA has never done a real meaningful cost study.

[The above mentioned statement follows:]

STATEMENT OF MABRY FOREMAN, VICE PRESIDENT, GRAIN SORGHUM PRODUCERS ASSOCIATION, FELT, OKLA.

Mr. Chairman, and members of the Committee.

My name is Mabry Foreman; I am a farmer from Felt, Oklahoma, and Vice President of the Grain Sorghum Producers Association. Our national headquarters are located in Lubbock, Texas. With me today is Elbert Harp, who is the Executive Director of our Association. We appreciate the opportunity of appearing before your committee today in order to speak for the grain sorghum farmers of the United States.

The Grain Sorghum Producers Association feels that we must have a strong and effective government farm program if the grain sorghum farmers are to have any hope of survival. We ask that you consider three proposals, which we feel could be constructively incorporated into the farm legislation that Congress will pass this year. We feel very strongly that the following points should be included in the new legislation:

1. A nationwide study of the cost of production for each agricultural commodity.

2. An agricultural adjustment program that would require the Secretary of Agriculture to administer a supply-management program, which would keep prices at a level to assure farmers of:

- (a) not less than the nation's average cost of production
- (b) a fair margin of profit.

3. An updating of base allotments to better reflect the modern farming trends and practices.

These are the points that we would like to discuss with you today.

NATIONWIDE COST OF PRODUCTION STUDY

Most people simply do not know what it really costs to run a farm and produce a crop. Consequently, consumers continue to demand lower prices for their food, leaving farmers caught between spiraling production costs on one hand and demand for low market prices on the other.

The Grain Sorghum Producers Association would like to see national cost studies made and the results published, but it would be imperative that these studies be all inclusive, taking into account all farming expenses which could be considered essential and typical of a given area. If any of these expenses were left out, the studies would be misleading and any legislation based on incomplete studies would, therefore, be inequitable.

Determining the national average cost of production for all agricultural commodities produced in the United States would be of value in the following ways:

1. The American public would have a better understanding of the farmer's problems and would stop demanding that he sell his goods at a loss.

2. The farmer could compare his farming cost to the national average to check his own efficiency.

3. The weighted national average cost of production would be an important guideline for establishing market prices and price support payments at reasonable rates for both consumer and producer.

These studies must be updated annually in order to reflect current cost figures within a given crop year.

GRAIN SORGHUM PRODUCTION COSTS—ESTIMATED YIELD, BREAK-EVEN COST AND PRODUCTION COSTS PER PLANTED ACRE PLUS INTEREST AND MAINTENANCE ON 25% SET ASIDE

	Oklahoma		Kansas		Nebraska		For comparison figure your own costs here
	Irrigated	Dry-land	Irrigated	Dry-land	Irrigated	Dry-land	
Estimated yield ¹	6,200	2,400	5,000	2,000	5,300	3,300	
Break-even preharvest and harvest cost/cwt. ²	\$1.12	\$1.15	\$1.28	\$1.39	\$1.12	\$0.97	\$.....
Break-even fixed cost/cwt. ³	1.12	1.32	1.25	1.05	1.82	1.34	
Break-even total cost/cwt. ⁴	2.24	2.47	2.53	2.44	2.94	2.31	
Costs, preharvest:							
Seed.....	2.40	1.00	2.00	1.00	1.85	1.05	
Fertilizer.....	8.75	7.20	15.00	2.00	10.25	6.25	
Herbicide.....	5.63	.50	5.50	6.00	3.00	0	
Insecticide.....	1.85	0			1.00	1.00	
Tractor and machinery.....	5.40	4.27	12.97	3.97	6.07	5.62	
Irrigation machinery.....	9.65	0		0	6.50	0	
Labor.....	11.01	4.96	18.21	5.71	7.20	4.00	
Insurance.....	4.80	0			4.50	2.70	
Pickup and miscellaneous.....	5.31	2.81	5.31	2.81	5.32	2.82	
Interest on operating capital.....	2.19	.83	2.36	.86	1.83	.94	
Total specified preharvest costs.....	56.99	21.57	61.35	22.35	47.52	24.38	
Costs, harvest:							
Combining.....				5.50	7.25	4.75	
Hauling.....					3.30	2.10	
Drying.....				0	1.15	.75	
Total specified harvest costs.....	12.40	6.00	2.50	5.50	11.70	7.60	
Total specified preharvest and harvest costs.....	69.39	27.57	63.85	27.85	59.22	31.98	
Costs, fixed:							
Tractor and machinery.....	10.01	8.13	9.61	4.83	11.01	9.34	
Irrigation machinery.....	12.72	0	10.60	0	18.30	0	
Land.....	43.75	21.88	35.00	13.13	56.88	30.63	
Taxes.....	3.13	1.56	7.50	3.13	10.15	4.38	
Total specified fixed costs.....	69.61	31.57	62.71	21.09	96.34	44.35	
Total specified costs.....	139.00	59.14	126.56	48.94	155.56	76.33	

¹ These are estimated average yields in these areas after drought, excess water, wind, hail, disease, and insect damage.

² These figures include interest and maintenance on set aside acres; payments should be added to income.

³ Custom combining and hauling costs are included in the preharvest tractor and machinery costs.

⁴ Custom combining and/or hauling.

AGRICULTURAL ADJUSTMENT PROGRAM

Grain sorghum farmers throughout the United States feel that Congress must see that an agricultural adjustment program is continued that will keep the supply in balance with demand in order to have a strong and viable agriculture. The U.S. Department of Agriculture should be required by Congress to administer a program that would be designed to keep supplies well balanced and one that would also assure farmers of a fair profit. Such a program can be accomplished with (a) very tight production control, or (b) a combination of market prices plus supplemental payments.

The Secretary of Agriculture, in order to achieve this balance, should have the authority to administer as needed:

1. Effective acreage control programs.
2. Commodity loan programs with resale provisions.
3. Strategic food and fiber reserves, to be sold only in extreme emergencies. (These reserves would assure the U.S. consumer and customers of adequate supplies under abnormal situations, but only at prices above the range of normal trading and well above the cost of producing the commodities, plus storage and handling costs.)
4. Other provisions necessary to enable the Secretary to administer an effective program.

This type of program could be as flexible as the Secretary would want to make it, except for the requirement that under no circumstances would the average income to farmers be lower than the average cost of production. This would *not* guarantee a profit to every farmer, but would enable the nation's farmers who are efficient in their production practices to sell their crops for a fair profit.

Congress and the American people do not expect nor ask any other industry to produce at a loss; why should we expect this of our farm industry? Farmers must make a profit to survive and, in order to have this assurance, they must be willing to live within the guidelines of a program that will help achieve this objective.

UPDATING ALLOTMENTS

The Grain Sorghum Producers Association feels that the allotments established in relation to the planted acres of 1959-60 have long been outdated. We feel that a more realistic and current system should be developed for establishing the number of acres to be planted and set aside. We recommend that (a) a percentage of the actual planted acreage of a given crop year be required as set-aside instead of tying set-aside acreage to some previous base year, or (b) a percentage of the total crop land acreage be required by the Secretary as set-aside in order to be eligible for price supported crops.

This type of allotment program would be much easier to administer than previous ones and allotments would be spread more equally among all farmers throughout the United States. It would also be a method whereby all farmers participating in a feed grain or other commodity program would be doing their share of removing from production that acreage which is not needed for markets.

Mr. Chairman, it is our privilege to visit with you today. Mr. Harp and I will be happy to answer any questions that you and your committee may have about our testimony. We have a supplement to our testimony which we do not have time to review today, but we would like to encourage each of you to study our proposal in detail, as you write the farm legislation that affects the farmers and general economy of the United States.

Thank you again for the opportunity of sharing our views with you.

SUPPLEMENT TO STATEMENT OF GRAIN SORGHUM PRODUCERS ASSOCIATION

PROPOSAL FOR NATIONAL COST OF PRODUCTION STUDY FOR AGRICULTURAL COMMODITIES

The Grain Sorghum Producers Association requests that Congress initiate a national study of the cost of producing all agricultural commodities. This information should be updated on an annual basis to reflect the actual *weighted*

average cost of producing each crop throughout the United States in the most recent crop year.

Advantages of this study will be:

1. *Valuable management tool.* Farmers throughout the nation can compare their costs to the national average and make necessary adjustments in their operation when necessary.

2. *Education of the general public.* The general public should be more aware of the actual costs of producing their food and fiber supply in order to overcome the consumer resistance to food costs. No one should expect the American farmer to produce for less than his actual costs plus a reasonable margin of profit.

3. *Determination of fair price levels.* This information will be a valuable tool for Congress, farm program administrators, the farmers and the general public in determining fair price levels for agricultural products.

This study can be more destructive than helpful unless it is complete and takes into account all typical expenses of farming in each area, and a fair return on all investments required in farming.

GSPA recommends that the study be conducted using the following criteria for establishing the National Weighted Average Cost of Production in each commodity:

1. *Size of farm.* The study should be made to reflect the costs of production on units where it requires one man on a full time basis to farm the land, using modern equipment which is most efficient in his area and under his farming conditions.

a. Seasonal labor will most likely be needed in addition to the farmer. The size of farms will vary by different crops and areas of production.

b. Farm sizes can usually be increased in multiples of one with little change in costs unless labor is hired on a per job basis. (Some economies can be realized on fixed costs of machinery in larger operations but this is usually offset by increased management and labor costs.)

2. *Estimated yields.* Estimates should be based on the past three years' production data for each area by type of farm after drought, water, wind, hail, disease and insect damage are considered.

3. *Costs to consider.*

a. Fixed (tractor and machinery). These costs include depreciation and interest on investment; they are computed on an annual basis and prorated on hours use for production, while also figuring the normal life of the machinery.

b. Land costs. These fall into three categories:

(1) Cash lease

(2) Crop rent (This would probably be considered a variable cost.)

(3) Return on investment to owner

All three should be studied and included in the category of typical land costs. The return to owners should be figured on the basis of the typical average market price of land within an area multiplied by the current rate of interest of the Federal Land Bank. This should be weighted along with typical cash and crop rent costs. Set-aside land shall be included.

c. Variable costs.

(1) Seed—including seed required for replanting.

(2) Fertilizer—Normal rates and prices for all fertilizer applied and application costs which are not covered by farmer and his equipment.

(3) Herbicide—including application costs not covered by labor and machinery.

(4) Insecticide—plus additional application costs.

(5) Labor—All labor, hired and that done by the farmer, shall be figured at hourly or annual rates comparable to those in other industries when considering the ability of labor to operate necessary equipment and in no case less than the minimum wage level.

(6) Insurance—crop and other insurance that is customary and essential for modern farmers to carry.

(7) Interest—all interest required on operating capital, even when farmer is operating on his own capital (this money would otherwise be earning interest).

(8) Harvest expenses—Custom rates are usually cheapest for one-man operators. Otherwise, use actual cost of machinery and other costs.

(9) Operating cost of machinery—including fuel, repairs and other operating costs.

(10) Taxes—All property and excise taxes shall be included.

(11) Management—Allowances for management should be included in line with typical management costs of similar and comparable businesses other than farming.

(12) Other Costs—all other costs which are typical within the region being studied.

4. *Average costs.* Figured by dividing total costs per acre by three year average yield within the area or region.

5. *National Weighted Average Costs.* The typical average costs of each region shall be multiplied by the units of production within that region and added to all the other regions of the United States; this will determine the National Weighted Average Cost of Production.

6. The study shall be made of actual typical farm situations and in connection with the commodity and general farm organizations in each region.

Mr. ANDERSON. This Federal cost is a real good thing and I hope that you don't think that I was trying to be evasive in answering the question, Senator, a while ago.

I have section lands, for instance, that I rent and pay one-fourth cotton, one-fourth of the cotton for rent and one-third of the grain. And it's contracted to a section of land which I own.

My cost, I'm sure, is a little different direct cost in that the only cost I'm out on the one I own is the interest on the loan that I'm having to pay off, direct cost. Whereas, on the rented land, I'm paying one-fourth of the cotton and one-third of the grain, it's very difficult to pin this cost down to an individual farm.

Mr. RAY. May I say something here in defense of my position. My cost is based on the last 5 years, it always is. I thought somebody might ask me this and I ran through and I looked at it.

I've farmed San Patricio County for 30 years and I've never had a failure. I'm going to tell you now how much money I'm going to make this year and if you'll come back and ask me I'll show you records, I'll make not less than 400 and not more than 550 pounds per acre, that's what it's going to be.

Senator BELLMON. Do you figure land cost in—

Mr. RAY. Yes, I do.

Senator BELLMON. Do you figure it based on what you paid for the land 30 years ago?

Mr. RAY. I figure that my land is worth, at the present time, is 7 percent, that's what I figured it this year.

Senator BELLMON. Seven percent on what it cost?

Mr. RAY. On what I could sell it for, \$500 an acre.

Senator BELLMON. That's the way it ought to be.

Mr. RAY. I don't have it for sale, but I can't buy any either.

Mr. MARBLE. You show \$35 an acre as land cost?

Mr. RAY. Yes, sir.

Senator BELLMON. we appreciate your candor. Mr. Marble thank you for your statement, it adds quite a lot to our understanding of the way the program operates. I just want to ask you one question, since you raise feed grain, wheat and cotton, do you feel that we have to do a little giving in getting another bill through the Congress and we could go over to the same system of production payments on cotton and feed grain, in other words, that we do on wheat?

Mr. MARBLE. If you can broaden your basis enough to have a big enough payment basis on this 43 percent on this wheat basis we're looking at is not enough production payment, you know, in other

words, if you say this 3,000 acres of feed grain that I'm going to plant this year, if you were going to pay me, figure out a certain percent of that, Senator, I'd like to have it on all of it. In other words, if it's where you can figure out the cost of production in Floyd County was \$2.25 and you just wanted to meet the cost of production or you thought that I might ought to make a little, maybe you decided it ought to be \$2.50. In other words, if I sold my feed grain for \$2 a hundred, you'd owe me 50 cents a hundred. If I sold it for \$2.40, you'd owe me 10 cents a hundred. If I sold it for \$2.50, you wouldn't owe me anything. I'll go along with you on a program like that, I think it would be an excellent program if you would put it on the acres planted, or something that's realistic in that range.

It might not be fair to put it on acres planted because I might decide I want to plant twice that much next year.

Senator BELLMON. You've got another problem, in that feed grain growers never sell it, they feed it to hogs and cattle.

Mr. MARBLE. That can still be handled, because they're selling it at the same price that everybody else is. You take a national average or some type of average and he's going to have to turn in his production, he's going to turn in his production or you can pay him on the yield, you can pay him on an average yield, in other words, pay-projected-yield or something of that nature.

Senator BELLMON. Unless he picks the market and nobody's quite sure what his yield is, a lot of it's cut wet and goes into storage.

Mr. MARBLE. Well, you usually know. The ASCS office has got a fine way of penciling that back.

Mr. ANDERSON. This brings up one point that I think maybe is due some consideration by the Congress and the Department.

The old concept of putting the importance on the domestic consumption, I believe, we need to start moving through a greater emphasis on total production because of the great need for this matter, as I mentioned before, the balance of trade, international trade.

Senator BELLMON. You and the Secretary stand on the same wave length. If you read the statement that you have, that's what he zeros in on, is the fact that we've got a tremendous market out here that we need to develop and if we do it properly, the price we'd get at the market place will be adequate.

I hope he's right, but I feel like we're going to have to put some kind of a floor up there that we can live with.

Mr. ANDERSON. This is where I disagree with the Secretary.

Mr. SAWYER. Back to this free market, I think that every farmer would be interested in getting under that and getting out from under his production controls we've had, but I think this beef cattle thing that we discussed a while ago, kind of highlighted that something might happen to us, Senator.

If you recall, back in 1950, 20 some years ago, we were getting more for grain sorghum than we are today. If people had to pay us at the marketplace, I think the howl would be on everything we produced. For instance, if beef cattle had gone up as much as labor since 1950, beef would be about \$85 a hundred weight. Labor's gone up that much and beef cattle would be on the average of \$80. They really would be high.

Senator BELLMON. Our next witness is Mr. Marion J. Malazzo, from Caldwell, Tex.

STATEMENT OF MARION J. MALAZZO, CALDWELL, TEX.

Mr. MALAZZO. Senator, I would like to express my appreciation to be able to come to Oklahoma and participate in this meeting. I came with the thought in mind that I would like to recommend, or more so to plead, for the continuation of the Agriculture Act of 1970.

Although we know this program is not a perfect one, I feel that it's the best program that we have ever had so far. I agree with Mr. Anderson over there on some points that we do need a few minor revisions in some parts of this Agricultural Act.

Namely, I say that I agree with Mr. Anderson on raising the loan rate on cotton to a more realistic figure, closer to what the cost of production might be. I also feel that there could be some revision in the lease-and-sale provisions of the cotton program. I don't have the answer to what those provisions might be, but I think there should be some change there, they should be updated.

I would like to add my concern about the REAP program. The REAP program in my county, I think the whole State of Texas has worked very, very well, and has been the backbone of conservation down through the years. It has not its life through, there is plenty of conservation yet to be had in our State and I'm sure over the Nation. I would like to again reiterate, I would like to see that program reinstated if at all possible.

I am close to ASCS, I have been for the last 13 years. The administration of the Agricultural Act of 1970 has not been very difficult. It is a program that is—and can be—well administered and for the sake of not being too time consuming I'd just like to say that I again request that the Agricultural Act of 1970 be extended if at all possible.

Senator BELLMON. Thank you very much, would you tell us what kind of farm operation, do you raise wheat or cotton or—

Mr. MALAZZO. Senator, I live in Burleson County, Tex., that is 9 miles west of Texas A. & M. University. As a matter of fact, the State ASCS office is located at College Station. I farm a total of 1,800 acres. I plant, normally plant 600 acres of cotton and 400 acres of grain. The rest I devote to hay and pasture. I have six irrigation wells and I also operate a cotton gin and I operate a grain elevator and I have an interest in a cotton compress and warehouse.

So, you can see that I feel that I am in contact with producer's problems quite often, every day, as a matter of fact.

Senator BELLMON. Do you have a statement that you'd like—

Mr. MALAZZO. I have a statement that I'd like to leave with you, Senator Bellmon, as a matter of record.

Senator BELLMON. I'd like to have it.

Mr. MALAZZO. All right.

[The statement of Mr. Malazzo follows:]

Mr. MALAZZO. In the way of introduction, I am Marion J. Malazzo of Route 3, Caldwell, Texas. I farm in Burleson County, Texas in the Brazos river valley, one of the most fertile areas in the state. I farm a total of 1800 acres, 200 of which I own, and I lease the balance. I normally plant 600 acres of cotton, 400 acres of grain, and devote the balance to hay and pasture. I normally stock my pastures with 200 mother cows. I also operate a cotton gin, a grain elevator, and have an interest in a cotton compress and warehouse.

Being involved in all of these enterprises, I am familiar with farmer's problems, prices, financing, capital investment, operating cost, risks, and operations from preparation of the land through storage of commodities ready for marketing.

In considering farm legislation, I recommend that the present farm program be extended as it is for a period of at least five years. Farmers need to make their plans in advance, and the present program has enough built-in flexibility to adjust production for protection of consumers as well as offer some financial protection to producers.

It appears that some people in high places are advocating doing away with direct payments to farmers. They are quick to point out that farmers income in 1972 was greater than it has been in the last twenty years. They fail to mention that prices received by farmers are still considerably below parity. They ignore the fact that farmers are caught in a cost-price squeeze. They also emphasize that farmers markets have increased through foreign exports, such as the recent grain and cotton deals with Russia and China. But they don't point out that those deals were the result of serious crop failures in those countries this year. Can anyone assure us that they will continue to buy our products?

I have reviewed my operations for this 1972 good year they speak of. I had a capital out lay in land, equipment, livestock, and operational capital in the total amount of \$296,000.00. My net income, including the subsidy payments was \$16,000.00. This figure, including the subsidy payments was \$16,000.00. This figures a 5.4% income on my capital investment, with nothing for my own labor and management. This was a good year. When considering the last five years all together, my net profit on my entire operations on this 1800 acres has been less than 50% of the total subsidies received. Without the subsidies, I would have had nothing to show for five years of work and investment but debts.

Financial institutions that finance farmers are aware of our operational cost, and income potential. In making production loans they take into consideration the subsidy payments to be received. In most cases they require assignments of these payments before making the loans. If subsidy payments are eliminated, the banks will be inclined to reduce the amount of the loans, thus curtailing needed production.

In discussing this situation with other farmers in my county, most of them state that even with full financing they will reduce their operations because of the uncertainty of realizing any profits after taking all of the risks involved. Many of them state that they would be forced to retire from farming.

Anyone advocating the elimination of farm subsidy payments should pause to think of the detrimental chain reaction it will cause in our general economy created by curtailed farm operations. I would like to refer them to some statements published in the Journal of The American Bankers Association: Quote: "Farmers spend over 70% of their gross income on production expenses, helping provide 6 million jobs in machinery, chemical, and other supply industries, and another 14 to 16 million jobs in processing, marketing, and related food industries. Farmers buy 5% of the nations steel production, 10% of the U. S. petroleum output, and 25% of the trucks produced. While the number of farms has declined sharply in recent years, agriculture is still the largest single consumer of steel, rubber, petroleum products and chemicals in the nation."

This proposal to eliminate farm subsidies is created mostly by the desire to reduce federal spending. But some of it no doubt is engendered by the recent protests of high food prices with most of the blame placed on the farmers. While relegating farmer's prices to considerably below parity levels, this nation should be grateful for the efficient accomplishments contributed by farmers in holding food prices down. While food takes only 16.8% of the U. S. consumers income, up to 70% is required in other countries. From 1957 to 1971, food prices have gone up 178%, which is low compared to 222% for consumers disposable income, 250% for services, and 213% for other goods. With these increases, the farmers profit margin is much smaller than it was 20 years ago.

In summary, I would like to state that since farmers are not satisfied that they receive far less than parity income for their production, they feel that any further reduction is unjustified, and unwarranted. Although the Agricultural Act of 1970, under which we are now operating is not perfect, we think

it is the best program we have ever had. This is true moreso for the consumers than for the farmers. The inherent flexibility placed in this program facilitates the demand for increased or decreased production as the need arises, and at the same time allows the farmer a return on his capital and labor fair enough to keep him in business. Therefore, I again request that in your consideration of any farm legislation, that you take action to legislate a continuance of the present act.

Senator BELLMON. Thank you, I might say as said earlier today, that we probably had at least 100 witnesses before the Senate Agricultural Committee and it's almost frightening to realize that we've got a farm bill that everybody seems to be for and the Secretary wants to change it.

Our next witness is Mr. J. Bruce Parr, of Childress, Tex.

STATEMENT OF J. BRUCE PARR, CHILDRESS, TEX.

Mr. PARR. Senator, basically—

Senator BELLMON. Would you tell us, briefly, about your farm operations before you start.

Mr. PARR. Livestock and cotton, basically.

Senator BELLMON. Livestock and—

Mr. PARR. Cotton and hogs.

Basically, the act seems to be good for the farmers in our particular area of the country, with some revisions, possibly small ones. We would like to see a mechanically graded cotton.

Senator BELLMON. Mechanically graded cotton?

Mr. PARR. Staple and class in graded cotton, yes, sir.

Senator BELLMON. Now, for a noncotton grower, would you tell me how that's different than what we're doing?

Mr. PARR. Well, it's all hand, it's outdated. I mean, there's human error.

Mr. MALAZZO. Human element's involved, I guess it's one man's opinion against the other's by looking at it.

Senator BELLMON. And you can do this mechanically? Do we need to put this in the farm bill?

Mr. PARR. Well, I think so, we can put a man on the moon, surely we can grade cotton mechanically.

Senator BELLMON. You mean, technically, you want to shift to a mechanically sampled and graded cotton system?

Mr. PARR. Yes, sir, automatically.

Senator BELLMON. You would trust a machine rather than you would a human being?

Mr. PARR. Yes, sir, I think so.

Senator BELLMON. Can you tell us how this would change the program, what difference would it make?

Mr. PARR. Basically, it wouldn't change—they would take the samples as the cotton is being ginned instead of cutting the bale after it's been ginned. I don't know how many samples they get from a bale of cotton before it gets to the marketplace, but there isn't any bagging left on it.

Senator BELLMON. Makes it look awfully rough, doesn't it?

I've seen or read about some system of pouring bale, is that not satisfactory, they have a sample—

Mr. ANDERSON. They have an automatic sampler, Senator, that can work in the gin and take a sample out as the cotton is being compressed into the bale. There have been some objections to the use of the automatic sampler by the trade, maybe one reason is because it eliminates the city problem, where everybody along the track takes a sample out of it and the accumulation of the city property can amount to a great deal of money.

Senator BELLMON. Sounds to me like a pound at a time.

Mr. SAWYER. Senator, are you familiar with the green card? When you gin a bale of cotton, it's sampled and sent off to the government classing office and the government classing office returns a green card that tells you the grade, staple, and let's see, if there's anything else. I'm sure this gentleman is talking about when he, as a farmer, goes to sell his cotton the buyer buys it on the green card, but he also wants your sample, because when he sells it he's going to sell it on the sample.

Mr. ANDERSON. If the sample is better, if it isn't, he's going to sell it on that green card.

Mr. PARR. That happens every time, we can't in my county today accept on a class card, a government class card.

Mr. SAWYER. Four years ago, we sold it on the sample and let the sample represent the bale of cotton. Today, the green card does, but everybody always wants those samples even though he doesn't want to look at them until he buys it then he goes through those samples and picks out the ones that are not graded correctly in his mind and then he sells that cotton on the sample, if they're better. And the mechanically graded sample would eliminate that.

Mr. MALAZZO. It makes it more consistent.

Mr. PARR. Yeah, that would be the thing. You can be dissatisfied with this bale of cotton price. Well, it may or may not come back the same grade as your staple.

Mr. SAWYER. Somebody has to set the machine to take the staple of cotton and then the machine starts doing the same thing.

Mr. RAY. Let me say a word, because this is not a very objective system.

Senator BELLMON. Which is not, the present system?

Mr. RAY. Yes, because when you send it back for a regrade, you've got to send the green card in, when a man gets a green card, he's going to see what he sampled it at the other time. I've sent back, now get this, I've sent back about two dozen, lost money every time, and I wasn't wrong some of the time.

Mr. ANDERSON. That just tells you not to send it back for a recheck.

Senator BELLMON. Before we go on, is there a unanimous feeling around the table that we should go to this mechanical sampler?

STATEMENT OF RAY JOE RILEY, PRESIDENT, PLAINS COTTON GROWERS, HART, TEX.

Mr. RILEY. My name is Ray Joe Riley, and if you would, pardon me, I want to reaffirm the position taken by each of these gentlemen around the table.

I would say that this is in line with the recommendation of the Universal Standards Conference of the U.S. Cotton Producers, whom I have the privilege of representing, as chairman.

[The statement of Mr. Riley follows:]

Mr. RILEY. The ceiling on beef, pork and lamb prices, placed there by an Administration ostensibly championing a free market economy for agriculture, makes no sense at all.

Just recently Secretary of Agriculture Earl Butz told the House Committee on Agriculture that the Administration favors a farm law phasing out income supplement payments to farmers over a three year period "as we depend on a growing market demand to maintain farm income."

How, is a growing market demand going to maintain farm income if the Administration imposes price ceilings to keep that demand from increasing market prices?

Cotton, feed grains and wheat, the three major commodities covered under present farm programs, are not affected, directly, by the meat price lid. But it should be obvious that stockmen can't continue paying high prices for cottonseed meal and grain to fatten meat animals that must be sold under a price ceiling.

Nor do we have any assurance, that the Administration won't yield to political pressures, as it has done in the case of meat, and impose ceilings on prices of other farm commodities if those prices should reach levels offering a fair return to producers.

Are the interests of the public served by price controls on meat? Definitely not.

What will happen is that existing plans for increased livestock production to meet increasing demand will be abandoned, because investors won't gamble on a high risk enterprise that offers little or no chance for profit. Supplies will shrink, and unless demand subsidies to the level of supplies, meat prices will remain as high as the law allows and eventually the housewife will be looking at empty shelves in the market.

Farm programs since the 1930's have helped to stabilize farm income, thereby assuring an abundance of agricultural commodities available to the public at much more reasonable prices than would have been possible otherwise.

But if the Administration's thinking on future farm programs should prevail and if the price ceilings on meat are an example of policies the Administration has in mind to maintain farm income through greater market demand, then both agriculture and the consuming public in this country will very shortly find themselves in a very unhappy situation.

Mr. ANDERSON. Senator, he's one of the experts in this matter of sampling.

Senator BELLMON. Mr. Marble, did you want to say something?

Mr. MARBLE. He answered the question.

Senator BELLMON. Well, I never heard it brought up before. In all the testimony I've heard, I'm surprised, I missed it, maybe you fellows are ahead of your colleagues.

Mr. ANDERSON. This was developed with the assistance of the U.S. Department of Agriculture, instrument classing lines, they call it, that it eliminates the human element in the classification of cotton.

It's not being used at the present time, primarily, because the present merchandising system that we're going through tends to down play it, for several reasons, for—I guess you'd have to get into some problems as far as merchandising, Senator, in this would be that the merchant, I think, likes to keep the farmer convinced and also the middleman convinced that it's necessary for him to feel and look at that cotton in order to be able to tell the middleman what it will do and also reserves the city crop system.

Senator BELLMON. This city crop sounds like some petty thievery; is that what you're saying in a nice way?

Mr. ANDERSON. I wouldn't want to call it that because I have a very good friend in the cotton merchandising system.

Mr. SAWYER. This man over here has a compress, he can tell you what it amounts to.

Mr. MALAZZO. Well, every time you have a bale, we sample it and it costs you—

Senator BELLMON. That's the owner of the bale?

Mr. MALAZZO. Owner of the bale, 50 cents a sample to get it resampled plus the fact that you lose that given amount of cotton that goes in there.

Senator BELLMON. What is it, a pound?

Mr. MALAZZO. Not really a pound, I'd say about $\frac{3}{4}$ of a pound; sometimes those bales are sampled to death, if you'll pardon the expression, they'll cut 10 or 12 samples off of a bale and when it gets to the marketplace or the man that's going to mill it, it just looks terrible.

Mr. MARBLE. The man that's buying it is going to lose the cotton, the producer, they weigh the cotton when it gets to the compress and I get paid on whatever it weighed then, but the old boy that buys it on the other end, all the samples have been taken out of it before he gets it, he's paying on the same rate that I sent it down there.

Mr. PARR. Is that right? You compress and bale now, don't you buy at the compress weight again?

Mr. MALAZZO. We sell, we are paid on the compress weight, whatever it weighs.

Mr. SAWYER. Not always, I've sold cotton and took weights before it.

Mr. MARBLE. Ordinarily, it's the original weight at the compress?

Mr. MALAZZO. That's correct.

Mr. ANDERSON. Bales will gain weight a little bit.

Mr. MARBLE. We can spend the rest of the day talking about this bunch of worms.

Senator BELLMON. Maybe we'd better not go into that, then. You mentioned the fact that these bales arrived at their destination in a rather unattractive condition; is there any need for legislation or for regulations that would control the way the bales are packaged, you think the way that we're doing it now—

Mr. PARR. If they would automatically sample it, I don't think so, they would make no need for hiring them.

Mr. MALAZZO. I think so.

Senator BELLMON. Everyone agree on that?

Mr. ANDERSON. The industry has pretty well agreed, Senator, too, to move, we have made the move to net weight trading, which eliminates the necessity for running a similar weight in the bagging and ties and we're beginning to new wrappings and new techniques for wrapping up the bale and at the same time, the industry has recommended a—this is the industry group within the National Cotton Council—recommended a move toward a density press which will eliminate some of the problems in pressing and some of the problems in sampling these bales of cotton. The trade seems to be work-

ing on this, it may be kind of slow because the whole cotton industry is awkward in changing customs and changing ways of doing things.

Mr. MARBLE. Mr. Don Anderson is an Oklahoma and Texas representative, producer representative to the Board of the National Cotton Growers Council.

Senator BELLMON. I don't think we ought to get into any area that we're not needed. If there's anything that Congress can do to help solve the problem, we'll be glad to know about it.

Mr. RAY. Senator, could I ask just one thing? The wrappings of bales of cotton haven't changed, and I know, I've been around, for 60 years.

Senator BELLMON. You think it's time it was changed?

Mr. RAY. About 20 years ago. There is a better way to do it than we're doing it now.

Senator BELLMON. Can you see the need for Congress to take a roll in this?

Mr. RAY. I think the administration could do this if they were aware of it.

Senator BELLMON. A little language in construction to the Secretary of Agriculture to examine the possibility of making a cotton package more attractive?

Mr. RAY. I think the cotton council is the proper people to do that.

Mr. ANDERSON. If this would be done, Senator, it could be done through the regulations printed out by Commodity Credit Corporation (CCC), if CCC would establish certain premiums or certain incentives for these bales to be in certain condition, certain wrappings, then it would automatically filter into the trade because all the private sales are above the law.

Senator BELLMON. One way to get the attention of the bureaucrats is for the people handling their budgets to suggest something too. It's amazing what effect it has on them.

If the cotton council and the producers are agreed that something should be done, if you'll give us the suggested amendments or language in the law or even in the report that goes with it, we might be able to speed them up a little bit.

Mr. ANDERSON. We'll work on that.

Mr. SAWYER. Senator, I'd like to point out the producer does pay for the wrappings on the bale of cotton.

Mr. MARBLE. One thing I'd like to point out, the producer is just one element of the cotton council and there are other elements in this cotton council that doesn't necessarily want to do what the producer needs.

Senator BELLMON. Well, you just better give me your own opinion about that.

All right, let's move ahead here and we have some individuals that haven't been heard and maybe we have some others in the crowd that would like to make some comments.

Mr. Dwight Hamilton, who represents the Texas Association of Wheat Growers, from Olney, Tex.

STATEMENT OF DWIGHT HAMILTON, VICE PRESIDENT, TEXAS
ASSOCIATION OF WHEAT GROWERS, OLNEY, TEX.

Mr. HAMILTON. Thank you for allowing me the privilege of being here today. What I do feel though, is, the fact that I think everyone here at this table is in complete agreement on their purpose and objective, I'd like to point that out.

I am a farmer, a wheat producer, I raise cattle and cotton. Young County, in which I farm, is one of the first counties in the Nation each year to begin wheat harvest. As a result, we had harvested, sold our wheat, and plowed our lands before the announcement of the Russian wheat sale.

We took a low price for our wheat, around \$1.35 a bushel, this was about \$1.35 lower than the season high. But we also received less price support payments because of the decline in certificate value as trade prices went up. So, those of us in my part of the country and much of Texas, don't understand all the furor about high farm prices. We haven't had any yet and I notice that wheat prices are declining as a new harvest approaches. So, while we receive our share of the blame for high food price costs, we may never share in the fruits of the increase in farm prices.

Our understanding is that this session is to gain views of new farm legislation. I must admit that it's hard for me to focus my attention on new farm legislation while I am so disturbed about and confused by the recent administration of current farm programs. I'm referring, of course, to the release of 15 million acres of wheat acres for production after hard red winter wheat produces have passed the period for planting wheat. The release of an additional 13 million feed grain acres substitutable with wheat, 2 weeks after the feed grain signup time; the curtailment of the REAP programs, and the projected 42 percent reduction of Federal funding of our Texas agricultural research programs of Texas A. & M. experiment station.

Gentlemen, in spite of these adversities, I am vitally interested in new farm legislation, for I believe our farm programs have worked, if not in maintaining farm income at least in keeping many of us on the farm as long as it has and in providing the consumers of the Nation with adequate food supplies and enough left over to share with consumers of much of the rest of the world, resulting in a tremendous asset to the U.S. balance of payments in international trade.

Mr. Chairman, as a wheat producer, I am active in and serve as an officer, vice president, of the Texas Wheat Producers Association. The association, in turn, is a member of the National Association of Wheat Growers. I have personally participated in the Texas and the national organizations annual meetings and farm program policy development sessions. I can say, from firsthand experience, that wheat growers nationwide are in general agreement on 1973 farm program suggestions. For this reason I would like to present, for the record, the statement on wheat legislation which the president of the National Association of Wheat Growers gave the House Agricultural

Committee March 27, 1973, and say that it reflects my own views for I was active in its preparation.

In summary, I and other wheat producers I work with, favor a continuation of the 1970 Farm Act with some minor changes including: Loan rate increase to 50 percent of parity, and certainly this is not asking too much. And I cannot see why the Secretary would refuse to grant this increase if he is going to give farmers more authority to plant land and yet unwilling to accept some of the responsibility of overproduction.

We would like to see the wheat certificate set at a value to reflect the difference between the county loan and parity. Grazing and haying be permitted on all set-aside acres for a token fee, not prohibitive as now. We oppose payment limitations. We would like to see the continuation of the reseal program.

We would like to see our conserving bases abolished and set-aside determined by historical wheat and feed grain histories and this is something that disturbs me, in the Secretary's speech, to the committee is advocating a total crop acreage rather than limiting the adjustment to historical changes of certain crops.

Now, are we going to tell people who have gone out and put more land in production that they have the advantage again over those who stayed in the program and tried to cooperate for years and years and years. Now, this has been the fallacy, I think, of our present program, starting out by giving each individual farmer, throughout our Nation, 15 acres of wheat, whether or not he had been raising wheat or not, right on down through the Anfusio amendment, this discriminated against those who stayed in the program and now to advocate a statement that he has made before the committee is certainly not in keeping with my thinking.

We would like to see the REAP and Great Plains Conservation programs reinstated, continued, and expanded.

I want to thank you for the privilege of presenting these views. I share your interest in continued workable farm legislation that will maintain and improve producer income and continue to assure the consumer at home and abroad an ample food supply.

I have this statement that I'd like to go on record, sir.

Senator BELLMON. Mr. Hamilton, these will be made a part of the record, thank you very much.

[The abovementioned statement follows:]

STATEMENT OF RAY DAVIS, PRESIDENT, NATIONAL ASSOCIATION OF
WHEAT GROWERS, POTTER, NEBR.

Mr. Chairman and members of the committee, I am Ray Davis, wheat farmer from Potter, Nebraska, and the President of the National Association of Wheat Growers. Appearing with me today is Don Woodward, Pendleton, Oregon, our Association Vice President.

Our Association represents growers in the commercial wheat producing states of the Great Plains and Pacific Northwest. Because of the importance of these hearings, many of our growers are in attendance today. Heading the individual delegations are state association presidents Joe Sullivan, Meeker, Colorado; Ben Hayden, Pocatello, Idaho; Donald Crane, Wright, Kansas; Jim Stephens, Dutton, Montana; Holly Hodge, Holdrege, Nebraska; Earl Abernathy, Altus, Oklahoma; Bill Jaeger, Condon, Oregon; George Andersen, Presho, South Dakota; Leo Witkowski, Hereford, Texas; Jack DeWitt, Waitsburg, Washington; and D. A. Peterson, Cheyenne, Wyoming.

In addition to the state wheat associations that these officers represent, I feel that our statement represents the views of almost all wheat producers across the nation as the problems of wheat are common problems.

Our Association is also a member of the Farm Coalition. The Coalition will be presenting testimony to this committee later, but I am pleased to state their position and ours on farm legislation is compatible.

Agriculture is very proud of the positive contributions it makes to the nation's economy and to the very difficult balance of payment situation, and we all like to boast of the efficiency and productivity of American farmers. We must keep in mind, however, that these achievements and their benefits will disappear if we exhaust the resources of our land and of our farmers to relieve our country of economic pains which have been brought on not because of, but in spite of, agriculture's contributions.

In this connection, I was very glad when, recently, the Washington Post, an urban oriented newspaper, gave recognition to the importance of agriculture to the rest of the economy.

"Taken as a whole", the newspaper said, "including the agri-business complex that sells farmers feed, fertilizer and machinery and processes farm goods and distributes them to the public, the food and fiber industry is the biggest in the United States by far.

"It involves million of workers. Besides the 5 million man farm labor force, 17 million people work at processing and distributing farm goods or supplying things to farmers."

The newspaper said that "if the farm population and farm income go down, so do the fortunes of many of the small town residents"—and it might very well have read "the fortunes of the entire nation."

Adequate and equitable income is and will continue to be essential to wheat farmers and all of agriculture. We hope that this level of income can come from the marketplace.

Wheat producers, possibly more than any other group, have recognized the importance of domestic and export markets. Years ago they formed state and regional organizations to expand markets at home and overseas for U. S. wheat. Growers have worked to open up new markets, to liberalize world trade and to promote stability in world supplies and marketing. These efforts, combined with initiatives taken by the Federal government, were once important. Today, as our nation places greater emphasis on exports and producer income is tied more closely to market developments, they are vital.

Last year was without question an unprecedented year for the U. S. wheat industry. Massive foreign sales brought greatly improved income to the majority of the nation's growers. Strong export activity also brought benefits to our agri-business and transportation industries and created new jobs. Further, the high volume of wheat sales had a substantial and positive affect on our balance of payments position. All these benefits, however, have not come without consequences and I will name two of them.

Number one, rising farm market prices, which provided desperately needed income to farmers have contributed to strong public concern over increased food costs. It is unfortunate that this concern has caused the Administration to seek our increased agricultural production as the means of reducing product costs. It is unfortunate that when the market at last became able to provide producers with most of their income, administrative action was taken to break farm prices in an effort to keep the lid on food costs. We fully sympathize with the bind consumers are in because of spiraling costs in everything they buy—for we are all consumers and all feel it, but we oppose the singling out of farm prices as the offender.

Number two, we recognize that the decision to expand acreage also took into consideration what we all hope to be prospects for expanded export sales. This too deserves some examination.

The currently used words "booming exports" are indeed thrilling. But it is sobering to take a look at how booming the future actually appears. The historical rate of annual growth of U. S. wheat exports, using a 1959-61 base, has been .5%. Projecting from a 1969-71 base, the Department of Agriculture currently figures the annual growth rate of wheat exports at 1.3%. Unless something big and unforeseen happens, the outlook is not for a boom but for steady growth of wheat exports. Any boom will come only through others misfortune—draught or other natural disaster.

The outlook for 1973-74 is also worth noting. USDA forecasts wheat exports to drop by about 20% from this year's level of 1,150 million bushels. At the same time, there are indications that production will increase by about 25%. This will mean, inevitably, that there will be another build-up in reserve stocks which producers, the trade and speculators will have to hold if the Government won't. It also will mean lower market prices.

What needs to be done, of course, is to nationally balance the needs of consumers with the needs of producers. One segment of the economy cannot expect to benefit at the expense of another. If producer income is to come from the marketplace, then the market must be permitted to function. As we noted earlier, after years of depressed prices, 1972 finally brought improved returns to farmers. We hope that a new price plateau can be established which will provide adequate farm income and prevent a return to the price levels which prevailed for years before the Russian grain sale.

OUR POLICY RECOMMENDATIONS

Recently the National Association of Wheat Growers held its 23rd annual convention in Seattle. Nearly 500 producers representing all member states worked to develop resolutions to guide the Association this year. The primary concern and debate centered on the needs of producers in new legislation. We appreciate this opportunity to bring their recommendations on policy to you.

The National Association of Wheat Growers believes that a commodity approach best represents the interest of agriculture. We also believe that such commodity groups must work in cooperation with all the interests of agriculture and to approach problems of production and marketing with the same spirit of harmony in order to improve the status of all of agriculture.

Our Association believes that sound Federal farm legislation for wheat and feedgrains should embody these objectives: (1) Assure the wheat producer of an equitable income by use of a price structure designed to attain parity prices, insure orderly marketing, protect wheat and feedgrain producers against unduly low returns and promote international trade. (2) Stimulate the maximum use of wheat. Keep the handling and marketing of wheat in private channels. (3) Encourage the production of wheat types preferred in the marketplace with premiums for milling and baking qualities. (4) Encourage sound soil and water conservation practices. (5) Simplify farm programs and establish uniformity of administration. (6) Recognize that the wheat producer has the ability to manage his own farm and provide this freedom in new legislation.

To carry out this policy we recommend the continuance of the Agricultural Act of 1970 for a period of five years with the following changes: (1) Wheat loan be set at a minimum 50% parity as of April 15 of the previous crop year. Feedgrain support levels be set to reflect the relative feed value to wheat. (2) the loan rate to reflect the true loan value. We further recommend that the farm storage payment be in addition to the loan price rather than being included in the basic loan price. (3) Wheat certificates to be values at such level to reflect the difference between country loan and parity. (4) Grazing and haying privileges be permitted on all set-aside acres for a fee. (5) Oppose payment limitations that would defeat the principles of sound legislation. (6) Continue and expand the provisions of the storage resale program. (7) Conserving bases should be abolished in any new farm legislation and set-aside requirements should be determined as a percentage of historical wheat and feedgrain history. If conserving bases are not abolished, they should be reappraised and adjusted because of inequities between farm, counties and states. (8) If conserving bases are not abolished the 55% summerfallow provision concept as included in the Agricultural Act of 1970 be continued in new legislation. (9) The proven yield provisions be continued and the base period for establishing the county average yield provisions be continued and the base period for establishing the county average yield and the individual farm yield should both be five years. (10) The excess wheat currently held by producers be released for sale without penalty.

CERTIFICATE PAYMENTS

A certificate for domestically consumed wheat began developing about 10 years ago. Before it was instituted wheat was supported by a government price support loan of \$2.00 per bushel. In 1963 Congress began to modify the

program to provide for a dual or two price support system—a loan and a certificate. The price support loan was lowered to the \$1.25 per bushel level in the 1965 Farm Act and producers were guaranteed a 75¢ certificate for their share of the domestic wheat market. The total support remained at \$2.00 per bushel, and did not directly affect the consumer. Cash wheat prices settled at or near the \$1.25 loan level, a 75¢ drop.

In the 1965 and 1970 Farm Acts the computation of the domestic certificate was tied to parity to permit its value to reflect rising production costs and sharply increased costs of living. This method of support did not increase the 75¢ share of the certificate which came from the marketplace. Moreover, it provided that the farmer would receive his certificates only on that portion of his production which went to domestic food consumption—about one out of every three bushels produced in 1972.

As mentioned earlier, the central need of wheat growers is adequate and equitable income. The notion that payments to farmers can be phased-out over a relatively short period of time must carry with it legislative safeguards to maintain prices. Otherwise, a phase-out of payments simply means a further phase-out of farmers as well. The cost of such a policy in human terms is clearly more expensive to the nation than continuance of the wheat certificate program.

If the market is to provide the full income needs of producers, then production must be geared to realistic domestic and international market demand. Further, the market must be permitted to operate without action to artificially reduce prices. If it is in the nation's interest to expand farm production with a view towards managing food prices and lowering the value of exports, then adequate income to the producer will not come from the market. If this is to be the course, there is a clear and profound obligation to channel income to the producer which was denied him in the marketplace.

Simply stated, the certificate program must be maintained until the market can provide adequate and equitable returns to farmers. It must also be remembered that certificates are only one part of the dual price support system. If we are to consider phasing-out one part of this system (certificates) then the other (price support loans) must be increased.

INCREASED LOAN LEVEL

Toward the end of the 92nd Congress we actively sought a 25% increase in loan levels for wheat and feedgrains. Our position in support of an increased loan level has not changed. We have, however, developed a different approach to determining the amount of increase. It is our view that the existing constant loan level is not consistent with changing economic factors within the U.S. We have been overly competitive in world markets and we failed to adjust our export prices at the time of the first devaluation of the dollar which simply meant that we sold cheap wheat cheaper.

In our opinion, now is the appropriate time to raise loan levels. A new price floor, more consistent with today's costs of production and living, can be set without affecting current market prices. While we hope that prices can be established at a new plateau, an increased loan level would provide producers needed protection in the event expanded production outstrips market demand.

We do not feel that this action would over-stimulate production at home or abroad.

PUBLIC LAW 480

Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, expires on December 31 of this year. This Act, for nearly two decades, has provided American farmers and the nation with the most innovative and useful tool in history for moving farm products into export channels, feeding hungry people, and building our commercial overseas markets.

Wheat growers strongly endorse the continuation of Public Law 480. We urge that the expiring legislation be renewed without any weakening amendments and that any modifications be made only to provide greater usefulness of the law to promote its objectives.

There is a temptation at this moment of export history to look at the exceptionally strong commercial demand for our farm products in foreign markets and to conclude that a program such as Public Law 480 has diminishing importance. With this we strongly disagree. Nobody could have foretold two years ago that there would suddenly be this tremendous world demand for

wheat—and by the same token, nobody can say that two years from now the demand will be what it is today. We live in a highly fluid marketing world and we need the kind of instruments that enable us to live in it successfully.

The marketing world today—just as it was in 1954 when Public Law 480 was created—is really two worlds: Rich countries and poor countries. One of the finest contributions of our foreign assistance policies for nearly 20 years has been the sharing of our farm production with developing countries to feed hungry people and to help them build a better future in which we too can benefit as aid becomes trade. This we need to continue to do. It is a known fact that the Green Revolution in the developing countries, though helpful in expanding their food production, is not keeping up with their population growth. Many countries are starting to slow down their birth rates but demographic projections indicate a doubling of population in some of them over the next 25 years to 30 years. There will continue to be hunger and under-nourishment in the world for many more years to come.

This is not to suggest that the United States shoulder the responsibility of feeding all the world's hungry—we can't. But we will feel a call, I am sure, to continue helping according to our abilities and desires. And we need to keep intact this excellent machinery that will enable us to help.

When Public Law 480 is renewed, there is one restrictive feature that should be removed for reasons of consistency with our nation's changing foreign policy. This is the existing feature that prohibits Public Law 480 sales of farm products to North Vietnam or to countries doing business with North Vietnam or Cuba. Failure to remove this provision could, in time, make this legislation more restrictive than the general U. S. foreign policy.

Aside from foreign policy considerations, we wheat growers think Public Law 480's most useful role will continue to be as a tool of market development—helping nations to become better commercial markets for our products.

We urge that the Congress endorse, renew, and adequately fund Public Law 480 and that the Administration provide a high level of budgetary support, not less than that of fiscal year 1972.

We request that wheat continue to be recognized as a major commodity for Public Law 480 programming.

We recommend that local currency funds generated through Public Law 480 export sales be used where possible to build port storage and handling facilities in the developing countries to accommodate the expanding inflow of U. S. grains, including wheat, that continues to take place as their ability to purchase in the market place improves.

Senator BELLMON. Mr. Hamilton, let me follow up on a comment that you made about shifting over from an allotment system to cropland base system.

In your experience as a farmer and in your particular operation, if it turns out that we, the Congress, adopt this, which I frankly don't think we will, what would you do in your own operation to get ready for such a change. You mentioned over a 3-year period, if you knew that, say, in the crop year 1975 that your—any future payments or any future, I guess I can say—allotments or bases, would be established on your total cropland, what would you do?

Mr. HAMILTON. I don't know that it would affect me individually very much because I—we are limited to the numbers of commodities that we can produce and certainly, wheat and cattle go well together and there would be very little change.

Practically all of my land, at this time, has no control or set-aside acres on it because such a small amount of feed grain base.

On about 2,000 acres of farm land, I think something like 25 to 50 acres of set-aside, but what I was referring to over the years people have gone out and broken out grasslands and put it into production. If these people are going to be given the same privileges and the same allotments based on the total number of acres that they have in

cropland now, as those of us who have maintained and cooperated with the administration throughout the years, in the farm programs, then I do not think that it's fair.

Senator BELLMON. There's been a lot of marginal cropland retired out of crop production and into the Bermuda grass and other pastures.

If we shift over to a cropland base it would seem logical to me that a lot of operators are going to go out and break that land out again and make a cropland out of it for a year or two while they get their new bases established; would you men agree with that, or not?

Mr. RAY. Senator, I think that the people in my area, by the way, I have all the allotments that I can plant, so I'm in great shape, but on page 2 of the Secretary's statement here beginning with the last paragraph, and summed up in the last paragraph:

As farmers ignored their historical acreage allotments and bases, they began to employ their land, capital, and labor more efficiently and effectively. They turned to the crops that were suited for their land and operations.

I don't have half enough cotton allotment to plant half of my land in cotton, but in order to make it work, I went out and leased some cotton allotments is what I did, so it would fit my land.

We in south Texas would rather have an opportunity to farm our land according to what the Secretary has said right here, and we would agree with these last three paragraphs.

Mr. SAWYER. If you didn't have the 15-cent subsidy, what would you do?

Mr. RAY. I'd plant it.

Senator BELLMON. Well, as I said before, it seems to me that the program we have is very popular with producers and my feeling is that Congress is going to be very hesitant to get away from it.

Thank you for your statements, Mr. Hamilton.

Mr. HAMILTON. This is the paper that came in the mail today showing where the food dollar goes. You might be interested in it, it was interesting to me.

Senator BELLMON. I'll take a look at it.

We have two other witnesses that have asked to be heard and if there are others in the crowd who want to have a chance to comment, we're going to give them the opportunity, we're going to have to move on because the hour is getting rather late.

The next witness is Mr. John S. Cargile, representing the Texas Sheep and Goat Raisers Association, he's president of this organization from San Angelo.

STATEMENT OF JOHN S. CARGILE, PRESIDENT, TEXAS SHEEP AND GOAT RAISERS ASSOCIATION, SAN ANGELO, TEX.

Mr. CARGILE. Thank you, Senator. I'm in the sheep business, I operate several ranches in west Texas and about 100,000 acres, most of them leased lands, some on land that I own. I also operate a live-stock auction market where I sell sheep and cattle and I also have a commercial lamb- and cattle-feeding operation background.

I'm here to talk about the National Wool Act which is part of the farm program that expires this year. The sheep industry would like

to see the Wool Act renewed as it has been. We think it has worked well in the past and I do not think there's any problem in the administration of the act. We request a minor amendment to broaden authority on some of the research and promotional activity carried on under the act, it's a self-help program of the sheep industry.

From the payment that comes from the Government to the sheep industry, the Government deducts, about \$2½ to \$3 million a year, it goes to American Sheep Producers Council, which I think is similar to the cotton program, anyway, we have this program that we put our money into for lamb and wool promotion. There is a slight amendment to the authority under the act, concerning expenditure of those funds. Other than that, we just appeal that you keep the act as it is.

I would like to briefly explain, there's been some changes in the fundamental wool market structure since the act began that I think puts it in a little bit different light than it has operated under in the past.

We look at this now as an insurance program against a disastrously low market. This year, 1973, we have a much higher wool and mohair market, the national average price set by the Secretary of Agriculture for 1973 is 72 cents a pound, for wool, which it has been below for several years. But in all probability, the average price for wool in the 1973 marketing year will be above 72 cents a pound and there will be no payment. We are very hopeful, perhaps, a little idealistic, that this will continue and even if the Wool Act is renewed, there would never be another need for payment. At the same time, we feel that this is something that the industry needs, the wool market has always been a very cyclical market.

We just recovered from the lowest prices, practically in the century here, it was just about 2 years ago that we went through a fantastic giration that I don't believe any of us understand, but it did happen.

I think that there is a basic change in the wool market, our domestic market has become dependent on foreign market in other countries. In the old days, up until the last few years, we were dependent upon our market here in the United States, we did not produce enough wool to supply the needs and a tremendous amount of wool was brought in, from, primarily Australia.

However, due to changes in the competition in the whole textile industry, we no longer have the domestic demands for wool and we are now going into an export market, Japan is a tremendous factor in the international market in the United States and Australia. Now, Australia and New Zealand produced the major part of the world wool supply and they do not have the free market structure there that we do here. They market their wool through a Government program where the Government buys the wool and resells it and they're going more in that direction.

Consequently, these world markets could be subject to a lot of changes, depending on what some of these foreign governments decide to do that we have no control over.

We're very optimistic about the wool market continuing on a high level, but at the same time, we'd like to see the Wool Act in use. If we get back into another depressed international wool market, we'll have this to fall back on.

I think that pretty well covers our position. Have I made myself clear, I tried to go through it pretty fast.

Senator BELLMON. It happens that I used to be a sheep raiser. I might say, that you're the first sheep man I've talked to in the last 6 months that hasn't talked about predators.

Mr. CARGILE. I'm glad you mentioned that, Senator. Would you bear with me one more minute.

Senator BELLMON. Yes, I'd like to have your ideas.

Mr. CARGILE. I appreciate the opportunity to talk to you because I heard you testify before the Senate committee in Washington last year.

Frankly, Senator, we're not getting along with the present control program. I think Mr. Marble here will back me up, we're willing to change to another control program but we haven't got it. Now, till we get it, we're going to strangle to death if we don't get some judicious and limited use of these toxicants back. It doesn't have to be as it was, but we've got to have something, Senator.

Senator BELLMON. I would just say, that I think, on that basis, there can be a meeting.

I think where the problem is, the wholesale distribution of compounds like 1040 or others is just probably out for the moment and probably indefinite.

I think the Congress will finally come up with the system whereby if there's an area where predators are really causing trouble, that under careful supervision, the right kind of controlled compounds can be used again.

Mr. CARGILE. Well, we need that and the legislation is now pending before Congress, the Dingell bill.

Senator BELLMON. That's a House bill?

Mr. Cargile. Yes, it is. I think our only hope in our defeating that bill or changing it, is going to be in the Senate.

Senator BELLMON. Does your association have an amendment to that bill that will make it workable?

Mr. CARGILE. We don't see any way to make that bill workable; we think it will just take another piece of legislation.

Senator BELLMON. Do you have a suggested substitution for it?

Mr. CARGILE. We'll bring you one.

Senator BELLMON. First, we've got to get it passed.

Mr. CARGILE. I understand what you're talking about.

[The statement of Mr. Cargile follows:]

Mr. CARGILE. Senator Bellmon, my name is John S. Cargile, and I am president of the Texas Sheep and Goat Raisers' Association with offices in San Angelo,

Texas. The Association has a membership of 3,800 producers from the State of Texas. Texas sheep and goat raisers have five million sheep and goats.

I am actively engaged in the production of lamb and wool in Tom Green, Irion and Crockett counties in Texas, and I would like to make this brief statement as to the importance of renewal of the National Wool Act to the producers of sheep and goats in Texas.

We have large areas of semi-arid lands in West Texas which are a substantial natural resource of the state and can best be utilized by the grazing of sheep and goats. Sheep and goat production is a vital part of the economy of this area of the state and any reduction in the numbers of sheep and goats and their production constitutes a serious loss of economic activity and ad valorem tax basis.

The sheep and goat industry is enjoying record high prices for wool and mohair at the present time. We are quite confident that there will be no payment for 1973 wool or mohair clip under the National Wool Act. We are hopeful that these price levels will continue in the future and that there will never need to be another payment made if Congress sees fit to renew the Wool Act. However, history shows us that the prices for natural fibers have always been subject to great cyclical swings, and as I am sure you are quite aware, we are just recovering from the depths of some of the lowest price levels we have seen in this century. It is during periods such as the ones we have just experienced that the National Wool Act is so important to the sheep and goat industry. We look upon renewal of the Wool Act as an insurance program to lend some support and protection to the industry if we should ever again get into such a depressed market for natural fibers.

Our outlet for wool and mohair is becoming increasingly dependent upon foreign markets that we have relatively little influence upon, and consequently we are more at the mercy of actions of our government and foreign governments when they react to various international trade pressures. The movement of the production of wool and mohair in international trade in the last few years also takes on a matter of national importance in that it is becoming a substantial factor in reduction of our balance of payments problem. We have seen great stress placed upon the importance during the last year of the production of agricultural products that can be sold in international trade to help alleviate the balance of payments. Renewal of the Wool Act will encourage the sheep and goat industry to continue to produce since they will have the assurance that they have this insurance program to fall back upon if we should ever have another period of unreasonably low prices.

This is not directly related to the Wool Act, but I would like to add, Senator, that the actions of the Federal government during the last year withdrawing the use of chemical toxicants for predator control are placing the sheep and goat industry of Texas in serious jeopardy. We do not have other practical, effective means to take the place of chemicals in controlling the coyote population, and we feel it is imperative to have some relief on this matter.

Thank you, Senator Bellmon, for giving us the opportunity to make these comments.

Mr. HAMILTON. I'd like to say, in the cattle industry, we're having the same problem. Just 2 weeks ago, there were 10 coyotes chasing one calf in my pasture and in an adjoining pasture, there were 7 other coyotes in one pack. My neighbor for sure has lost but I feel like I lost several calves.

Mr. CARGILE. May I make one more comment on this?

SenaoR BELLMON. Yes, sir.

Mr. CARGILE. I'm glad to hear these other men speak up because, frankly, gentlemen, the sheep industry has fought hard and has lost every round up to now and if we don't get some help from somebody else, we're going to keep on and I'm afraid we're going to lose and if you all are interested in it you all better start helping us.

Mr. ANDERSON. Senator, I put 55 cows and calves in pasture about 2 months ago and we rounded that pasture up and found all the cows but they killed about 35 calves and there's just not hardly any place to put your finger except on predators of some kind and we're getting more bobtailed calves, too, for a fact.

Mr. MARBLE. We're from Floyd County and we went up to a sale this week and bought about 6,600 sheep, bought up there in that country, and we've furnished the records to the county agents and they were running a survey in our country and I turned in 55 lambs killed by coyotes this year, I think it's pretty close.

The Game and Fish Commission is, you know, the one that tries to control the predators. It's just like they've got their hands tied behind their backs, they just don't have anything to work with, they're using helicopters and they set down there somewhere around San Angelo or southwest there, they took and killed about 80 coyotes in about 3 hours. It's unbelievable, they can tell you stories that you just couldn't believe.

Mr. CARGILE. I've lost lambs from predators, and in fact, I lost 39 lambs in January.

Senator BELLMON. You lost 39 lambs in one month?

Mr. CARGILE. Yes, sir.

Senator BELLMON. Mr. Cargile, you get your language together and give it to me and I'll see that it gets consideration, I'll certainly see that it's given every chance to pass.

Mr. CARGILE. Thank you, Senator.

Senator BELLMON. The last speaker we have is Mr. Ross Wilson, manager of the Southwestern Peanut Growers Association.

Mr. Wilson.

Mr. WILSON. As you know, Senator, I've already made a statement in the other room, but I would just like to sum it up by saying again, we're very appreciative of you coming out here and in meeting with us this weekend and also to Senator Tower and Larry Combest and your staff for coming down here and working with us.

I've been in meetings throughout Texas and Oklahoma with producers who have generally favored acreage reduction as a means of program modification. This is in line with the study made by the General Accounting Office last fall, 10 percent a year, 15 percent a year, til the costs are brought into line.

We want to keep the peanut program separate and out of the general farm bill. We would concur with the favorable statements here today, with respect to the ASCS offices and employees and we thank you for what you've done for us, particularly for the help you've given us in the research program, you helped initiate.

I just want to say again, that we do appreciate you coming down and thank you very much, Senator.

Senator BELLMON. Thank you very much, Mr. Wilson.

We have some others here who may wish to make comments; any of you gentlemen have a statement or comment you'd like to make?

STATEMENT OF HOMER C. EASTERWOOD, SINTON, TEX.

Mr. EASTERWOOD. Senator Bellmon, I'm Homer Easterwood from south Texas, I came up with Mr. Ray; of course, our viewpoints are along the same line, but in my statement I would like to add one thing.

All of these farm bills that were mentioned here, we are all in favor of extending them, of course, as you well know, we feel like it would be a workable bill, but all of the efforts into a good farm bill can be thrown away in 1 year's work if the farmer is caught with a strike or labor stoppage.

When they're trying to ship our grain overseas, or to market, we have no control over it, it's just something we live with, something that we fear, only the Federal Government has the power to step in and control this, and we can work all year long, and plan, and make a beautiful crop, and have it go out the window because we have a perishable commodity, that must move to market, or to an elevator. We would appreciate any consideration that you can give. We feel like the farm bill is a good bill, and we don't know why they want to change it. If you've got something working, why change it.

Thank you.

Senator BELLMON. Thank you, Mr. Eastwood.

I'd like to give the Secretary a chance to explain why he wants to change it one of these days.

STATEMENT OF JOHN D. SMITH, DIRECTOR, PLAINS COTTON GROWERS, LITTLEFIELD, TEX.

Mr. SMITH. I'm J.D. Smith, from west Texas—Littlefield, and the thing that I think has probably been overlooked a little bit here today is in this farm bill that we've been working under, we have a lot of insurance where this payment is based over the past year and we have crop failure and we have bumper crops and so forth and we have to depend on financing and a lot of it right now, and just like you have a crop failure this year and your payment's based on some past averages, see, then you get a little money in there to kind of get you over this rough time and it's a real fine thing when you go to the bank or whoever you're borrowing money from to say, well, you've got a pretty good chance of getting so much money and it's not all based on that year's production. And I think any change from this immediately, well, now, let me offer you outline now; it wouldn't cost the Government any more to make a good crop, and costs are pretty well fixed, as far as the government is concerned, but if for an individual like I am, farming, it means a lot to me to bridge me over those poor crop years and I—to me, this is one of the best things about this program, is the insurance part of it, Senator Bellmon.

Mr. RILEY. Again, I only wish to concur in the remarks made by Mr. Smith and you have the testimony before your committee on March the 9th and would not use any more of your time to go over those points, but I would like to emphasize the 15-cent payment as has been pointed out on the cotton program here today by many others is absolutely essential in the production costs that Mr. Marble and Mr. Anderson have mentioned and Mr. Smith has alluded to, as the need for insurance program as to the producer on the short crops and weather adversities, we, if the—as you have pointed out, the Secretary has taken a different view and if this view must continue, we will have to take another hard look at it.

What kind of program we could support, we can support extension of the 1970 Act as our testimony will fully point out, with the 15-cent payments, with limitations. As it exists in the payment and various loans, as Mr. Anderson has pointed out, with the authority taken out where the Secretary could lower that loan on the 2- or 3-year average, whenever you lose those, those points are very important; I would, in passing, like to compliment Mr. Cargile on his statements on the extension of the Wool Act, as a lamb grazer and feeder, as I'd like to compliment that statement to Mr. Cargile and I'm sure because of predators we'll lose a lot of lambs to coyotes and very real problem too might be that he would like to have a little session with Mr. Cargile, get through with them, he can show them some skeletons and some rather tragic deaths of some innocent animals.

And we think we could give them a pretty good little tour of them if they would like to have it and show them some coyotes too.

We do appreciate all of your efforts in the past and you've been good friends to Texas and we've got, in running along here, and we feel close to you.

Thank you.

Senator BELLMON. Thank you, Mr. Riley.

Anyone else?

Mr. Sawyer. About the price of cottonseed, Senator. I started farming after the war and after I graduated from college in 1950 I ginned cotton. I received \$90 a ton for my cottonseed in 1950. I had a rebate, which means another check after ginning was paid for \$26.20 on that bale of cotton and now cottonseed are \$45 a ton, and I paid the average of \$12 a bale to gin it on top of the price of my cottonseed. All this time, the prices are going up, the cost of tractors are rising, labor, and everything else. I don't see a whole lot fair about it; do you?

Senator BELLMON. I don't understand it, meat hasn't gone down any.

Mr. SAWYER. Forty-five, at Milo.

Senator BELLMON. Is this a co-op gin?

Mr. SAWYER. No, sir, not a co-op gin.

Senator BELLMON. Is there a need for a price support on cottonseed; is there?

Mr. MARBLE. There was a price support for it, but I think that price support was discontinued a year ago.

We need a reinstatement of that price support on cottonseed but we need it a little bit higher level than what it was.

Mr. NEAL. Set at \$38 a ton.

Mr. MARBLE. It's to the mills instead of the farms. I've asked, but it's not even been announced because the Secretary could have known it because it's such a little level, have the effect of bumping the price down, but at the present, we believe it's one of the problems.

Senator BELLMON. Time to contract—

Mr. MARBLE. Might be like selling our wheat at \$1.35.

Senator BELLMON. Join the fraternity, I sold mine for \$1.37.

Soybeans, is there any way to move in the export markets?

Mr. ANDERSON. Hasn't been too successful in the past, we have sold some unprocessed cottonseed to Mexico, but it's a very bulky item and very difficult to ship and handle in the export market.

Mr. RILEY. I thought, Senator, this need might be made available to the producer.

Senator BELLMON. The cottonseed loan to the producer rather than to—

Mr. RILEY. Yes, in actuality, the way it works out, it's pretty hard for the producer, to get much of a loan on the cottonseed, when you get right down to it.

Mr. ANDERSON. Senator, could I make one comment, you've mentioned pretty well in touch with the Secretary, there is one act that the Secretary has taken recently, which in my opinion, they, in his statements on page 1, the opportunity of the farmer to use the commodity loan programs as the marketing tool which he portrays here and that is the increase in the interest rate on those commodities while in the loan status.

By increasing that interest rate, it, in effect, loses those products if they have to go over a production year span, variable production year. The increased amount of cost to redeeming that commodity out of the loan generally offsets any market increase, it locks it—and eventually take it over then. So, I think this is one area that Government could perform a very vital and effective subsidy program, low profile subsidy to the American cotton, grain, sorghum, meat, soybeans, whatever, in furnishing many a low-interest-rate loan to carry those commodities in the loan status through the high production years and the low production years and so forth.

I think this would be an excellent subsidy that would help us in marketing and help the consumer.

Senator BELLMON. Would you like 3-percent loans, is that what they have?

Mr. ANDERSON. Yes, sir, I believe they were at $3\frac{1}{2}$, if you gave me a preference, I'd say 2, but I believe we could live with 3.

Senator BELLMON. Well, gentlemen, thank you very much for your informative and very helpful comments as we try to decide what to do with this bill.

The hearing is adjourned.

[Whereupon, the hearing adjourned at 4:35 p.m.]

[Additional statements and materials filed for the record are as follows:]

FLOYDADA, TEX., March 28, 1973.

Senator HERMAN TALMADGE,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR: Enclosed are statements of businessmen and farmers from the South Plains of Texas, giving their views of the Agriculture Program.

This meeting was non-partisan with Republicans and Democrats taking part, was held March 5, 1973, at the Community Room of the First National Bank, Floydada, Texas.

We hope this information will be of value to you when you write the new Farm Program. We think the enclosed statements would be the sentiments of the farmers and businessmen of Texas.

Sincerely,

JOHN N. FARRIS,
Floyd County Chairman,
The Republican Party of Texas.

[The enclosure follows:]

AGRO-ECONOMICS MEETING

Those present were:

John Farris, Floydada; Mary Virginia Kirchoff, Plainview; John Anderson, Plainview; John C. Carter, Plainview; Mike Howell, Plainview; R. G. Russ, Hale Center; Don Marble, South Plains; Duane Howell, Lubbock; Cotton Fannin, Lubbock; Kinder Farris, Floydada; Lon Davis, Floydada; Bill Hale, Floydada; C. L. Minor, Floydada; William H. Smith, Floydada; Doyle Moore, Floydada; Clay Henry, Floydada; Mr. and Mrs. David Battey Jr., Floydada; Mr. and Mrs. Albert Scheele, Providence; Kenneth Bean, South Plains.

The following statements were given by those present:

Agriculture financing and farm loans should be more closely scrutinized with the absence of subsidy payments as they are real collateral. John Anderson, Hale County State Bank.

Lon Davis, Floydada farmer and grain dealer, was in agreement that *all* departments within the government should take their pro rata cut. He was in accordance with President Nixon that we must balance the national budget. He was also in favor of increased CCC loan interest rates. Mr. Davis also made the statement that the American farmer is viewing the future with pessimism, and in doing so, is selling himself short. We should be optimistic rather than pessimistic about the future of agriculture.

Kinder Farris, Floydada farmer and banker, also encouraged an optimistic outlook and that we should take every advantage of *foreign trade*. He said we must use our experiences of the past to plan farm programs for 1974 and beyond.

Don Marble, farmer, expressed his appreciation of the Soil Conservation Service and to the Rural Electrification Administration for all they have done to further advance farming techniques and comforts to rural families. He also suggested production control on crops and increased CCC loan levels.

Cotton Fannin, PCG in Lubbock, wants to raise the cotton loan level to 24¢-25¢ per pound for middlin inch, and this price would not put cotton out of the world market.

David Battey Jr., farmer, stated that the revamping of all the departments should continue. He feels that the general public should be re-educated about the farmer and his farming situation. He related that all the farmers in Floyd and Motley counties who want to continue farming and qualified for farm loans did receive them.

The following statement was prepared by David Battey Jr. and Albert Scheele.

We would like to have a continuation of the farm program that we have had in 1971 and 1972. The non-farm population must come to realize that the cost of production, plus a fair profit margin must be paid to the farmers for their products. This must be paid either to the farmer in the market place, or as it has been in the past, part in the market and the remainder through government subsidies and support prices through the government farm program.

We recommend the following:

1. The CCC loans must be continued and loan rates should be based 100% of the average cost of production per unit of the various commodities.

2. Control of production must be continued in order that we do not build up huge surpluses of farm commodities which would depress the prices below the cost of production. Perhaps by the use of new space satellite technology more accurate estimates of United States as well as world crop production could be established and acreage allotments would be more realistic than in the past.

3. The government should pay rental for any acres idled in controlling production in food and fiber crops.

4. It will be very necessary that we stimulate, encourage and increase export markets for farm products if we expect to hold the prices of farm commodities to a level that will enable farmers to stay on the farms.

5. It is very important that the United States export these farm products to keep our balance of payments in line as farm products are the most important commodities that we know we can export.

6. The Future Farmers of America, Young Farmers, and the 4H organizations should put more emphasis on contacting Farmers Home Administration for guidance in getting young men established in farming due to the fact that the average farmer is above 50 years of age. More incentive in the farm program would help bring more young farmers to the farm areas.

These comments are respectfully submitted by the Floyd County Chairman.

STATEMENT OF RONALD KERSHEN, DIRECTOR OF RESEARCH, FAS GRO BRAND
TRITICALE, CANYON, TEXAS

TRITICALE

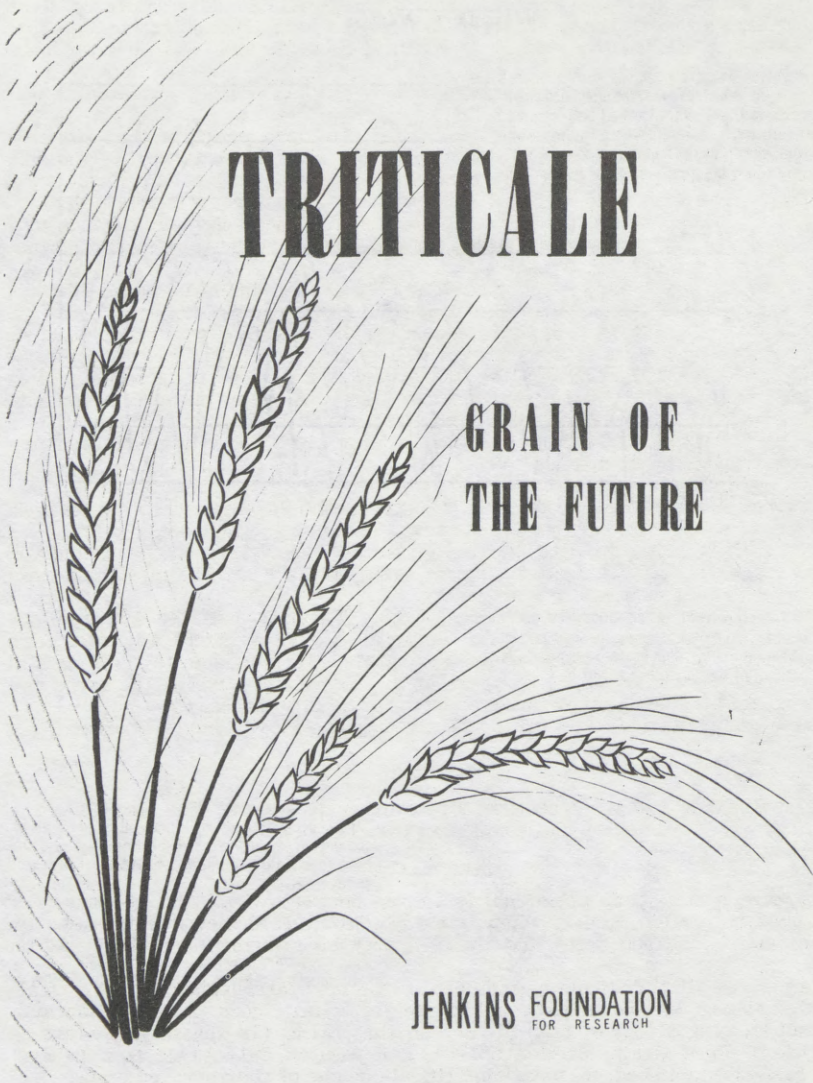
Triticale, a man-made grain that is a cross between wheat and rye, has very high quality protein, and excellent yield potential. It is now being grown on approximately 200,000 acres and by 1978 may be growing on several million acres.

We propose that Triticale be included in the new farm legislation as a small grain that can be grown as a substitute for wheat, corn or grain sorghum without causing a loss of crop history on that farm. (In the same context as in Title V Feed Grain, Section 501(3), and Section 501(c)(1). If a general crop base is established, we ask that Triticale be one of the approved crops.

We have three reasons for asking for this legislation: (1) In the event of crop surpluses, Triticale could be substituted for that crop in surplus without the farmer running the additional risk of losing crop base when income is already low. (2) In the event of serious world protein deficiencies, Triticale acres could expand more rapidly to meet the need for protein. (3) By having a legal base in the law, the USDA will have more impetus to gain expertise in identification and regulation of Triticale to prevent problems such as Triticale being called wheat and vice-versa and to help control unscrupulous promoters who are now and who will continue to misuse the crop to their own benefit.

TRITICALE

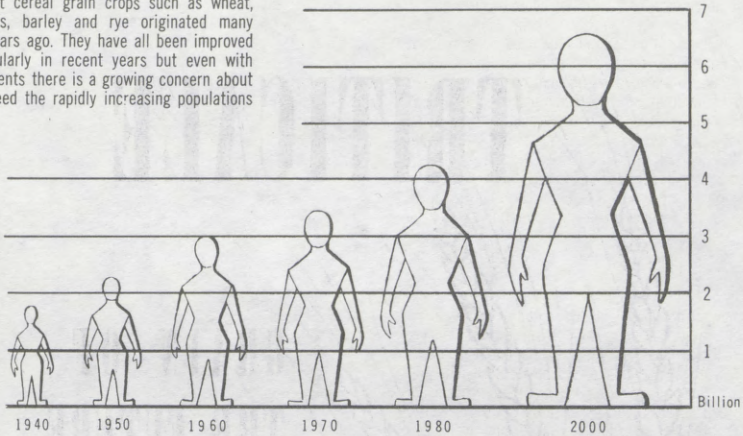
GRAIN OF
THE FUTURE



JENKINS FOUNDATION
FOR RESEARCH

WHERE IT WAS:

The important cereal grain crops such as wheat, rice, corn, oats, barley and rye originated many thousands of years ago. They have all been improved by man, particularly in recent years but even with these improvements there is a growing concern about being able to feed the rapidly increasing populations of the world.



In comparatively recent times an entirely new, highly nutritious cereal grain crop has come into being which appears to have the potential of producing more usable protein per unit of land area than any of these other grains.

1 ACRE
WHEAT

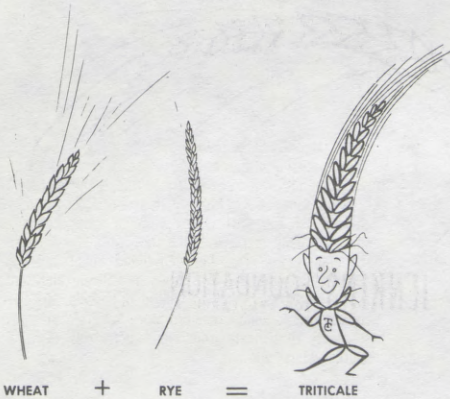


USABLE PROTEIN

1 ACRE
TRITICALE



USABLE PROTEIN



WHEAT + RYE = TRITICALE

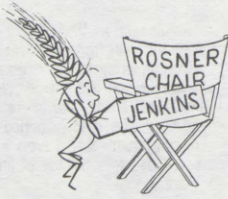
This new grain is called triticale. It is the result of crossing wheat and rye and takes its name from a combination of the scientific names of wheat (*Triticum*) and rye (*Secale*).

When bread wheat and rye accidentally cross in nature the resulting grains usually grow into plants that are sterile. Scientists in many different places used various techniques such as temperature shocks to double these plants' chromosomes, making them fertile. However, in the late 1930's scientists found that the drug, colchicine, when applied to the growing plant was more reliable than temperature shocks in doubling chromosomes.

When durum wheat and rye are crossed, the resulting grains are shrivelled and because they lack endosperms, will not grow. Until embryo culture was introduced no durum wheat triticales could be produced. It has been said that a grain is a baby plant in a box with its lunch. In these grains the baby plant (embryo) was doomed to starvation because the lunch (endosperm) was missing. Using embryo culture technique, grains without endosperms, when placed in a nutrient medium will grow, as the nutrient medium substitutes for the stored food in the endosperm. By these methods triticales were produced and so has the distinction of being the first man-made cereal grain. The man-made durum wheat-rye crosses produced triticales superior to the original bread wheat-rye crosses.



Following are the highlights in the development of triticales from the time when Dr. B. Charles Jenkins decided that this new grain had a potential worth pursuing. In 1953, while at Saskatoon, Saskatchewan, Canada, Jenkins was given ten grains of triticales developed by Dr. J. G. O'Mara of Iowa State University, Ames, Iowa, using embryo culture and colchicine treatment. This triticales was a cross between the durum wheat, "Carleton" and spring rye. The resulting plants grown in a five-foot field plot motivated Jenkins to pursue further development of triticales.



In 1954 Jenkins was appointed to the Rosner Chair, a privately endowed research chair in the Department of Plant Science at the University of Manitoba, in Winnipeg, Manitoba. He combined basic and applied research in the study of wheat and related species.



At the International Genetics Symposia in Japan in 1956 Jenkins initiated triticales seed exchange with Russian and other scientists. During the late 1950's Jenkins sent some of his triticales to Dr. Victor Pissarev in the U.S.S.R. This triticales was a cross between durum wheat and rye. Until this time, the Russian triticales was a cross between bread wheat and rye. Pissarev crossed the two types of triticales and sent some of the seed back to Jenkins in Canada. The stabilized plants which resulted were superior in many respects to triticales from the direct combination of durum wheat and rye.

Some of the problems encountered with triticale were tallness, late maturity, sterility and low yield, but its plus features—hardiness, disease resistance and environmental adaptability were sufficiently encouraging to stimulate interest and further work in the new crop. A great leap forward in triticale improvement occurred after 1964 when Jenkins served as Temporary Scientific Aide in the Wheat Program in Mexico as guest of the Rockefeller Foundation. Daylight insensitive triticales appeared in segregating populations at Ciudad Obregon, Mexico in 1965.



Plants without this characteristic need long days of sunlight in order to mature. In places like Mexico where day length is short, the light sensitive plants are often delayed by as much as two months going into the reproductive stage. Daylight insensitive plants will develop and ripen regardless of the number of hours of sunlight.



At Obregon in 1965 a very exceptional semi-dwarf plant with long spikes and prolific spikelets appeared in the offspring of the cross between a triple dwarf Mexican wheat and triticale. Jenkins moved his "bed and board" to the plot where this plant was growing and lived with it for a period of about three weeks, crossing it with almost every available triticale. These crosses led to a number of improved triticales.

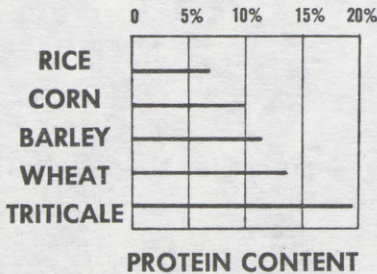
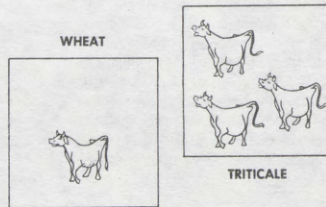


In 1966 Jenkins left the University of Manitoba to devote his full time to the further development and improvement of triticale. Salinas, California was chosen as the place for this research because of the suitability of the climate. Jenkins Foundation for Research was incorporated in 1968 and in 1969 the first JFR varieties of triticale were released for commercial production.

WHERE IT IS:

Triticale is a crop with many potential uses and may be adapted over an extremely wide range of environmental conditions. Triticale has hardness from its rye parent and survives winters more readily than barley. It has withstood late frosts and produced a crop when barley has shown considerable damage and had poor yields. Triticale does best when moisture is not limited and soil fertility is high and does not lodge as readily as wheat, barley and similar crops of comparable height. Tests conducted in various areas of the United States, Canada and foreign countries have shown that triticale yields better than similar crops under unfavorable conditions such as drought. This is very important in warmer areas of the world where rainfall is limited and irrigation is not feasible.

Early problems of low fertility, tallness and late maturity are being overcome. When the first intensive research began on triticale in Canada in 1953 it was toward developing it as a feed grain. In tests it equals wheat as a poultry feed, equals barley as a hog feed and when fed at a 3-1 ratio with oats to 900-lb. steers it shows 10% improvement in efficiency over a barley-oats mixture. Grazing tests in Texas show that one acre of triticale will support three head of cattle where a comparable acre of wheat will support only one.



It also became apparent that triticale could be used as a food grain. The protein content of triticale is higher than wheat on the average, approximately 15% compared with 13% in wheat, 12% in barley, 10% in corn and about 8% in rice. Triticale protein contains more lysine and methionine (amino acids essential in human and animal nutrition) than other cereal grains. It makes an excellent loaf of bread and also unleavened bread such as tortillas. One of the leading cereal manufacturers in Canada has conducted tests with triticale and turned out extremely flavorful flakes, puffs, pancake flour and whole triticale flour. Distillers are interested in using triticale since they have learned that it imparts a new flavor to their liquors.

The Foundation places a high degree of emphasis on natural grown food production.

Since the Foundation is interested in producing not only high yielding varieties of triticale, but also varieties with high nutritional value, it became necessary to include in the program a nutritional study of protein in particular. A Rodent Lab was added to the facilities in June, 1971.

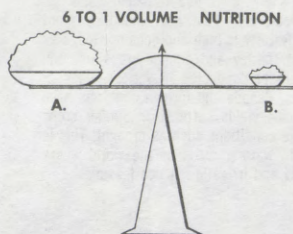
Robert B. Choate, a Washington nutritional specialist, claims that many dry cereals have about as much nutritional value as a shot of whiskey. They fatten but do little to prevent malnutrition. They have "empty calories" and unless served with milk, provide the body with little or no usable protein.

All of the Foundation's varieties of tritcale are analyzed to determine the protein content. This, however, does not tell us anything about the protein quality or how readily it can be assimilated by humans and other animals. Dr. Fred Elliott at Michigan State University was one to introduce a biological testing program (bioassay test) to determine protein quality. He fed weanling meadow voles standardized diets containing different grains to determine their protein efficiency ratio (PER).



TRITCALE
PER 3.20

A. TYPICAL BREAKFAST CEREAL
B. TRITCALE GRANOLA CEREAL

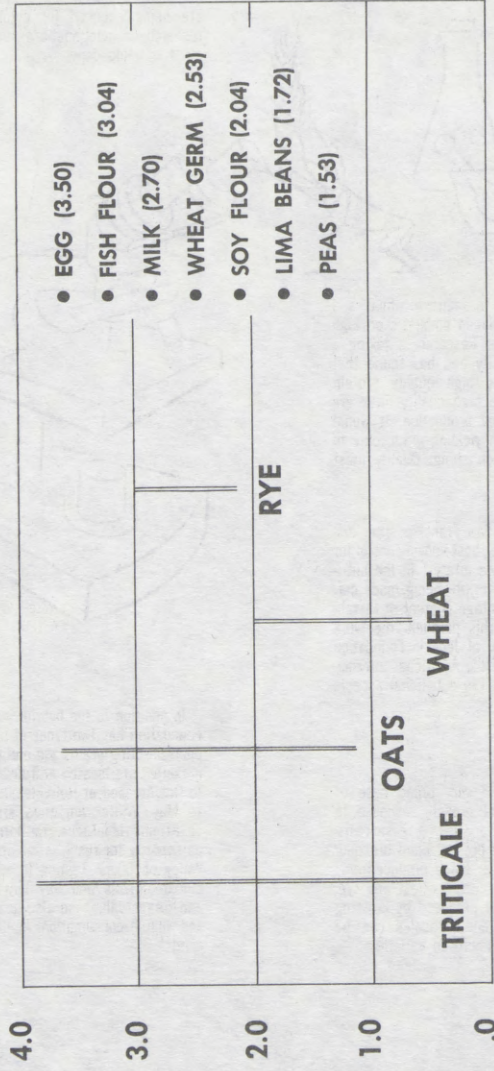


STANDARD DIET
PER 1.17

The PER is the correlation between the amount of protein consumed and weight gained. Egg protein with a PER of 3.5 is the standard for comparison. An animal eating one ounce of it will gain $3\frac{1}{2}$ ounces of weight. The gain in weight applies only to growing animals. After an animal is grown, protein consumed is used to replace body cells.

¹DRY CEREALS—Hearings before the Consumer Subcommittee of the Committee on Commerce, U.S. Senate, Ninety-first Congress, Second Session, p. 31.

²White House Conference on Food, Nutrition and Health, Final Report, 1970, Government Printing Office, p. 57.



SOME PER COMPARISONS

Animal metabolism is such that the body chooses from the available protein that which it can use. The rest is waste. It follows then, that large amounts of protein will not necessarily build body cells if the quality of the protein is low.

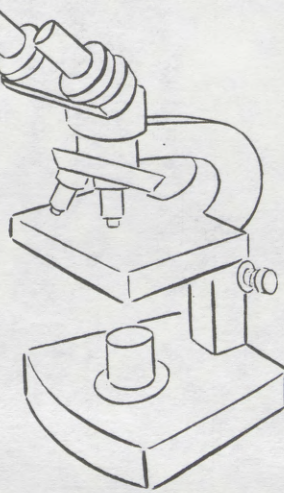


Scientists doing research to improve wheat and other cereals have to date placed emphasis on high yields. Jenkins Foundation for Research is taking a close look at the grain quality and has found that some triticale varieties have high quality protein ranging as high as 3.63. The high quality lines are being selected for commercial production. It would be a waste to develop a high yielding grain, only to find that it was not very nourishing. Quality must come first.

Dr. Ernst T. Krebs, Jr. of San Francisco (the discoverer of Vitamin B₁₂ (Laetrile), best known control for cancer) has shown considerable interest in the nutritional aspects of triticale. Tests are being made currently to determine the percentage content of certain vitamin groups in triticale. This parallels the work being done in the Rodent Lab of Jenkins Foundation for Research in measuring PER's. Additional information will soon be available on the nutritional aspects of triticale.

The Foundation has built a very broad base of varieties, differing in habit of growth, response to day length, agronomic characteristics, disease resistance and grain quality. In the present plant breeding program triticales are no longer being produced only by the direct combination of durum wheat and rye. Modified triticales can also be produced by crossing triticales with bread wheat and triticales can be crossed with triticales, using improved varieties.

Since 1969 the Foundation has treated some of the triticale lines with chemicals in order to produce mutations or variations in the type of triticale. None of the new triticales thus produced have been released for commercial production but several promising lines are now being tested. Cytological studies of mutants are being made and all of the Foundation's varieties are being checked for cytogenetic stability. Basic research on cytogenetic aspects of triticale improvement is being done.



In addition to the hybridizing nursery at Salinas the Foundation has two types of plant breeding nurseries, one for spring grains and one for winter grains. Spring nurseries are located at Tulelake, California from May to October and at Holtville, California from November to May. Winter nurseries are located at Hereford, Texas and Montague, California. A disease nursery, particularly for rusts, is maintained in the Rio Grande Valley of Texas. Testing locations for adaptability to climates, soils and day length differences, grazing and forage value and also quality of grain for human and animal consumption, multiply as the program expands.

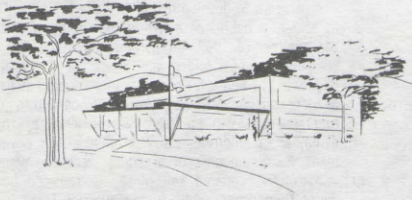
WHERE IT'S GOING:

Triticale does not just happen to have the heredity it has, but is the result of a step by step process of adding and subtracting different "building blocks." A continuing plant breeding program is aimed at developing commercially acceptable varieties with either spring or winter growth habit suited to both irrigated and dryland farming. Special emphasis will be placed on disease resistance, dwarfness, early maturity, good seed formation, high fertility, light insensitivity, winter hardiness, grazing and forage suitability, high yield and high PER (protein efficiency ratio).



A program to develop hybrid triticales (which will be, in effect, a hybrid of a hybrid) was initiated during the summer of 1969. Intensive research on this development is now under way. Space for this project is donated by Andes & Roberts in underground quarries at Independence, Missouri, where it is possible to grow four generations in one year. The temperature, length of day and humidity can be controlled in this environment. Small amounts of breeding stock are planted in carefully prepared soil placed in redwood boxes under fluorescent lights. In the quarries there is no wind, no rain, no insects, no danger of hail, frost or disease infestation—truly a plant breeder's paradise!

The need for more food per unit of land area is a problem of growing concern to which some authors have devoted entire books. Population pressures are so great that every means must be employed to win the race against world famine. Jonathan Swift has said that whoever could make two ears of corn or two blades of grass to grow where only one grew before, would be doing an essential service to his country. Triticale has the potential of accomplishing what Jonathan Swift envisioned. To realize this potential there needs to be a sustained and dedicated effort backed by sound financial support. Jenkins has known about this crop since 1953 and has done considerable research on triticale since that time. He is committed without reservation to the task of developing it to the point where it will be useful as food for the nations of the world.



Long range plans for Jenkins Foundation for Research include a permanent location in the Salinas Valley where the research plots, presently on leased land, will be grown. A Research Center to house the offices and laboratories of the Foundation will be built at the permanent location when sufficient funds are available.

ABOUT THE FOUNDATION:

Jenkins Foundation for Research, affiliated with Graceland College, Lamoni, Iowa, was incorporated in 1968. It is a non-profit California corporation formed "to receive, administer and expend funds for religious, charitable, scientific, literary or educational purposes in furtherance of the public welfare and the well-being of mankind," including, but not limited to research and development of the new grain, triticale.

The Directors are:

B. Charles Jenkins

President and Director of Research of the Foundation,
Salinas, California

James M. Cummings

Vice-President of the Foundation,
Independence, Missouri

Howard M. Downs

Attorney at Law,
San Francisco, California

Don O. Elefson

Church Farms Manager,
Reorganized CHURCH OF JESUS CHRIST of Latter Day Saints,
Independence, Missouri

William T. Higdon

President, Graceland College,
Lamoni, Iowa

Business Consultant:

G. M. MacDonald

The Gordon Growth Group,
Guelph, Ontario

Acknowledgements:

Drawings—Bud Hester, Walt Disney Production, Burbank, Calif.

STILLWATER, OKLA., December 15, 1972.

Senator HENRY BELLMON,
Post Office Building,
Oklahoma City, Okla.

DEAR SENATOR: I am writing to give my wholehearted endorsement to the "Open Acres" program, as now in operation in Oklahoma and nine other states.

I have observed the program in operation in Pawnee and Lincoln Counties, Payne County neighbors, and its seems to be generally successful.

One major benefit of the program here is that it gives the thousands of students at Oklahoma State University a place for hunting and fishing, thus taking the pressure off farmers nearby and who may not want to permit such access to their lands.

It is particularly proper in Oklahoma that the "Open Acres" plan is operative in areas not close to public hunting lands managed by the Department of Wildlife Conservation.

Oklahoma sportsmen are hopeful that the program will be continued in 1973 and future years.

Sincerely,

RALPH W. REMY.

ALTUS, OKLA., December 11, 1972.

Senator BELLMON,
Post Office Building,
Oklahoma City, Okla.

DEAR SIR: Last week the Titus column in the Sunday Oklahoman had an article about the Open Acres program. This was the first I had heard of this type program. I have felt for years that this is what was needed in the populated areas of the United States. I am in the Air Force and like to hunt. I find myself having to move every time I start to get some descent hunting areas lined up.

Having been raised on a grain farm in Illinois and now having lived off the farm for fifteen years I can see both sides of the problem. The farmer doesn't like his ground to be over run and used with abandon as well as the hunter would like some accessible land to hunt. The public hunting area north of Lake Altus was a savior to me while stationed here at Altus AFB. To also have had some "Open Acres" situated a little closer would have been outstanding.

I hope you can be influential in keeping this program expanding to the point that some day it will cover a much greater portion of this great state of Oklahoma.

Would you please send me any information you have on the Open Acres program. Thank you for your cooperation in this matter.

Sincerely,

DONALD A. DIVERS, Major, USAF.

DECEMBER 13, 1972.

Senator HENRY BELLMON,
Post Office Building

DEAR SIR, I for one would like to thank you for your effort in getting the "Open Acres" program started. I think this is one of the best programs for the hunter who does not have a place to hunt that I have ever seen.

I would like to see this program continued if at all possible. Also enlarged if possible. I personally hunted on 5 of these areas and was very pleased with the people I met. They were very helpful in giving instructions to where to hunt and what was there to hunt.

Again I want to thank you for your effort and hope that this program can be continued.

Very truly yours,

MARVIN PIPKIN.

OKLAHOMA CITY, OKLA.

DEAR SIR: I have enjoyed your *Open Acres Program* in Lincoln County, Okla. and am writing to thank you for your initiation and support of this plan.

This is the first year in many that I have been able to hunt quail within 50 miles of home. I feel that it must also benefit the land owner who participates.

I'm not ungrateful for what you have accomplished and don't wish you to think so because of my next statement. It's the best break I've had in 25 years of trying to hunt since World War II and I sincerely hope the acreage in the program can be multiplied many times in this next and future years.

Yours truly,

JOE M. SHELTON.

OKLAHOMA CITY, OKLA.,
December 13, 1972

HON. HENRY BELLMON,
U.S. Senator,
Post Office Building,
Oklahoma City, Okla.

Subject: "Open Acres Program",

DEAR SENATOR; I admit bias where the subject areas are concerned. However I shall make every effort to being objective in the following statements.

First, may I commend you for taking the initiative in the introduction and passage of this measure.

On the attached article you will note I have indicated by Roman Numeral portions to which I would request your attention. You will also note I have not repeated statements into but have only stated enough that they might be easily located.

I. "The Grand National Quail Club of Enid known for the celebrity hunt it sponsors . . ."

It is obvious ordinary, average salaried individuals are not invited. This is its self perpetuates divisiveness within the population. This program, as I understand it, could lead to greater understanding between urban and rural people.

II. "Program would permit the public to rampage over the country and destroy property" . . .

I have a friend near here who has had two horses and one cow shot by some one slipping onto his property. Would it be much better for these individuals to know they could go to his house, stand a good chance of being allowed to hunt, and be supervised by him?

We both know our public is many times thoughtless and inconsiderate. I was reared on a farm also. However in my 40 years as a hunting *sportsman* many times the more *affluent* and *influential* my hunting companions were the greater their *disregard* for the rights of the owner of the property.

III. "Affluence and influence are of greater assistance in obtaining permission to hunt than initiative in looking for hunting locations.

"They are just spending money for votes". Even *if* we did accept this statement, and I think it a false premise, you would be ahead since there are many more voters outside than in this club.

IV. "Some of Dean Hodgden's friends lost leases because of this program".

Senator, I submit that this, coupled with the fact that others than the wealthy can now hunt on some farmers land, is the crux of the situation. Now the farmer is no longer in the position of being forced to accept whatever the leasor wishes to pay but may choose between that of the Open Acres Program and the prospective leasor.

25¢ per acre! No wonder many farmers have told me their land was leased for hunting but that it was not really worth fooling with.

I further submit that 70 to 90 percent of our hunting population is not financially in a position to supply their family requirements *and* spend money for a hunting lease.

Again we see continued divisiveness between wealthy, influential people and the lower income brackets (I am not including those who do not work and would not even if offered a job).

Sir, to change to the theoretical for an instant, we may begin with the Egyptian Empire, continue through Athens, Rome, and into the national history of

France, England and the more drastic Russian Revolution and all illustrate the single fact of dominance by the privileged which resulted in disregard of law by the average population because they were not in a position to overcome the situation of, "It is not what you know BUT whom do you know".

May I cite a more modern example? Beginning $\frac{1}{4}$ mile below the Taylor Park Reservoir and extending approximately $4\frac{1}{2}$ miles the river is a Registered Placer Mines owned privately and posted. Now I personally feel the owner has every right to post this property and have it guarded as he does HOWEVER, can you understand the feelings of local people along that stream and in the immediate area who can no longer fish this portion of the river owned by an individual in Midland, Texas? This is possibly the best fishing area of the river between the reservoir dam and Almont where it meets the East River to make the Gunnison.

In this article Glenn Titus says two of 128 farmers have left the Open Acres Program. .0158%

It would appear to me that in addition to allowing the urban and rural to learn to communicate it could lead to associations that would teach the urban population the proper actions and attitudes toward hunting—AS A SPORTSMAN.

It could even lead to the requirement that one wishing to hunt these Open Acres would have a certification to the effect he had attended such an association and was certified in the methods of gunning as well as proper care of hunting areas. If you will pardon a personal reference—in my 40 years of hunting I have never been, "run off". The reason for this is that my father taught me, "never be where you are not welcome".

I am a democrat who does not place party FIRST and since you have joined the U.S. Senate many of your actions lead me to feel you have something of the same attitude.

I strongly urge your continued support and expansion of this program. I can see no way it can do any thing but help.

Sincerely yours,

OTTO S. DAVIS.

MUSTANG, OKLA.

DEAR SENATOR BELLMON: I'm writing to express my opinion of the USDA "open acres" hunting program which you sponsored. I haven't hunted any of these lands as yet but I certainly appreciate the opportunity and thanks for getting it set up. I hear the wealthy hunters and hunting clubs passed a resolution opposing "open acres" since it ran the cost of their lease up. I hope we can keep the program and expand on it, too. I also understand you are trying to get right-away along the rivers opened for public hunting. In behalf of several hunters in the office where I work I would like to say *Thanks*. Good Luck.

Sincerely

CARL MEGEHA.

OKLAHOMA CITY, OKLA., April 6, 1973.

HON. HENRY BELLMON,
U.S. Senate,
Washington, D.C.

DEAR SIR, I wish to express my interest in the Open Acres Program and the hope that it will continue. It is one of the bright spots in the recreation scene specially for the elderly and the handicapped.

After I announced the availability of both hunting and fishing sites, I was swamped with requests. At the last count, I had mailed over 6000 folders to nearly 1000 persons who asked for them. The requests were almost equal in the state locations, with about half going to the Oklahoma City area and the other half to rural areas in our TV coverage area.

When the new sites are finally compiled, I expect that the requests will surpass those of last year. Again, I wish to commend you for a program that is of interest to many people.

Yours truly,

LEONARD HANSTEIN,
Outdoor Editor, Griffin Television, Inc.

MIDWEST CITY, OKLA.

DEAR SIR: The Tinker Air Force Base Rod, Gun and Bow Club members would like to have the Open Acres Program expanded to include each county in Oklahoma. This will provide equal opportunity to the land owner and the town dwellers to participate in the benefits of the program. Urban residents are on a move "out to nature". The Open Acres Program provides the nature to be used, land for public hunting and fishing.

We request the Open Acres Program be expanded to include all 77 counties in Oklahoma on a continuing yearly basis.

JOHN ANDERSON, *Archery Chairman,*
Tinker Air Force Base Rod, Gun & Bow Club.

MIDWEST CITY, OKLA.

DEAR SIR: I wish to go on record in support of continuation and expansion of the Open Acres Program.

Because of the increasing numbers of outdoor enthusiasts and the fixed or decreasing numbers of areas for this type use, the Open Acres Program, if not a cure-all, is at least a large step in the right direction.

WILLIAM A. KERR.

SENATOR HENRY BELLMON: We the under signed would like to extend our whole-hearted support to you and your fellow senators in regards to the "Public Hunting and Fishing Land Program." The continuous and if possible the expansion of this program would be gratefully applauded by us as well as all avid sportsmen.

Respectively yours,

JACK M. PHILLIPS.
ROBERT L. FERRELL.
OLEN C. PATTERSON.
RAY F. WALDROOP.
WALTER D. JOHNSON.

[Reprint from "Oklahoma Cattleman" Magazine]

RURAL AREAS GET SET FOR RECREATION LAND DEMANDS

It's getting harder and harder to find someone who "hasn't taken a vacation in years," or who doesn't get away for the weekend now and then.

Our increasing population, income, and leisure time all spell out a tremendous growth in demand for recreational land. One estimate is that by the year 2000 we will need 70 million recreational acres within a 1-or 2-hour drive from the user. That's eight times the 9 million acres available in 1956, the year of the latest survey.

And some 60 million acres will be needed for more distant, resource-based recreation such as national forests, parks, and wildlife refuges, a third more acreage than in 1956.

Rural residents can play key roles in this increased market for recreational land.

For instance, a growing number of farmers are opening their property to recreational uses. There are nearly 2 million farm ponds now, with another 50,000 being built each year. In the past 10 years, these ponds have provided 27 million recreation user days.

In addition, there's a heavy demand for second homes. Some 2-3 million Americans own second homes, and the number is increasing by 100,000 a year. It's estimated that in 1980, 180,000 urban families with both the resources and the inclination will be looking for second homes in the country.

[Reprint from the New York Times, Sept. 7, 1972]

UNITED STATES PROMOTING EXCURSIONS DOWN ON FARM

(By Seth S. King)

STROUD, Okla., Sept. 1—Claud Earp squatted happily on the damp, manure-splotted bank of his farm pond, watching Mrs. Thelma Newman and her married daughter pull little bluegills from the murky water.

"Fishermen know that some of the best fishing you're going to get in Oklahoma is in farm ponds," Mr. Earp explained. "So we're getting somebody out here most every day. Most of 'em, like those ladies there, do real good, too."

Mr. Earp is one of more than 160 Oklahoma farmers who, in return for an Agriculture Department payment, are opening their land, with few restrictions and no charges, to fishermen, hunters, or townspeople who might want to hike around their farms.

It is part of a pilot program to test the feasibility of paying farmers to allow anyone who wishes to escape from his community for a few hours' free access to the countryside.

IN 150 COUNTIES

Since early spring, when the program began, scores of these recreational farms in 50 counties in Colorado, Indiana, Iowa, Louisiana, Michigan, North Dakota, Oklahoma, Oregon, Pennsylvania and South Carolina have opened their gates.

The Agriculture Department has set aside \$1.5-million to finance the program this year. It is expected to be continued, still on an experimental basis, next year. If it is judged a success, the department may ask Congress to provide funds to expand the program throughout the nation.

Opening his property to the public is about the only action a participating farmer has to take, besides posting signs along his fences. These signs, supplied by the local Agricultural Stabilization and Conservation Service, state that hunting or fishing or both are permitted without charge on the farm. The signs include two lines of type reading "discrimination on the basis of race, color, or national origin is prohibited."

The farmer does not have to place any special improvements on his property. He may open all or part of his land to the visitors. He may also request them to stay away from his buildings and he may set rules on fires and overnight camping if he chooses.

The annual fee paid to the farmer is set by local agriculture officials and is based on the estimated value of the recreational possibilities on the farm and how much land, when hunting is permitted, is available to hunters. Payments may range from as low as \$100 to more than \$1,000 a farm.

Charles W. Smith, whose farm is within a few miles' drive of Indianapolis, has been paid \$150 for permitting people to fish in his three-acre pond and \$150 more to allow squirrel and quail hunters to shoot on his property this fall.

Since fishing weather became good at the beginning of the summer, more than 1,300 fishermen have tried the Smith pond. Many of them came from Indianapolis. Some came from as far away as Michigan, California and Arizona.

"They sure don't bother anything and most of 'em clean up pretty good afterward," Mr. Smith said. "I stocked the pond myself about six years ago and there's some real dandy channel cat and bluegill in there. The word is getting around, and I figure they'll be out bigger than ever until the weather gets too cold."

'NEIGHBORS' A BIT

Mr. Smith's pond is only a few yards away from his house and barn, but he said the visiting fishermen had not bothered him in the least.

"I go down and neighbor a bit with them," he said. "I've found most of them real nice folks. They were real nice about everything. Why, I even get some Cherokee Indians that come out often, catch their fish and cook 'em right on the bank and sometimes they stay all night. I don't care, because they always clean up pretty good after."

The local agriculture officers have publicized the program through newspapers, and each office of the stabilization service has lists of participating farms and direction on how to reach them.

Mr. Earp of Oklahoma, who says he has been told that he is a distant relative of the legendary Wyatt Earp, the Dodge City deputy, said he had not bothered to restrict visitors in any way.

Five of his man-made farm ponds, well-stocked with fish donated by the state wildlife department, are open to fishermen, and hunters can roam over 700 acres of his pastureland in search of dove, quail and, later in the year, deer.

"There's been a few real good parties thrown here this summer," he told a visitor. "But they're paying for old beer cans these days, and the kids come out and pick up what's left, so I don't have any problems."

Mr. Earp said that, at first, he had been worried that somebody pretending to fish might steal some of his beef cattle.

"Well, I figure now that having people around the pond so much is going to help stop that," he said. "Last year, somebody stole four good calves. I haven't been bothered this year. Besides, I'll get somewhere near \$1,000 for the hunting and fishing contract. Go a good way toward paying my property tax, I'll tell you."

Oklahoma's turtledove season opened last week and the hunters were moving on Mr. Earp's farm to the north of Stroud and on Marion Wright's dairy farm to the west, in central Oklahoma.

Mr. Wright has opened 425 acres to hunters for the dove, quail and deer seasons that will run through December.

"I sure hope none of those users will be silly enough to shoot toward my cows, but it's a risk I'll take," Mr. Wright said. "I suppose there could be some people come in here you wouldn't want on your farm. And there's always some city people that slip in to hunt anyway without asking you. But usually a good sportsman will come by to see if it's all right to hunt. This way, they won't have to bother because the signs are up and they know they can go in."

Mr. Wright said the \$850 he expected to receive for participating in the pilot program has been an attractive incentive.

Including the Earp and Wright farms, there are now 86 farms open for hunting under the program here in Lincoln County, most of them about an hour's drive from either Tulsa or Oklahoma City. There are 41 more farms in Pawnee County, west of Tulsa, open to hunters.

"The big hunters, with good resources, usually have farms lined up for shooting long before hand," said Gerald Briscoe, the Lincoln County stabilization service director. "It's the old boy that has a couple of kids or grandkids and who just wants to spend an afternoon out with them that this program really helps."

[From The Daily Oklahoman, July 27, 1972]

(By Glenn Titus)

An opportunity to reverse the trend of fewer places to hunt, fish and just enjoy the outdoors is being offered to the urban and suburban dwellers of Oklahoma by the federal "Open Acres Program."

This is a pilot program under national farm legislation and operated by the Oklahoma office of the Agriculture Stabilization and Conservation Service.

Basically the federal government pays the landowner a fee, on a per acre basis, to let people use his land for recreation. Also the rate per acre is higher if the land has good cover for wildlife and thus, provides an incentive for landowners to improve wildlife habitat on their holdings.

This program isn't one that was hatched out on the banks of the Potomac, but got its start right here in Oklahoma.

When Sen. Henry Bellmon (R-Okla.) explained the Open Acres Program at the National Quail Symposium in Stillwater last spring, he credited the late Wendell Bever, a former state wildlife director, with the original idea.

However, it was the Senator himself who devoted time toward getting various state and federal agencies to develop the plan and then he had to fight to get the program through Congress and put into operation by the agriculture department.

I would guess there have been about six years of effort, by a number of folks, into getting Open Acres operating on an experimental basis.

On several occasions I have heard the Senator state his reasons for supporting the Open Acres idea. He has said that the demand for recreational land will not be denied.

Thus, the two alternatives to meet the demand of recreation seekers are: one, to buy more public land near population centers or two, provide the recreation on private land with a cash income to landowners.

Bellmon is both an ardent hunter as well as a rancher and understands the need for recreational land. Yet, typical of many landowners, he believes private land should be kept in private ownership.

Thus, the Open Acres Program has been created as an attempt to provide space for recreation and at the same time keeps the ownership of the land in private hands.

How well the program works is up to us who use this land for our outdoor recreation.

If we respect the land and its owner, be careful of our litter, take the time to stop by and get acquainted with our host and show our appreciation, there is little doubt that the plan can be a success.

Should we tolerate any slobs, be they masquerading as hunters, fishermen or picnickers, abusing these privileges, then we can expect the program to fold.

True, our tax money is paying for these privileges, but not near enough for any landowner to put up with many ill-mannered litterbugs.

[From The Daily Oklahoman, December 7, 1972]

OPEN ACRES' COULD SOLVE HUNTER'S PROBLEMS

(By Glenn Titus, Outdoor Editor)

A place to hunt is still the number one problem facing Oklahoma hunters, but Sooner nimrods, by the thousands, took part in an experimental program this fall that may be at least part of the answer.

Some 126 farmers in five counties cooperated by placing 56,974 acres in the U.S. Department of Agriculture's "Open Acres" program.

The program pays farmers who are participating in the U.S.D.A. set-aside land program an additional bonus to permit the public to use the land for recreational activities such as camping, hiking, picnicking, fishing and hunting.

With a few exceptions, both the public and landowners have been pleased with how things have worked out this fall, but one group of hunters is unhappy over the program.

The Grand National Quail Club of Enid, well known for the celebrity hunt sponsors each fall, passed a resolution opposing Open Acres. The resolution was sent to Sen. Henry Bellmon, sponsor of the program. He was also instrumental in founding the Grand National Quail Club.

Club president-elect Lew Melbergen said the club took the action because members felt the program would permit the public to rampage over the country and destroy property. He also mentioned that the government had overbid some members on hunting leases.

Dean Hodgden of Dover, a former wildlife commissioner and the member of the club that sponsored the resolution, gave about the same reasons for his opposition to the Open Acres program.

"They are just spending money for votes and trying to help some of these quail hunters that don't have the initiative to get out and find a place to hunt," Hodgden said.

Some friends of his had lost their hunting lease because the government had offered the landowner several times what the friends were paying, he said.

The average price has been about 25 cents an acre and the government is paying up to a \$1.50 an acre for some leases, he said.

The program is administered by the state Agricultural Stabilization and Conservation Service Office, Jack Hines the Conservation Program Supervisor, explained.

Open Acres is an experimental program in only five states, including Oklahoma, where only five counties are involved—Lincoln, Woodward, Pawnee, Grady and Washita. As funded, it expires Dec. 31, 1972.

"To date the public acceptance has been good and complaints from landowners minimal," as only two out of 128 withdrew from the program," Hines said.

Public use has been heaviest in the fishing and hunting parts of the program.

The government has paid out \$69,528 with a range from one cent to \$3 an acre for hunting and recreational rights. The price depended on several factors, including the amount of wildlife cover on the land and the different game species available. The state game rangers helped work out the values, Jack said.

The landowner can withdraw from the program at any time and can put restrictions on his land such as no vehicles in the fields or as to the number of hunters on the land at any one time.

An enthusiastic fellow who hunted on Open Acres land is B. M. Pipkin of Oklahoma City. He said, "I think it is a boon for the hunter."

He talked with six landowners and said two seemed to be in it just for the money but four were enthusiastic about the program.

Pipkin said one landowner, Arthur Louthan from Chester, was the nicest man he had ever met, "He even got his gun and hunted with us."

"He was proud of his wildlife, but wasn't afraid to harvest the crop. We put up six coveys in just a little while hunting around a feed patch," Pipkin said.

A hunter from Enid, Kenneth Beall said, "I think it is real good, a chance to get out. In this area so much land is leased or posted it is difficult to find a place to hunt."

Beall said they saw lots of cover and lots of quail, while hunting around Sharon in Woodward County.

Joe Shelton of Oklahoma City, who hunted in Lincoln County, said, "Just the fact you can get on the land close in is wonderful.—Usually I have to drive the 200-mile round trip to Canton Public Hunting Area.

"I gave up knocking on doors when I had a door slammed in my face."

All of the hunters I talked with were quail hunters and used dogs; they found game, good cover, friendly landowners and there were no sour experiences reported.

As I wanted to meet this Arthur Louthan I gave him a call.

"Good hunters, very cooperative, they've done what they were supposed to do—a good bunch of sports. I've had lots of them too," he said.

The youngsters coming out to shoot rabbits were his favorite hunters.

"It's not the people who ask to hunt that do the damage," Louthan said.

Another rancher in Woodward County who would rather be known by his initials, J. R. B. said the program seems to be working out pretty good. Hunters took deer, turkey and quail on his land.

He is receiving \$1 an acre for his land, but said he believed it was worth more than that.

J. R. B. also gave his county A.S.C.A. office a lot of credit for setting up the program.

The only unhappy landowner we talked with was Marion Wright in Lincoln County who said, "The compensation was adequate and the hunting pressure about right," but he didn't like the attitude of those who showed up at his place.

Several people wouldn't ask or fill out cards and they knocked down the box the cards were in.

Also, from Lincoln County, Lewis Miller said, "It's been pretty well taken, seemed like everyone cooperated real well and took good care of my place.

"Some folks aren't hunters, they're just out to enjoy the outdoors," he said.

With the exception of Mr. Wright, all landowners contacted said they were happy with the program and would continue in it if possible.

Most everyone, hunters and landowners, commented that the one thing that would improve the program the most is to have more land involved which would dilute the hunting pressure.

If hunting, as a sport is to survive, hunters must remain numerous enough to combat the increasingly powerful anti-hunting organizations that have vowed to outlaw our sport.

Hunters will only remain as a significant part of the population as long as there is space for the average man to hunt.

Just an elite few can't handle the job. So it behoves us all to work together and give the Open Acres program a chance.

If you have an opinion on the program, I'm sure Sen. Bellmon would welcome your comments. His address in Oklahoma City is NW 3, Post Office Bldg.

[Stillwater (Okla.) News-Press, October 18, 1972]

OPEN ACRES PROGRAM INSPECTED BY OFFICIALS

"Open Acres" in Pawnee County, where public access is permitted for hunting on 13,396 acres and fishing in 66 ponds, were inspected recently by top officials of the Agricultural Stabilization and Conservation Service, along with outdoor writers, television men, game rangers and some other interested citizens, making a party of about 40 on the safari.

Some of the landowners who are cooperating, accompanied by their wives, joined the visitors who enjoyed a noontime barbecue at the home of Dell Crocker, who has 640 acres in the program, with eight ponds included.

Pawnee is one of the five Oklahoma counties in the "Open Acres" plan. Oklahoma is one of 10 states chosen for the program, on a trial basis. The agreements have been financed for this year. Future funds for continuance of the plan depend upon the generosity of Congress, in its appropriations for the United States Department of Agriculture.

The verdict in Oklahoma, especially Pawnee County, is that the plan of paying farmers to let sportsmen on their lands is highly successful. Similar reports come from the other cooperating states.

The program is considered a real boon to senior citizens and youngsters who can not travel distances to go fishing and hunting.

Pawnee County farmers report generally good conduct by the sportsmen, who appreciate the privileges afforded. Pollution has been at a minimum.

Prominent signs are posted on the lands of 28 farmers in Pawnee County. So far, the areas open have not been over-taxed by fishermen and by dove hunters. What the future may bring, when quail, turkey and deer hunting are open, remains to be seen.

[From The Tulsa Daily World, October 19, 1972]

OPEN ACRES CONCEPT PROMISING

(By SAM POWELL)

Pawnee County—So far, the experimental "Open Acres" program is working like a charm here in this county, but what happens during the upcoming quail season may have a lot to say about the future of this ambitious venture.

As most hunters and fishermen are probably aware, Oklahoma is one of 10 states currently being used in a trial basis for this pilot program of the U.S. Department of Agriculture. The project is designed to help open up the countryside for city folks to have a place to hunt and fish.

Pawnee is one of five such counties in the state testing the idea, and the reports so far are good.

A group of writers and interested sportsmen recently visited some of the open acres in his country, talking with landowners enrolled in the program, and listening to what Department of Agriculture personnel had to say about the situation.

Harold Hunter, Executive Director of the Oklahoma Agricultural Stabilization and Conservation Service, started things off by explaining that the idea was primarily intended to aid the person who perhaps hunts or fished only a few times a year and needs a convenient, accessible place.

"We're not concerned about the real dedicated outdoorsman—the guy who is hunting every day of the quail season, or perhaps fishes two or three times a

week. This program, we feel, is especially beneficial to the older person who perhaps cannot travel a long distance for such recreation. However even the ardent outdoorsman will benefit from open acres," Hunter said.

"We think there is going to be an increasing need for persons, particularly the metropolitan area dweller, to have access to outdoor recreational areas. And a wilderness area in Wyoming doesn't help someone from Stillwater or Tulsa, who wants to take their young son out for a rabbit or dove hunt some nice fall afternoon. That's what Open Acres is all about.

"We also think that Open Acres can help keep 'em down on the farm, by assisting the small farmer who perhaps is already having a struggle to make it today."

This hunter was glad to hear that the program is working out. Finding a place to hunt is of course getting more difficult every day, and this sounded like a truly significant development, the first time I heard about it. However, there had also been some bad rumors floating about, concerning the project.

There were coordinators from four counties there that day, and they all reported that things were going as good as could be hoped for—in fact, the only thing holding back the program on an even larger scale was a lack of funds.

The program will run through Dec. 31 of this year, and the total funding for the 1972 pilot project, across the entire U.S., was only a million and a half dollars. While that sounds like a lot of money at first, when you begin to realize how much this breaks down to for that individual landowner, you can see why some farmers and ranchers have not been too enthused about the whole thing.

Basically, open acres works this way: the government pays a landowner a certain amount, per acre, to allow the public to use his land for hunting, fishing, hiking, etc. In Oklahoma, they first bid for hunting payments in three counties, set flat rates in two others, and set a flat rate for fishing privileges in all counties. In most counties, they pay \$3 an acre to the owner, for opening his land to hunting.

That's not enough to interest a lot of landowners. They acknowledge that if they had had more funds, they could have opened up a great more land for hunters this fall. In Washita County, for instance, they had 55 applicants, but could only enroll 21, due to the small amount available there.

All told, Oklahoma hunters have 61,073 acres available in Pawnee, Washita, Woodward, Grady, and Lincoln Counties. There are 135 participants, with spreads as large as 8,735 acres enrolled.

Each farm or ranch participating has signs posted, signifying land open to hunting, or ponds open to fishing. Persons utilizing the acres are asked to obtain "user cards" from boxes at entrances to the farms, complete them after the visit, and return them. Such information will be used in evaluating whether the program is to be expanded, or discontinued.

Hunter says that decisions concerning Open Acres' future are probably being made right now in Washington, and the results from this hunting season will play their part. "I'm sure it's being batted around up there right now, and I'm afraid we'll even get a cutback in appropriations—but if the program is just continued we think it will be a signal victory."

The program was actually conceived right here in Oklahoma, thanks to Sen. Henry Bellmon, who is both a landowner and avid hunter. He realized that something like this was vitally needed, and succeeded in getting the program through Congress, and then put into operation by the Agriculture Department. Comments to his office in Washington regarding the merits of the program will help insure its continuation too.

If the quail hunters, fishermen, and others who utilize this new resource abuse this wonderful opportunity, then we'll have no right to complain about how hard it is to find a hunting spot next fall.

Dell Crocker is one of the Pawnee county landowners who have graciously "taken a chance" on the Open Acres concept. Mr. Crocker is primarily doing this because he "just wanted to see some people out here enjoying themselves in the outdoors." He has 907 acres in the program, including some prime hunting land with quail, turkey, deer and rabbit, and nine good fishing ponds.

Recently, a bunch of people drove up to his place. They had heard about the program, and came to see for themselves. The only trouble was, they sat out in his front yard and honked the horn until he went out. When he commented on that, they said it was their "right for him to wait on them!"

Open Acres has no provisions in its regulations for any "rights" like that. Open Acres 1972 will only continue to be a success, particularly in the coming heavy-pressure hunting season, if visitors make an extra effort to mind their manners. Don't litter. Don't leave gates open. Obey all game and fish laws. And go out of your way to be courteous to that Oklahoman who is letting you on his land. He certainly doesn't have to . . . he's not making that much money out of it . . . and most are trying the concept this first year to see how it all pans out.

It could mean a major break-through for the problem of a place to hunt. It will be a real shame if it isn't continued, and even greatly increased in scope. Do your share to see that is.

[Stillwater News Press, Stillwater Okla., October 12, 1972]

OVER THE SPILLWAY

(By the Old Timer)

It would be a screaming shame if the "Open Acres" program, launched this year as a pilot in five counties in each of 10 states, is not continued next year as a part of the widespread activities of the United States Department of Agriculture.

Oklahoma is one of the 10 states involved and the plan of paying landowners to open their acres to public hunting and fishing is working successfully. The same report comes from the nine other states.

If the program is not continued the fact will be classed as a victim of financial retrenchment—which seems to be in the air this year on a national scale.

The five Oklahoma counties involved are Pawnee, Lincoln, Grady, Washita and Woodward.

Pawnee County perhaps is the best proof of the success of the plan. That was exemplified Tuesday when officials of the Agricultural Stabilization and Conservation Service met in Stillwater for a session, followed by a safari into Pawnee County where the cooperating farms were visited. The "big brass" of the ASCS, Wildlife Conservation Department officials, game rangers, newspaper and television men from Tulsa and Oklahoma City and other interested persons spent the day reviewing the program.

A barbecue at noon at the Dell Crocker farm, northwest of Glencoe, was a highlight of the day.

Crocker, by the way, has eight ponds well stocked with fish on his 640 acres on rolling lands open to hunting.

Crocker's testimony was that he "just likes people and is happy to have them enjoy fishing and hunting on his lands." In that respect, he is the ideal cooperator in the program. Another landowner had a different view. He said people had been hunting on his farms for years and he "might as well get paid for it."

Farms visited by the group of some 40 men Tuesday included those owned by Crocker's neighbors, William A. Marlow and Don C. Haken, who have some lesser areas than Crocker in the Pawnee listings.

In Pawnee County 13,396 acres are open to hunting, with 28 landowners involved. Pawnee is exceeded only by Woodward, in acreage. Nineteen agreements in Woodward total 22,902 acres, but Woodward has no fishing agreements.

Sixty-six ponds in Pawnee County are open to fishing.

In the meeting in Stillwater, before the tour was started, Dwight Whorton, state ASCS information coordinator, presided. Among the speakers were Harold V. Hunter, state ASCS executive director; Jack Hines, conservation program specialist; Nelson Robinson, an Oklahoman now serving in Washing-

ton, D.C.; Dick Williamson, game chief in the Wildlife Department, and Glenn Lamirand, Pawnee County executive director.

County executive directors from Lincoln, Grady and Woodward Counties also had parts.

Lamirand arranged for the barbecue serving, aided by wives of the farmers.

Individual contracts are signed by the ASCS with landowners, but the average paid is \$2 an acre.

The "Open Acres" plan, for which Sen. Henry Bellmon is credited with inserting in the Agriculture Act as an amendment for a trial run, was emphasized Tuesday as a means of providing outdoor recreation for senior citizens and youngsters who do not have much opportunity to go far from home, especially for fishing. Two of the five counties were chosen especially because of their nearness to population centers.

The hunting opportunities in the plan are expected to attract more distant sportsmen.

So far this year the only hunting has been for doves, plus an occasional squirrel hunt. Quail hunters particularly are anticipated golden opportunities for finding places where they will be welcome this fall.

The farmers who reported Tuesday said hunters from Tulsa, Ponca City and Oklahoma City have been shooting doves on their lands. Stillwater hunters, too, have taken advantage of the land accessibility.

One weakness admitted in the current "Open Acres" program is that the paper signs provided are showing weather wear. If the plan is continued more permanent signs will be provided, it is expected. Some farmers have prepared their own signs, setting out rules they will expect the sportsmen to follow on their lands.

If you approve the "Open Acres" program, it would be well to write to Oklahoma members of Congress, to urge that it be continued.

[KRMG Radio, Tulsa, Okla., November 9, 10, 1972]

AWARD WINNING EDITORIALS

An interesting thing has been started in Oklahoma. It's a cooperative program between the Wildlife Department, the United States Department of Agriculture and the County Agricultural Stabilization and Conservation Service. They have the call letters, ASCS.

What the program does is to pay farmers a reasonable sum to open their land to hunting and fishing. The farmer agrees to follow certain conservation guide lines and to open the land for hunting in some cases, fishing in other cases where ponds are available. There is no fee to the hunter, but the does need to participate in filling out a questionnaire.

Five counties in Oklahoma have been in the program this year, Grady, Lincoln, Pawnee, Washita and Woodward. For hunting, the acreage ranges from 22 thousand acres in 19 plots in Woodward County to 59 hundred acres in 21 parcels in Washita.

The sportsman needs to ask for permission and get an idea where the land is. Signs mark the farms or ranches participating. You can get a list of both the hunting places and fishing locations by contacting the ASCS office at Oklahoma State University or through the Oklahoma Department of Wildlife Conservation.

The experiment in Oklahoma is a pilot project. It hasn't been in effect long enough to really give anybody an evaluation. But it could provide a means for opening up a little more land in Oklahoma for hunting and could be especially helpful to the city fella who doesn't always have an inside track. About all that is required is a little sportsmanship.

The farmers are already cooperating in the "Open Acres" program. It remains to be seen if the hunters and fisherman can or will.

[Below is a sample of comments received from individuals who have taken advantage of the public access program.]

Form No. CLAUDETTE RATTARP
 260 RT. 1
 00 STROUD, OK 74079

Form Approved
 OMB No. 40-R3770

Dear Sportsman:

You can help us to better evaluate this test program which provides free public access to farmlands for hunting (or fishing) by completing this card and depositing it in a mailbox (no stamp is required).

DATE OF USE <u>MAY 28, 1972</u>		DISTANCE TRAVELED TO FARM <u>75 mi.</u>	NO. OF USERS IN PARTY <u>TWO</u>	TIME SPENT ON FARM <u>4 hrs</u>	
TYPE OF USE: (Check Use)		FISHING EXPERIENCE (Check one)			
HUNTING	☐ FISHING	☒ TRAPPING	☐ HIKING	☐ GOOD	☒ FAIR
	☐ PHEASANT	☐ QUAIL		☐ OTHER	
Hunting Experience	SEEN	KILLED	SEEN	SPECIFY	KILLED

REMARKS: (Your comments concerning this program)

PROGRAM IS TEN YEARS LATE - THERE SHOULD BE MORE PEOPLE CONCERNED THAN THE FEW WHO ARE PARTICIPATING.

NAME AND ADDRESS (Street, City and Zip Code) Please Print

GARY L. JACKSON, 94 SHIPLEY AVE., EDMOND, 73034
 ASCS-647 (12-30-71)

