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HEARINGS

BEFORE THE

SUBCOMMITTEE ON CENSUS AND POPULATION

OF THE

COMMITTEE ON

POST OFFICE AND CIVIL SERVICE

HOUSE OF REPRESENTATIVES

NINETY-FIFTH CONGRESS

FIRST SESSION

ON

H.R. 682 and H.R. 688

BILLS TO PROVIDE MORE TIMELY AND ACCURATE DISTRIBUTION OF CENSUS DATA AND A REDUCTION IN THE REPORTING BURDEN ON RESPONDENTS

MARCH 17, APRIL 1, AND 2, 1977

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(II)



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THE AGRICULTURAL CENSUS

THURSDAY, MARCH 17, 1977

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON CENSUS AND POPULATION,
Washington, D.C.

The subcommittee met at 9 a.m., in room 304, Cannon House Office Building, Hon. William Lehman (chairman of the subcommittee) presiding.

The CHAIRMAN. The subcommittee will come to order.

Today, the Subcommittee on Census and Population begins its hearings on the agricultural census.

During the latter part of the preceding Congress, legislation was unanimously reported from the full committee that would have made significant changes in the agricultural census. Congress adjourned before the bill was considered.

This morning we have invited witnesses with differing points of view to bring the subcommittee up to date and suggest ways in which the agricultural census can be improved.

Although the two principal bills, introduced by Mrs. Schroeder and Mr. Smith, will be the focal point of these hearings, I think the subcommittee is also interested in learning what specific steps the Bureau has independently developed, tested and evaluated during the past year. Make no mistake, however, the subcommittee is committed to bringing about a reduction in the respondent burden, the simplification of the questionnaire and an accurate definition of a farm.

If it takes legislation we will have to act soon to provide either the Bureau of Census or the Department of Agriculture enough lead time to make the necessary improvements for the next census of agriculture.

My primary concern is that the mistakes, delays, complexities, and burdens on the farmers do not reappear 2 years from now. Hopefully, our witnesses today will instruct the subcommittee on the best course of action to take.

We have a very distinguished Congressman from southern Illinois, Paul Simon, as our first witness.

STATEMENT OF HON. PAUL SIMON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. SIMON. Thank you, Chairman.

I just very briefly want to testify, that I think some changes—some very drastic changes—are required in the agricultural census. Let me just cite a few things very quickly.

In 1964 there were 480 questions to be answered on the agricultural census form; in 1969 there were 754; in 1974, 911. Last year I had a fellow on my staff as an intern who is a Harvard graduate. He had to fill out the 1974 agricultural form. He's a farmer by background from southern Illinois. He could not fill it out.

Now, if a Harvard graduate can't fill out an agricultural census form, something is wrong with that agricultural census form.

I would point out to the subcommittee a letter sent by our colleague, Frank Horton, now chairman of the Commission on Federal Paperwork, to Mrs. Schroeder. I want to quote one paragraph:

The Commission, during the course of its hearings around the country, has received a number of serious complaints about the burden imposed upon farmers by requests for information from federal agencies, and, specifically, by the census of agriculture. Vigorous measures need to be taken now as planning for the 1978 census is beginning. The forms used for the 1974 Census of Agriculture were too long—some 20 pages—and too complicated, coverage was incomplete, missing substantial numbers of farms, especially small farms. There appeared to be duplication and lack of coordination between the data collection by the census of agriculture and the Department of Agriculture. The results of the census were so long delayed in publications as to be of limited use for some purposes.

I don't think there is any question of the validity of those complaints. And there are also some other problems. One of the things that I would hope would take place, is a greater use of the sampling procedure, to save a lot of time, in addition to cutting back on the number of questions.

One of the things that's also pointed out in that last letter to Mrs. Schroeder, is that here is now duplication in collection of names.

I realize the confidentiality problems with the Census Bureau, but somehow, we should solve that problem so we don't have two agencies going to all of the expense of compiling lists of farms and farmers in this Nation.

That's basically my testimony, Mr. Chairman, and members of the committee. The agricultural census is resented by farmers in my district. It is an example of an area where we ought to be cutting back on Federal paperwork.

The CHAIRMAN. Thank you, Mr. Simon.

Mrs. SCHROEDER?

Mrs. SCHROEDER. I'm delighted to have your testimony, and miss your presence on the subcommittee.

The CHAIRMAN. Mr. Simon, you have a district that's basically industrial and agricultural. You have a pretty good mix.

Mr. SIMON. Well, it is. I have somewhat of a mix. I have 22 counties in my district. It is a rural area with quite a bit of coal mining. So, it is a mix.

The CHAIRMAN. My problem is that the economy of your district depends on the economy of both agricultural and so-called commercial-industrial part of your community.

Mr. SIMON. Right.

The CHAIRMAN. Why couldn't you have one census that would cover both of them?

Mr. SIMON. Well, I think that is a very fundamental question that has to be asked: "What are we looking for?"

The CHAIRMAN. Right.

Mr. SIMON. And I'm not sure that fundamental question has ever really been asked. Is this a sociological study? Is this an economical study? What is this?

That's really the direction of your question, and I think that question has to be asked.

The CHAIRMAN. Are not many of your farmers also employed in industry?

Mr. SIMON. Many of them are. Many of them have no choice. The land in my territory tends to be poor farmland. There are a few exceptions. In fact, my colleague, Congressman Neal Smith, happens to own a farm in my district, and I'm sure that farm is an exception to that generally poor land.

My district has the lowest income of any congressional district in the State of Illinois, lower than the two black districts in Chicago, for example. And that means that, obviously, the farmers of that area are not making a lot of money, most of them.

The CHAIRMAN. Well, I want to thank you for your testimony, and it only convinces me in my brief time as chairman of this subcommittee that there is not that much uniqueness about the agribusiness, or agriculture business, and the people that are working part time as family farmers and part time in industry, that we do not need to have all this extra burden placed on them in the form of these heavy questionnaires and this actually millions of total hours of manpower in paperwork to fill them out.

Thank you very much.

Mr. SIMON. Thank you very much.

The CHAIRMAN. The Honorable Neal Smith from the State of Iowa, the breadbasket of America, is our next witness.

STATEMENT OF HON. NEAL SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Mr. SMITH. Thank you very much, Mr. Chairman, and members of the subcommittee.

I do appreciate this opportunity to appear before you and visit with you about what I believe, is a very important matter to both farmers and the millions who are, in some way, involved in agribusiness industries. It involves not only the collection of agricultural data and its use, but also the methods used in securing that data.

The Census Bureau for many years, and especially when taking the last two agricultural census, has used methods which irritate farmers, has failed to secure accurate data, and has failed to distribute whatever data they secured on a timely basis.

They have been using a long and complicated form mailed to millions of farmers and, in some cases, the people who should not have received it, and have followed this up with threats, including telephone calls over party lines seeking personal information. These calls are very repugnant to conscientious, law-abiding, hard-working citizens who are rural American.

By any reasonable measurement, at least the two agricultural censuses have been a failure—colossal failure.

The 1974 census involved an attempt to secure information from approximately 2½ million farms. In the process of attempting to

secure this information, the Census Bureau mailed more than 13 million pieces of mail, including a 20-page questionnaire and several followup mailings.

Many of the questionnaires were mailed to people who had quit farming prior to 1974 and, at the same time, they somehow missed on the first mailing, 400,000 of the large-scale, commercial farms. In one instance, they even sent out the wrong mailing.

As a result of the whole snafu, a large number of farmers failed to complete the questionnaire—I think it was close to 20 percent—before the Census Bureau imputed some estimated figures with the help of a computer. But, even after their computation, by their own admission, they had no response from 13 percent of the 2½ million farmers.

To make matters worse, they do not know which 13 percent did not respond and, therefore, the validity of all the statistics is questionable, to say the least.

Also, to make matters worse, the final results of this incomplete and inaccurate census of 1974 have not even yet been published. They say it will be published within a few months. All they have are some preliminary reports. And this means that the questionable data will be 3 years old and will be obsolete before it will be available for those for whom it was taken.

The 1969 census was also a catastrophe. In that census, it is now agreed that they missed approximately 8½ million head of cattle. This sent the wrong signal to farmers. It told them that more cattle were needed at the very time they had entered the overproduction phase of the cattle cycle.

Testimony before the Appropriations Committee 1 week ago indicates to me that the Census Bureau has not learned very much from their blunders. They are now preparing a list for another mail-out for the next agricultural census. In preparing this list, they are starting with the national list of farm operators developed by the Statistical Research Service in the Department of Agriculture, which was compiled for a totally different purpose, of course.

Questioning during the course of the appropriations hearings indicates those in charge do not know what information is on that list or how it was developed. They are also going to secure information from Federal income tax returns—a practice which I abhor, and which is specifically, by law, prohibited to the Department of Agriculture.

It is apparent that the Census Bureau is expecting to secure information from income tax returns which anyone who has filled out a farmer's return knows is not on schedule F. For example, schedule F does not tell how many horses or cattle a farmer owns, and the net taxable income figure, in many cases, tells more about the weather in a particular year than it does about the size, or the efficiency of a farmer's operation, or his potential as a customer for agri-business, which is one of the important reasons for the census to start with.

Even if the statistics were as valid as the Census Bureau seems to think, I object to getting names and certain information off of income tax returns and putting them on a computer. And that is what they intend to do. Sooner or later the data will somehow be used in violation of the traditional confidentiality that we have expected of income tax returns.

Census is now preparing to send out a presurvey mailing of the 1978 census in an attempt to correct their mailing list. That is to be followed by questionnaires, and then they will have various follow-ups trying to determine why some did not answer, threatening some, and personally calling some. They are sure to miss hundreds of thousands, and all of this assures development of another case of gross irritation in the 1978 census.

The Department of Agriculture has proven that it is capable of producing accurate economic data on a timely basis. The cattle numbers, pig numbers, cattle on feed, and other statistics needs relating to agriculture are collected by the USDA on a national basis, rather than on a county basis, in most instances.

Since the Census Bureau will now be taking a demographic census every 5 years, it seems to me the time has come to shift the responsibility for the economic census relating to agriculture over to the Department of Agriculture. Let the Census Bureau count the number of farmers and do the social census along with its regular 5-year census since they have to reach rural non-farm people for this information as well as farm people.

But, let the Department of Agriculture do what it already has proven it can do much better and in a more timely manner, and that is to conduct the economic survey of agriculture. There's one thing for sure, they could not do any worse.

I urge the committee to favorably report the bill which will accomplish these objectives, and that is H.R. 688.

The CHAIRMAN. Thank you for your testimony, Congressman Smith.

Mrs. Schroeder?

Mrs. SCHROEDER. Do you know if there would be a conflict of interest if the Department of Agriculture did this?

Mr. SMITH. Well, to start with, I can't see how there could be a conflict of interest because their interest is getting accurate data. They're more interested in getting accurate data than the Census Bureau—almost none has ever questioned the validity of the Statistical Reporting Service's data that they have acquired.

People that are interested in either side don't question their crop reports being as accurate as they can be.

Mrs. SCHROEDER. The thing that perplexed me is that it would be conceivable that the Department might want to prove that their farm programs were aiding farmers, and there might be some problem there.

I know we had a problem with this farm definition, with the Department of Agriculture asking the Census Bureau to redefine the farm. And maybe it was incorrect, but there were different people who impugned different intentions of the Department of Agriculture's wanting to do that.

Mr. SMITH. I can't see how that, in anyway, gets involved with proving or disproving the effectiveness of farm programs.

In other words, what we're looking for is not only on national and State, but also on a county level: the number of cattle, the same things they're doing on an annual basis on a national level; the number of pigs; the potential sales for the tractor industry; the sale of farm machinery; the potential for the chemical industry to

sell farm chemicals. They're just looking for raw data that can be used by people that own part of the agri-business industry, as well as the 21½ million farmers.

Actually, agri-business uses it more than farmers use it. But I just don't see how they would—even if they could, and I don't think they can, with their collection methods—use it as a method of proving or disproving effectiveness of farm programs.

Mrs. SCHROEDER. Do you feel that the agricultural census is being fairly duplicative of what the Department of Agriculture is already doing?

Mr. SMITH. I think the economic part of it is duplicative as far as getting national figures are concerned. However, they do go down to the county level, and Agriculture doesn't try to do that except in certain selective States. So, it's more in detail.

However, on the other hand, it has been so inaccurate that it's of no real value anyway; and the farm machinery business, for example, doesn't depend on it any more. It's so obsolete by the time they get it, they have ways of getting some preliminary surveys of their own.

Mrs. SCHROEDER. Isn't it conceivable that we should just ban the agricultural census altogether?

Mr. SMITH. I would prefer to let Census go ahead and have a demographic census of everybody in the United States because you're going to do the it every 5 years, now, anyway. Then, on the economic part, have the Department of Agriculture do that.

Agriculture could secure the cattle numbers, pig numbers, and all these things, that are needed in much more detail than we get it in the annual reports. At least once every 5 years we ought to have it in great detail.

Mrs. SCHROEDER. Would you do that with a sample survey?

Mr. SMITH. Yes.

I don't think it can be done any other way. And they have found that out. Perhaps 1 out of 5, or even, in some cases—if they're not getting down to the township level—they could take, perhaps, 1 out of 10. But take a certain number, say, one out of five, and have a personal interview with them.

If they don't want to answer the questions—and that will happen in a few cases—in order to sustain the validity of the sample, then they get that information some other way. They find out from some other records how many acres are in the farm, get some estimates as to yields in order to keep the sample valid.

And that way they can get some more accurate information. Not only that, but it also could be published in a matter of weeks, or months, instead of 3 years.

Mrs. SCHROEDER. Thank you, Mr. Chairman, and thank you, Mr. Smith.

The CHAIRMAN. Mr. Leach?

Mr. LEACH. I'd just like to say that I would hope Mr. Smith's bill would be given serious consideration. The issue revolves not only around the competence of the Departments involved but the cooperation farmers are likely to give. Farmers are rebelling against the Bureau of Census approach. I think if it's run by the Department of Agriculture, they may have a different feeling. We'll have greater cooperation.

I would like to pursue just one question, and that is: In such surveys in America, a sampling of one out of five is extraordinarily high.

Mr. SMITH. That is true.

Mr. LEACH. And one out of ten is as well.

Do you really feel we need that high of a percentage?

Mr. SMITH. For statewide statistics we don't but I think we might for countywide.

I'm not sure about countywide, but farmers are, of course broken up into so many different categories. While all are farmers, some are cattle farmers or raise different crops. Also, it would depend upon the number of farmers in a particular county.

They may be able to do it with less than one out of five, but at least one out of five would cost a lot less than the way the census is doing it, and there could be a more accurate, detailed sample.

Mr. LEACH. Thank you.

The CHAIRMAN. Mr. Solarz.

Mr. SOLARZ. Thank you, Mr. Chairman.

I'm going to have to temporarily leave in a minute or 2, for just the beginning of the hearing down the hall, but I will be back.

I do want to ask one or two questions. First I have to confess: Until today's hearing I did not even know that there was an agricultural census.

The census reported in my district in Brooklyn that there was a grand total of eight full-time farmers. Where they're farming, no one knows; but the census says they're there, and I assume they are doing some work in their back yards.

Mr. SMITH. I might mention that they missed 1 million horses in the census a couple of times ago. I expect some of those horse owners live in Brooklyn.

Mr. SOLARZ. Well, I don't think there are any horses in my district, at least not the four-legged kind.

[Laughter.]

Do you know if there are any benchmark surveys which are conducted outside the jurisdiction of the Bureau of the Census?

Mr. SMITH. In government, you mean?

Mr. SOLARZ. Yes.

Mr. SMITH. I'm not really qualified to answer that. I have the feeling—I can't put my finger on it right now—that there are some.

However, I've been on the appropriations for Census Bureau for 15 years, and I know this, that most departments, if not all of them, contract with Census, in effect, to do this kind of work.

Mr. SOLARZ. To the extent that the problems you pointed out in your testimony actually exist—and I assume that if you say all these terrible things took place, they did—doesn't that point, obviously, to the need for an improvement in the way in which this agricultural census is conducted? Why shouldn't it be possible to concentrate on improving the way in which the census is conducted, rather than transferring the jurisdiction to another department which, conceivably, might make the same mistakes?

Mr. SMITH. To start with I think that if Census really wanted to do it, they could do it. But they would have to copy what the Department of Agriculture has already proven they can do.

Also, Agriculture has some of the in-house capacity that's needed. In addition to that, when we get down to the personnel for the survey, I think that Agriculture can do it with very little additional personnel, because they have people in county offices that are doing some other tasks that, even on a part-time basis, could be added. And they have the contact with the people.

I just think they can do a better job with this thing.

Mr. SOLARZ. What's the position of the established farm organizations and farm interests with respect to your legislation?

Mr. SMITH. They have an advisory commission down at the Census Bureau, and they call them in once a year; and by the time they get through them, their representatives are kind of docile. But I understand that in the last few months they've become a little more militant. They've made, possibly, some progress at least toward this.

Mr. SOLARZ. Assuming the committee decided, in its wisdom, not to report out the legislation, is there anything you think we could do to help bring about an improvement in the way in which the Bureau of Census conducts this operation?

Mr. SMITH. I think you can do a lot of things just with hearings and exposing the department to the wrath of the committee and trying to get them to improve whatever they're doing. I think that's been shown before.

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

The CHAIRMAN. Mr. Roussetot.

Mr. ROUSSELOT. I want to compliment my colleague for appearing before this subcommittee. I know we discussed this a couple of times on the floor last year.

I guess my questions would be similar to those of my colleague from New York. As you know, I do not favor transferring functions from one agency to another when the basic responsibility is in a given agency. In this case, that agency is the Census Bureau.

And if they're not doing the job, and that's why—

Mr. SMITH. I'd like to point out this is a little bit different, however. In the case of Census, other departments contract with the Census.

In effect what I am saying is: Don't have Agriculture any longer contract with Census to do the economic data gathering. Census is really an agency that gets its contracts from other departments to do their statistical work.

But the Department of Agriculture has its own statistical reporting service. They have their own capability.

Mr. ROUSSELOT. How many are in that department?

Mr. SMITH. I don't know.

Mr. ROUSSELOT. What is their capability?

Mr. SMITH. They do annual crop and livestock reports on a nation-wide basis, and in some cases on a county and a State basis, they don't get down to the detail that we provide in the census, but they do some of the same kind of work.

Mr. ROUSSELOT. Well, where do they get most of that data?

Mr. SMITH. They do it with a scientific sampling survey.

Mr. ROUSSELOT. You've given us an example of something they're now doing. Do you know how many people they use to carry out the survey?

Mr. SMITH. In the Census?

Mr. ROUSSELOT. No; in Agriculture.

Mr. SMITH. No; I don't know the exact number that they're using for each survey.

Mr. ROUSSELOT. What you're saying is it might be more satisfactory to farmers if the Census Bureau contracted with the Agriculture Department?

Mr. SMITH. No; the Census Bureau wouldn't even get into it. In effect, we're asking the Census Bureau to do what Agriculture could do.

Various departments ask the Census Bureau to do a statistical survey of some kind, and in appropriations, we transfer from that department's budget over to the Census Bureau the money that it takes to do that survey.

In this case, I say just let Agriculture do what it's already doing some of anyway, by what they've shown they can do, and what they have a good background doing.

Mr. ROUSSELOT. Well, I haven't talked to my other colleagues on the committee, or my new chairman, in any great detail on this subject, so I don't know what other peoples' thoughts are. I probably would find my views similar to my colleague's from New York.

If, in fact, we could find a way to get the Census Bureau to do a better job, that might be a more appropriate way rather than the transfer of function.

Mr. SMITH. There's something I think might influence you a little. I say even if the Bureau improved its operation enough, it would be more expensive.

Mr. ROUSSELOT. You mean the Census Bureau?

Mr. SMITH. Yes.

Mr. ROUSSELOT. Why is that?

Mr. SMITH. Because Agriculture already has some of the capability that's needed to deal with this on a continuing basis.

Mr. ROUSSELOT. I'm sure you wouldn't say to me that Agriculture is always perfect in its ability to keep things efficient.

Mr. SMITH. No. I'm just saying that Agriculture's Statistical Reporting Service has a very good reputation.

Mr. ROUSSELOT. Does anybody on the committee know how many they have in the Agriculture Department doing this?

The CHAIRMAN. We can instruct Counsel to get this information.

Mr. ROUSSELOT. What do they call this division in Agriculture now? I apologize for not knowing.

Mr. SMITH. The Agricultural Statistical Reporting Service.

Mr. ROUSSELOT. How many surveys do they do a year?

Mr. SMITH. They do the annual pig report, the annual cattle numbers, the annual cattle on feed. They do crop reports on less than an annual basis, and they've developed methods, for example, of collecting together pieces of information and not putting it all together until they all get into a room, making sure that, you know, the information isn't released prematurely.

And they do it on a very timely basis. They are accustomed to doing things timely, not waiting a year, or two, or three years to release the report.

Mr. ROUSSELOT. They do it on a scientific sampling basis?

Mr. SMITH. Right, and they get national statistics; and in some cases they get down to the county level. But they don't do it in the detail that we need in the 5-year census.

Mr. ROUSSELOT. Okay. I thank you, Mr. Chairman.

The CHAIRMAN. On page 2, you refer to the "violation of the traditionally confidentiality that we have expected of income tax returns." Well; if anybody thinks that income tax returns are confidential, they're sadly misled.

Mr. SMITH. Well, at least we've prohibited the Agriculture Department from getting information from income tax returns or putting names and information on a computer list which is easily spread around.

I just think it's not a good practice. I don't think it's that important.

The CHAIRMAN. This really doesn't bear on that question, but the treasury department in the State of Florida keeps a person on permanently at the Cordele, Ga., regional area of the IRS to pick up data that they can use for the purpose of collecting intangible, personal-property taxes from the State of Florida. So, really, any governmental agency, as far as I know, has total access to the income tax return. It's the kind of thing that we ought to talk about at another time, but income tax returns are wide open for data collection at this time.

But I think that one of the questions is the problem of the confidentiality in collecting data for census. How would you deal with the confidentiality problem of the census data collected by the Agriculture Department?

Mr. SMITH. The previous paragraph—

The CHAIRMAN. In the same manner?

Mr. SMITH. That's right.

The CHAIRMAN. I look at the agricultural census as a form of audit of the agriculture system, and I just wonder whether we can be as detached as necessary when you have the Department of Agriculture auditing its own programs, in a sense, by collecting and analyzing its own data.

Mr. SMITH. Well, I just don't see how changing the cattle numbers or the pig numbers is going to reflect upon the job they do with regard to some farm program. I don't see how that would do that.

In fact, they would be, in the long run, I think, more interested in making sure it is accurate. They don't want to happen, for example, what happened to the 1969 Agricultural Census, when they missed 8½ million cattle and sent the wrong signals out. They wouldn't want that to happen.

They would know the importance of getting accurate information and not letting something like that happen.

The CHAIRMAN. Is an agricultural census as necessary in the respect that agriculture is just another form of our economy, whether it's mining, or agriculture, or transportation? Could not the agricultural census be really folded into the general economic census as part of our whole?

Mr. SMITH. Well, we do special censuses for the other industries, too, and the Government pays for them.

The CHAIRMAN. But they are usually done by the Census Bureau on a contract basis.

Mr. SMITH. Yes, they're contracted for. They come over there every year with a long list of things they could do if we want to pay for them. And we select some and authorize them.

The CHAIRMAN. I can understand the value of using these kinds of people to collect the most viable data.

Mr. SMITH. I think it's the particular selection, in general, this census deals with. I just think it's an exception to that rule.

The CHAIRMAN. Well, under Bob Bergland's direction, I wouldn't have a problem. I'm not so sure, though, under some other Secretary of Agriculture. I thank you very much.

Mr. SMITH. Thank you.

The CHAIRMAN. We'll now have the distinguished Congressman from North Carolina, and the futurist leadership.

STATEMENT OF HON. CHARLES ROSE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. ROSE. Thank you, Mr. Chairman and members of the subcommittee. I appreciate the opportunity to comment today on the legislation that you have before you. I do not wish to belabor the point about the basic concept of the legislation, that is, to change the place where census of agriculture is conducted.

But rather, I'm very concerned about changing the definition of what is a farm. Because of my lateness in attending, I do not know whether or not the Department of Commerce and the Department of Agriculture have had an opportunity to testify yet this morning.

Yet I see in both of those statements, which I assume are the statements that they will present to this committee later, that they both fully support the current definition of a farm which says that a farm is any establishment from which \$1,000 or more agricultural products are sold during a particular year.

And in this statement from the Department of Agriculture, the indication is that the actual number of farms eliminated by the change will be minimal; in any event, these operators would still be eligible to participate in programs of the Extension Service.

Mr. Chairman, a change in the definition of what is a farm would eliminate 25 percent of all the farms in North Carolina. My information is that it is close to 600,000 of the farms in this State.

And I would like to share with this committee, very briefly a memorandum dated July 15, 1976, which came into my possession from a public-spirited employee of the Department of Agriculture. It was a memorandum signed by Don Paarlberg, the Director of Agricultural Economics, and it was directed to the Secretary, Mr. Butz. I would like to read it for the record. Now this is the Director of Agricultural Economics, at the Department of Agriculture, writing his boss, Earl Butz, saying:

We reached agreement with Census and with OMB on a change in the definition of a farm. Advisory committees to census and USDA endorse the change. The new cut-off is \$1,000 instead of \$250. The effect of this change would be to improve the accuracy of our statistics and to report a more truthful figure on "income per person on farms," thus depriving the corn, wheat, and cotton farmers of their fallacious rationale for costly commodity programs.

We worked this out satisfactorily with the farm organizations and with the agricultural committees.

As part of all this, we supported the Bureau of the Census in their wish to retain the agricultural census. (There had been an effort to transfer this to USDA.)

We delivered on our part of the deal.

But the Census ran into some opposition from their committee. Thereupon, without consultation with me, they backed away from their commitment. They now say they will stay with the old definition.

I feel very deeply about this.

My request of you is that you call Elliott Richardson and ask him to have his man, Vince Barabba, fulfill the Commerce's commitment. And that you call Jim Lynn and ask him to have his man, Joe Duncan, fulfill the OMB commitment.

I can document this whole business if need be.

This is the most flagrant breaking of an agreement in my 16 years in Government. If the Departments are to work together, there must be respect for positions jointly taken.

Now, obviously, Mr. Richardson was called by either the Secretary or someone at Agriculture, because former Commerce Secretary, Elliott Richardson, issued on December 10, 1976, a directive to utilize the revised farm definition announced in August 1975.

Now, in joint committee hearings, subcommittee hearings—that Chairwoman Schroeder's subcommittee in the 94th Congress held—Mr. Barabba indicated to us that they were seriously considering breaking down the agricultural census, for the information they would report about farmers, into several categories: corporate farmers, special experimental farmers—farms and farmers—full-time farms and farmers, and part-time farmers.

Now, I completely understand, that if you come out with just one figure for the average income of the American farmer, that it's much better statistically if you can have a low cut—or as high a cut-off point, for the bottom side, as you possibly can.

But, since there was an indication from the Department of the Census that they understood that one statistic on farm income was not going to be worth very much any more, because of the different types of farmers that are developing in this country—such as corporate, such as part-time, such as full-time—that they were willing to differentiate.

Congressman Gillis Long, Congressman Andrew Young, both testified last year before my subcommittee that they felt change in definition of a farm would be detrimental, especially to poor people in the South.

We feel—all of us, very strongly—that people who are not counted will soon be forgotten. And I understand that if this definition, from \$250 to \$1,000, takes effect, there will be a statistical increase in average income of the American farmer of approximately \$2,000.

And while, statistically, I'm sure that USDA would like to have that available to them, I object to the change in the definition of a farm.

It's indicated that no States would lose any of the funds currently allocated. That is a promise that I do not believe people at USDA can assure us will happen.

And I thank you, Mr. Chairman, for letting me come, and I hope you will unravel this bureaucratic situation that has existed, and keep the farm definition as it is.

The CHAIRMAN. Mr. Rousselot.

Mr. ROUSSELOT. I yield the floor to Mrs. Schroeder.

Mrs. SCHROEDER. Well, I thoroughly congratulate the gentleman from North Carolina in having stayed with us, because I do think, had he not, and other people, we would have been steamrolled through.

This "memo" is kind of shocking proof of what was really going on.

Should there be a separate farm census, and if there should be a separate farm census, should the Department of Agriculture do it? Or, should the Census Bureau continue to do it?

Mr. ROSE. First, I think there should be a separate agricultural census because of the way that the farm community has come to depend on it and use it for many purposes.

As for the question of whether it is to continue to be done by Census or it should be done by Agriculture, I really don't have an opinion. I don't know.

I think you should examine the argument Mr. Smith made, that Agriculture does have a lot of this information available to it now. There might be economies that could result from Agriculture doing it, but as Mr. Rousselot said, and I tend to agree with that argument also, Census was set up to do this kind of thing.

And by statistical sampling, which I think surely can be more widely used—in census of agriculture, and I say especially about the farmers with incomes under \$1,000, farms that produce things of less than \$1,000 value a year—statistical sampling will be fine.

The Rural Development Subcommittee and the Rural Caucus would like to know as much as we can about poor people, especially, who live in marginal agriculture operations. But, Mr. Rousselot's argument about moving things around to me has some merit.

Mrs. SCHROEDER. My problem is with the Smith approach. I could never figure out exactly why the Agriculture Department wanted to change the definition, what was the purpose, and whether or not they would have a conflict of interest in trying to get the raw data. I think, had they been taking the census, we would have lost. There wouldn't have been any way to really have figured out what they were doing. At least we had the interplay between the two agencies.

So that has really concerned me, in looking at Mr. Smith's bill, and wondering how we should proceed on it. Do you have any idea why the Secretary of Agriculture felt so strongly about changing the definition?

Mr. ROSE. Well, maybe it had something to do with the statistical increase of \$2,000 in the average income of every American farmer. That would have been a nice little present to have handed to the President at election time.

And I jokingly accused him of that, and he said that had absolutely nothing to do with it.

Mr. ROUSSELOT. Well, explain to us now, what you mean by "farmers."

Mr. ROSE. All right. The average income of the American farmer, according to the last census, using the definition of a farm as any place that sells at least \$250 or more in produce a year, was about \$9,000.

If you raise that from \$250 to \$1,000 in saving that you, Congressman Rousselot, if you don't sell over \$1,000 a year from your

place out in the country, you're not considered a farmer. You're considered a gardener, maybe, I doubt that you're going to get the same kind of attention from the Agriculture Department.

But when you raise it from \$250 to \$1,000, then when you run the computers and figure out the average income of the American farmer, with kind of a flow, it jumps \$2,000 to about \$11,000 a year.

MR. ROUSSELOT. Well, now, how would that have been an advantage to Ford politically?

MR. ROSE. Well, we were stretching a point, I graciously admit to you.

MR. ROUSSELOT. I want to be sure he wasn't getting away with something.

MR. ROSE. I think the same argument I made to the committee about what Mr. Butz and Mr. Ford might have been trying to do 2 years ago, might apply to my friend from Georgia now.

MR. ROUSSELOT. Oh, you mean the peanut farmer?

MR. ROSE. Yes; I don't want him to fall into the same problem, also.

MR. ROUSSELOT. OK.

MR. ROSE. And that is, it would appear that suddenly there is statistical increase of \$2,000 in the average income of the American farmer, and it would have looked good in advertising to indicate how well the Butz administration had treated the American farmer.

MRS. SCHROEDER. Well, I appreciate your constant attention, and I hope we can finally take care of this issue.

MR. ROUSSELOT. Not being a dirt farmer, like Mr. Carter and Mr. Bergland, I must tell you I'm not fully appreciative, and I've tried to listen to the testimony and look at this memorandum, of what changing it to \$1,000 does to all these farms. They're fairly marginal farms, aren't they?

MR. ROSE. Sure, they're marginal farms, but we've got several—

MR. ROUSSELOT. I'm not against marginal.

MR. ROSE. I'm not either, but here's the thing. In the South, especially, there are a lot of people who live in rural areas who are engaged in agriculture to feed themselves, their own family, grandmother, granddaddy, nieces, nephews—

MR. ROUSSELOT. The whole family.

MR. ROSE. The whole family. They sell a little bit of what they produce, and it may amount, you know, to \$750 or \$1,000 a year. I say they should be treated, if they want to live in rural America and engage in farming just for their own use, not as some organ of export, that they should be counted as farmers and they should be given attention from USDA.

MR. ROUSSELOT. All right now, are those kinds of producers—\$250 to \$1,000—are they in other parts of the country, too? Or are we talking about just the South?

MR. ROSE. Sure, they're all over.

MR. ROUSSELOT. Could you say how many, say in California?

MR. ROSE. Not too many. I have the statistics, breaking it down State by State. But the main impact of this is in the South.

Now there's the real kicker that we're worried about. Agricultural research and agricultural extension funds are allocated to States according to the number of farms. OK?

Mr. ROUSSELOT. Yes.

Mr. ROSE. You change the definition of what is a farm—

Mr. ROUSSELOT. And you eliminate a lot.

Mr. ROSE. You eliminate 25 percent of all of the farms in my State of North Carolina.

Now the Department of Agriculture says here the impact would be very small because no State loses any of the funds it is currently allocated.

And I would like to see that in law. I think that's saying, "We're going to promise you as good Scouts that nothing's going to happen to you." But I don't think the legal basis for saying that exists. I can be proved wrong; somebody can show me.

Mr. ROUSSELOT. Well, describe for us if you can, in our own State, this family farm kind of thing. Is this net earnings or gross earnings?

Mr. ROSE. A gross figure.

Mr. ROUSSELOT. Are there tax advantages to be gained in declaring a farm, a family farm?

Mr. ROSE. Certainly, and I'm not familiar with all the ramifications.

Mr. ROUSSELOT. You mean there are other ramifications?

Mr. ROSE. I don't think that this change in definition is going to change what the farm is, so far as Internal Revenue Service is concerned. In other words, I think they've got their own set of definitions.

Mr. ROUSSELOT. Well, your concern, then, is that suddenly 25 percent, or roughly thereof of the farms in your State, are really operating as farms in kind of a family unit. They're not on food stamps; are they?

Mr. ROSE. I hope not. I don't want to sound like I'm comparing these marginal operators to the full-time farmer.

Mr. ROUSSELOT. You made that very clear.

Mr. ROSE. And I really think that the Census Bureau should go ahead and delineate between part-time farming and full-time farms and corporate farms and experimental farms, like Mr. Barabba told us that they were thinking about going to do, and to statistically sample, if you want to, this low end. But just give us an idea of what this low end is all about.

Mr. ROUSSELOT. Where did you get your estimate that roughly 25 percent of the farms in your State would be eliminated from census count if, in fact, they changed it to \$1,000.

Mr. ROSE. I got that from statistics that I think both Agriculture and Census supplied last year. I have them in my office, and I think you people probably have them.

Mr. ROUSSELOT. Could you supply whatever you have as relates to your State on that so that we can make a judgment?

Mr. ROSE. Be glad to.

Mr. ROUSSELOT. I yield to Mr. Leach.

Mr. LEACH. I just have one question.

Am I right, that of this group that are affected, that virtually all are legitimate farmers; they're not city folk who own three acres in the countryside. Basically we're just dealing with poor people who have personal farms.

Mr. ROSE. That is my understanding. Now, I don't want to represent to you that they're not—

Mr. LEACH. But in the vast majority that's the case?

Mr. ROSE. In the vast majority, that's our impression.

Mr. LEACH. There can be exceptions?

Mr. ROSE. There could be.

Mr. LEACH. That's all.

Mr. ROUSSELOT. Excuse me, Mr. Chairman.

The CHAIRMAN. I yield.

Mr. ROUSSELOT. I suppose what I ought to do is to go to the California statistical people and find this out, but as you know, farming is our biggest industry in California. I'd really like to know what the impact of this would be on California.

Mr. ROSE. We have that. We'll get it for you.

Mr. ROUSSELOT. Do we have that?

I certainly don't want to be against my small farming people, peanut or otherwise.

Mr. ROSE. If she can be allowed to answer part of this—this is Carol Forbes, who was legal counsel to the Subcommittee on Farm and Rural Development.

Ms. FORBES. The problem with the tabulating, how many people who are going to be seriously affected, and the disclosure that an adverse population of minority farmers was going to be affected, had to be dragged out of USDA last year.

We had to demand that they do that breakdown, and give us their statistical impact on farmers.

Mr. ROUSSELOT. Did you do that by State?

Ms. FORBES. We did it State-by-State. We'll be glad to provide it for you.

Mr. ROUSSELOT. Well, we might as well do it for all States.

Mr. ROSE. We'll give it to you for all States.

Ms. FORBES. Of course, the problem of having the \$1,000 breakdown is that you get into these hobby farmers who just can't make a living otherwise, and, of course, that's a symptomatic problem, not that they just don't want to count any of them.

Mr. ROSE. Thank you, Mr. Chairman.

The CHAIRMAN. To sum it all up, I think that with all of this data that we're collecting now, if we can't really determine what a farm is, then the data itself has no validity. I think that's the first thing that this subcommittee should really get a handle on, "what is a farm."

One of the things that I was thinking about is, that if we change the criteria about land income—whether it's gross income, or net income, or net profit—we've really got to know.

Perhaps, we should work into some kind of a hold harmless arrangement by State, by county, or any other way so that if we do change the definition, that we do not neglect the family farmer who depends on this kind of count for the benefits of whatever that farmer's entitled to.

I know people that have thoroughbred farms that loose a million dollars a year, and yet they're counted as a farm.

Before we start worrying about changing the questionnaire, we ought to find to whom this questionnaire should be going.

Mr. ROSE. Could I make one comment that I think you all might be interested in?

There is another committee on which I serve, and which our staff have been inviting computer applications, and I've gotten to know a lot of the computer people in the Federal Government. And one of the computer experts in an agency in the Government—not either one of the two that are represented here—told me that he was charged with the responsibility of computerizing a lot of information that his department had required individuals to submit.

But he said the problem was that nobody in the department had ever figured out what the usefulness of this information they had required everybody to submit was going to be.

So, I would hope that, somewhere in your deliberations, that someone might look at this information that is being required, and ask the simple question: Who needs to know that? Who is going to use it? Why do we need to bother with gathering it?

The CHAIRMAN. And, does it come too late to be of any value?

Mr. ROSE. Right. I thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

We have another distinguished Congressman from the State of South Dakota, Congressman Pressler, who recently has been involved at the district level with this same problem.

STATEMENT OF HON. LARRY PRESSLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH DAKOTA

Mr. PRESSLER. Thank you very much, Mr. Chairman and members of the subcommittee. I have a brief statement here, which I think has been distributed.

Accurate information is important, but the manner in which it is collected should also be given adequate consideration. This observation sums up in a nutshell the feelings of South Dakota farmers concerning the census of agriculture.

Good reliable statistics on agriculture are valuable to many people; to the farmer in deciding on his type and level of production; to the businessman in determining what and how much supplies he should have on hand; and to the Government in formulating agricultural policy that will better meet the needs of the farmer. The census of agriculture can be an important tool for gathering and disseminating this information; in fact, it is currently the only source of agricultural data for individual counties.

However, due to several practices used in the collection of this data, many farmers in my district have become highly suspicious of the census of agriculture. The census is no longer taken by visits to compliance, antagonized many farmers—in some cases—to a point individual farms; it is now conducted through the mail. This lack of personal contact, coupled with the threat of a \$100 fine for non-where questions were left unanswered or distorted information was supplied.

Other factors have contributed to this antagonism as well. The 1974 forms consisted of 20 pages containing thirty-eight sections.

Faced with a mounting tide of paperwork created by other Government agencies at all levels, farmers were none too pleased with this addition to the pile. Many of the questions seemed irrelevant or too personal; the section on financial data was highly objectionable to farmers.

The method in which the data was obtained created yet another problem—the timeliness of the information. The results of the 1974 census are just now being made available in 1977. Obviously, some changes have to be made; the census as it now stands may well be just a waste of the farmers' time and the taxpayers' money.

With some basic changes, the census of agriculture can once again become an effective and useful tool. Shortening the form would be a major step in improvement; 5 pages should be an absolute maximum. The questions could focus on easily provided, more relevant data, such as total production, type of livestock and crops raised, acreage and equipment used. If the form is designed to obtain essential data, the farmer will be more willing to comply, and he can do so much more easily. Also the data could be more quickly compiled and the results speedily disseminated. Thus, its usefulness and timeliness would be greatly increased.

In addition, a greater attempt can be made to personalize the census. It is too expensive and impractical to visit each farm in the country; however, a sizeable number of farms could still be visited personally by census personnel. The accuracy of the data would be greatly increased and farmers might be willing to discuss more detailed information. Most importantly, an atmosphere of trust between farmers and the Bureau of the Census would have a chance to develop.

Finally, if all of the previous suggestions are adopted, the need for keeping the club of a \$100 fine over the head of each farmer will no longer exist. The implementation of the proposed measures should create a greater willingness among farmers to complete the forms; the existence of the fine at present has created a negative attitude among farmers and only adds to the problem of non-compliance.

I might note at this time that a public discussion of possible changes in the census of agriculture was held in my district at Sioux Falls, S. Dak. on February 11 of this year. This meeting was most successful. Individual farmers and leaders from farm organizations offered suggestions in both written and oral form, and officials from the Agriculture Division of the Bureau of the Census were also present to listen to the suggestions and offer their proposals for the 1978 census.

The Census Bureau officials indicated at that time that they were considering several changes for 1978. Shirley Kalleck, the associate director for economic fields, said that the Bureau was considering using a sampling of 20 percent of the farmers in each county who would be personally visited, and that the basic form would be considerably shortened, perhaps to the 5-page length which I have suggested.

If the Census Bureau is to undertake the adoption of such measures on its own, it may well not be necessary for the Congress to direct through legislation action that changes be made. Those officials pres-

ent at the February 11 meeting indicated a willingness to make some changes. However, I do not have any commitment in writing to such a course of action. A record of comments made at that meeting was not kept.

My suggestion would be, then, that Members of Congress, especially the members of this committee, urge the Bureau of Census to take administrative action to make necessary changes in the census of agriculture. Should it become clear, however, that those who administer the program are unwilling to act, then legislative action will become necessary.

Thank you, Mr. Chairman, for the opportunity to testify here today.

The CHAIRMAN. Thank you, Mr. Pressler.

Mr. Rousselot?

Mr. ROUSSELOT. Well, as you have so thoroughly gone into the subject matter at hand, can you give us any more than you have in your testimony, as the result of the public discussions that were held in your district?

Mr. PRESSLER. Yes; there was a wide feeling among the farmers that we don't know how much gas and oil there is in the country, we don't know how much other industries have on hand or what the supplies are, but for some reason we have the philosophy that we need to know how many bushels of corn the farmer has and how many hogs he expects to have, and so forth.

And there was a strong feeling among the farmers that was very much an anti-census feeling expressed, but a willingness to cooperate if certain steps were taken.

There was a strong feeling against the \$100 fine. There's a strong feeling against the length of the forms. I think our farmers are willing to cooperate, and many of them see some benefits, but they feel they're sort of being singled out from other industries.

The CHAIRMAN. Would the gentleman yield?

I thought, basically, the farm census information was for the benefit of the farmers.

Mr. PRESSLER. Well, they don't feel that way.

They're willing to cooperate, but they feel that speculators in grain trade, foreign countries, and others, benefit more than they do. Since the information is 2 years old, it's very hard for the farmer to do any planning. My farmers do not feel that they get a benefit from the census of agriculture. They're willing to cooperate if it's in the country's interest, but they feel that grain speculators and foreign countries and other people get more benefit.

They have the strong feeling that if it's for the good of the country they're willing to cooperate.

Mr. ROUSSELOT. In other words, they have the definite feeling that there's a lot of other people who may be benefiting from much of this data that is hard for them to understand.

Mr. PRESSLER. Yes.

Mr. ROUSSELOT. What's the use to them? As you say, they're willing to make whatever input they can give, assuming they can understand that the end product is of value.

Mr. PRESSLER. Yes; one thing we need to define is the benefit the farmers get from it.

The CHAIRMAN. Would the gentleman yield?

Mr. ROUSSELOT. Sure.

The CHAIRMAN. Is the FDA information more valuable to them than the census?

Mr. PRESSLER. Well, once again that comes out once, in July. You get the September wheat futures, but you can't change how much wheat you're going to plant in July. Farmers have a great deal of sense about its usefulness to them. I think the one thing that needs to be defined is how the country, as a whole, benefits from it.

I asked the question: "How many farmers here have used the Census of Agriculture or the crop reporting service in your planting?" Not a single hand went up. So—

The CHAIRMAN. Would you yield, Mr. Rousselet?

Mr. ROUSSELOT. Of course.

The CHAIRMAN. This is very interesting to me because it only indicates that there is no difference between the use of agricultural census as far as the practical use of it than the use of any other statistical information and data that we've collected for other parts of our economic community.

Why should these long forms be imposed solely on the farmer for the benefit of the whole economy if the farmers themselves are not going to get some special benefit out of it?

Mr. PRESSLER. I suppose there can be seen a greater good in trying to project—food is such an essential commodity—and see what direction we're going in.

It was pointed out that the Earth-Orbiting satellite does photograph crop lines. They can identify what kind of crop it is through the color that's shown on the graph.

Mr. ROUSSELOT. Is that really in place, though, so that we can do it on an effective basis? From the satellite information gathered, can you really get accurate up-to-date information on the subject you've just stated?

Mr. PRESSLER. I'd be happy to submit a more detailed statement. But near Sioux Falls, S. Dak., in my district, is the Earth-receiving orbit and satellite receiving station, and I've had demonstrations of pictures, of the Soviet Union and the United States, where you see the fields and the different color of the crop, and they are, I'm told, fairly accurate projections.

Mr. ROUSSELOT. You mean they can tell the difference between the crops by photographs taken by satellite? I'm sure this is a stupid question on my part, but can they?

Mr. PRESSLER. Yes, they can, and how old it is, and so forth.

Mr. ROUSSELOT. I'm somewhat disturbed that people who are being required to cough up this information have no understanding—or at least the ones you are meeting—of what it's for?

Mr. PRESSLER. Yes; that's right.

Mr. ROUSSELOT. I don't blame you for being here today to say: "Well, I had a meeting in my area, and they don't understand it." Have you traced to see where this information does go? Who uses it? Do you use it?

Mr. PRESSLER. No, I haven't, in fact. But the most important thing for the subcommittee to do is to give a statement to my people as to why go through this exercise. What is the purpose of it?

Mr. ROUSSELOT. Good point.

The CHAIRMAN. Mr. Rousselot, that question was raised by Mr. Rose when he said that he talked to a computer person from one of the departments who was getting up all of this information and feeding it into the computer, but he didn't know for what purpose.

Mr. ROUSSELOT. I appreciate what he said, and I understand the point he was making. But the people who are providing the information in these questionnaires, who say they'd like to be helpful, and are willing to be helpful, but have no genuine appreciation of where it goes. It's not helping them, or at least they don't see that it's helping them.

Mr. PRESSLER. No, they don't see that.

Mr. ROUSSELOT. They've got to see that it's helping them.

Mr. PRESSLER. The point was brought, for example, that we don't know how much gas or natural gas we have. We can perceive the need to know better what sort of reserves we have if we can get that information.

The point was made by one person that, "Our Government is too timid to give a questionnaire to an oil company—and give them a fine for not responding—while it gives it to family farmers." Well, that may be an exaggeration. But, as far as I know, we don't know that much about supplies on hand of oil and gas. We can all see a need for more information of that type.

I did ask the question: "Who has used this information in their operations," and no one in the room—

Mr. ROUSSELOT. How many were there?

Mr. PRESSLER. Sixty or seventy people.

Mr. ROUSSELOT. And they were all farmers?

Mr. PRESSLER. Largely farmers.

The CHAIRMAN. Let's get back to the family farm definition. In South Dakota, you don't have the same problem with family farms that you would in North Carolina—changing it from \$250 to \$1,000 wouldn't affect that many farmers in South Dakota, would it?

Mr. PRESSLER. I don't know. I don't think so. We don't have quite the same situation.

The CHAIRMAN. Well, thank you very much, Mr. Pressler, for that very enlightening testimony and firsthand information.

We have next Mr. Robert Hagan, Acting Director of the Bureau of the Census.

Mr. Hagan, could you identify your staff for the purposes of the record?

Mr. HAGAN. Yes: Mr. Chairman, I have with me Miss Shirley Kallek, Associate Director for Economic Fields, Bureau of the Census, which includes both the economic and agricultural census areas.

I also have Mr. Orvin Wilhite, who is the current Chief of the Agriculture Division of the Bureau accompanying me.

The CHAIRMAN. Do you have a statement?

Mr. HAGAN. Yes, sir, I do.

The CHAIRMAN. You're free to read it or make a summary statement.

STATEMENT OF ROBERT L. HAGAN, ACTING DIRECTOR, BUREAU OF THE CENSUS, ACCOMPANIED BY SHIRLEY KALLEK, ASSOCIATE DIRECTOR FOR ECONOMIC FIELDS, AND ORVIN WILHITE, CHIEF, AGRICULTURE DIVISION

Mr. HAGAN. Thank you, Mr. Chairman. I will try to summarize it in some fashion without damaging the impact of the information.

And I'd also ask to give comments on some of the statements which were made previously, which were either presented incorrectly or misrepresented some of the information. I think they ought to be corrected in the record.

I'm pleased to have the opportunity to appear before this subcommittee to discuss the current status of the 1974 Census of Agriculture, and our plans for the forthcoming 1978 Census of Agriculture, and also to present our views regarding the basic elements of H.R. 682 and H.R. 688, which relate to the census.

The Census Bureau's mission, as the Government's principal, general purpose, statistical agency, obviously requires that we collect reliable statistics, publish them in a timely fashion, and disseminate them as widely as possible. We do not establish program policy or predict future trends based on data we collect, including agricultural data. These are, obviously, the functions of other groups, both public and private.

There is no doubt that the 1974 Census of Agriculture was a significant burden to some farmers, and it appears that much of what we attempted to do was viewed by farmers as interference, time consuming, or an invasion of privacy.

Therefore, the Census Bureau has examined its census operations carefully in an attempt to determine what caused resistance to the 1974 Census of Agriculture. For example, notwithstanding the fact that there were actually more questions asked in the 1969 than have been asked in 1974, there was much less resistance in 1969.

Discussions with numerous farm groups, and farmers in particular, have indicated that some of the resistance was not solely against the Bureau of the Census, or the census of agriculture, but against all kinds of government activities which required their reporting.

More importantly, it is obvious that our explanations for a need for census information, and how it would benefit individual farmers, was not understood by the farming community. This was clearly brought out by Congressman Pressler in his comments.

We need better communications, certainly.

Probably the most significant factors were the size of the form and the inclusion of some of the more complex items on the complete count basis. This problem arose because of the time constraints imposed by the initial impoundment of the planning funds for the 1974 Census of Agriculture, which, incidentally, was opposed by the Bureau of the Census.

When the funds were finally released, it was not possible either to revise the methodology that had been used in the 1969 census for the first time, or to plan effectively for the usual follow-on surveys which provide data from only a sample of farmers.

In attempting to meet the urgent needs of all data users, we obviously did not fully consider the requirements, time constraints, and the burden imposed upon the farm operator who had to complete the report form.

I would say, without hesitation, that the primary goal for the 1978 census is to provide timely and reliable information in meeting the challenge of balancing data needs against reducing respondent burden. We intend to minimize the response burden and still provide the necessary data.

We are meeting with users of agricultural data and representatives of farm organizations and the farming community to obtain their recommendations and suggestions in order to help us establish priorities for the requested data needs.

We're holding numerous meetings with farmers, such as the one described by Congressman Pressler, to obtain their comments and suggestions. We know we must rebuild a cooperative effort with the farmer.

We have, therefore, drastically changed our plans for 1978 in a way which we think will still permit us to meet the goals I previously stated. We will continue to strive for a complete count of all farm operators since this is the most effective way to obtain comparable county-by-county data for the entire United States.

The major difference will be the inclusion of only a minimum number of basic items on the complete count basis. These data items would include information on land, livestock, and crops which are needed on a county basis and which are fundamental to an in-depth knowledge about agriculture.

Thus, the basic census form should be reduced from the 1974 size of 20 pages to about 6 to 8 pages in 1978.

The CHAIRMAN. When will you have a first rough draft of that?

Mr. WILHITE. About 1 month. You're aware, perhaps, that we are doing a very heavy research effort to find out who the users are. In just about 1 month we'll have a rough draft.

Mr. HAGAN. We'll provide it to the committee at that time.

There are also a number of other data items which are needed, but which can be collected on a sample basis. All items, which we plan to collect at the county level, must be absolutely necessary for publication at that degree of geographic detail.

We, therefore, require all data users to tell us specifically how they plan to use the information, and why it is necessary at the county level. We are examining ways to spread the sample items so that the reporting burden can be divided among all farmers.

It should be noted that when sampling is used, the largest unit in the sample, in this case the operators of the largest farms, will get all items to report. The 1978 census will not meet all data needs

of all interested groups, but only those needs which are most vitally required.

Other items of information which are also felt to be necessary, but which can be used adequately at either the State or national level, will be included in sample surveys which will be conducted in 1980, the year following the census, proper. Items of this type include nonfarm income, farm financial and credit information, information on the use of chemicals for insect and weed control, and so on. The sample surveys will include approximately 10,000 to 20,000 farmers, and the data will provide estimated totals for each State and the Nation as a whole.

I would like to make some additional comments on the use of sampling to collect information. The Bureau of the Census has long been a strong advocate of, and has provided basic leadership in, the use of sampling to obtain information with a minimum cost and a reduced respondent burden. Existing legislation encourages the Secretary of Commerce to authorize the use of sampling to collect information where appropriate, with the exception of determining population for apportionment purposes. Sampling has been used to increase efficiency of collecting information and to reduce respondent burden in a number of previous agricultural censuses and will continue to be used in the future.

A brief background of the use of sampling by the Bureau of the Census may be helpful. Probability sampling was first used in a census of agriculture in 1945. In that census, there was a basic questionnaire covering information asked of all farm operators. Additional information, needed only at the State and national level, was requested from a sample of these farm operators. This sample was based on the area sample frame for the master sample of agriculture, which was developed jointly by the Bureau of the Census and the Bureau of Agricultural Economics, U.S. Department of Agriculture, in cooperation with the Statistical Laboratory of Iowa State College—now Iowa State University—for use in connection with the 1945 Census of Agriculture, and for general use in sample surveys in the field of agriculture. The work of the Statistical Reporting Service—SRS—of the U.S. Department of Agriculture started in 1954 to utilize area sampling based on this area sampling frame.

In the 1964 census, information on 49 different items was collected from a sample of 20 percent of the farmers who had less than 1,000 acres of land or less than \$100,000 value of products sold. These items included equipment inventory, chemicals and fertilizers applied, expenditures, land value, nonfarm income, and debt. Estimates for these items were prepared and published at the county level, using the sample data in combination with selected information on all farms from the census.

In the 1969 Census of Agriculture, data for farms under \$2,500 total value of products sold were collected on a 50-percent sample basis. Sampling errors of total estimates at the county level were

calculated and published. Data on farm finance and farm enterprises, which were needed only at the State and national level, were obtained in sample surveys following the census. The frame for these surveys was the set of farms included in the census.

As can be seen, sampling has been a part of the Bureau of the Census operational program for conducting censuses of agriculture for over 30 years. Our plans for the 1978 Census of Agriculture include the use of sampling to the maximum extent feasible.

Another area of concern has been the definition of a farm. The farm definition has changed nine times, the last two changes occurring in 1959 and then again in 1975.

The preliminary reports of the 1974 census were published by the old definition—by the definition which was established in 1959, in accordance with the requirements of Public Law 94-229.

The final reports of the 1974 census are being published in accordance with former Commerce Secretary Richardson's directive—that was cited by Congressman Rose—issued on December 10, 1976, to utilize the revised farm definition which had been announced in August 1975.

Thus, the final publications show data for all farms on the basis of the new definition, operations with \$1,000 or more in sales of products, and also include sufficient general information presented under both the new and previous definitions to permit the reader to assess the effect of the change.

Now, since there was a large amount of discussion on the impact of the change in the farm definition, I would like to offer to the committee for the record a table, which has been provided to interested congressional offices, listing the impact of the change in definition.

Just to cite a few numbers from this table, the national total of farms in this category, with total value between \$250 and \$1,000, amounts to 6 percent of all farms in the country, the absolute number being a little over 150,000.

Now, the largest number of such small farms, in an absolute sense, occurred in the South where about 77,000-78,000 farms fell in that category. North Carolina had 9,403 such farms. That was 9.4 percent of the total farms in North Carolina.

In the West, the absolute number is not as large, but percent is a little bit larger, surprisingly, than in the South. It's again approximately 8 percent or 7.92 percent. The number in California totals 6,000 such farms, or 8.5 percent of the farms in California.

The CHAIRMAN. 6,000 farms in California fall under—

Mr. HAGAN. Under the \$1,000 farm definition level.

The CHAIRMAN. That includes backyard, orange groves, and everything like that?

Mr. HAGAN. It's an assortment of activities; yes, sir. We will provide this table for your consideration. I'd like to add one additional piece of information on this. In terms of value of sales, nationally, it's $\frac{1}{2}$ of 1 percent for all farm products.

[The tabulation referred to follows:]

FARMS AND VALUE OF SALES BY 1959 DEFINITION, PRELIMINARY DATA: 1974 CENSUS OF AGRICULTURE, PRELIMINARY, NOVEMBER 1976

	All farms		Farms with sales less than \$1,000			
	Number	Value of sales (In thousands of dollars)	Number		Value of sales	
			Total	Percent of all farms	Dollars (In thousands)	Percent of total sales.
United States, total..	2,450,126	80,430,668	151,741	6.19	44,246	.055
The Northeast.....	136,403	4,213,486	9,622	7.05	2,244	.053
Maine.....	7,020	353,792	646	9.20	161	.046
New Hampshire.....	2,821	72,865	407	14.43	85	.117
Vermont.....	6,270	204,314	439	7.00	110	.054
Massachusetts.....	4,970	176,118	576	11.59	175	.100
Rhode Island.....	710	21,601	122	17.18	31	.144
Connecticut.....	3,799	177,780	398	10.48	101	.057
New York.....	46,288	1,436,812	2,904	6.27	575	.040
New Jersey.....	8,055	288,868	726	9.01	247	.086
Pennsylvania.....	56,470	1,481,336	3,404	6.03	759	.051
The North Central.....	1,057,068	35,826,010	43,661	4.13	16,528	.046
Ohio.....	97,697	2,224,478	6,035	6.17	1,652	.074
Indiana.....	92,349	2,564,099	5,082	5.50	1,399	.055
Illinois.....	115,059	4,570,289	5,025	4.37	1,465	.032
Michigan.....	68,638	1,464,117	4,947	7.21	1,100	.075
Wisconsin.....	92,636	2,317,226	3,419	3.69	813	.035
Minnesota.....	102,112	3,383,824	3,820	3.74	1,051	.031
Iowa.....	129,404	6,276,265	3,387	2.62	1,004	.016
Missouri.....	121,272	2,288,201	5,881	4.85	1,396	.061
North Dakota.....	43,366	1,769,268	691	1.59	187	.011
South Dakota.....	43,653	1,640,917	914	2.09	276	.017
Nebraska.....	68,973	3,688,823	1,631	2.36	565	.015
Kansas.....	81,909	3,633,605	2,829	3.45	778	.021
The South.....	998,314	22,968,952	77,987	7.81	18,645	0.81
Delaware.....	3,574	240,056	175	4.90	50	.021
Maryland.....	16,285	614,955	1,166	7.16	350	.057
Virginia.....	55,581	941,373	5,253	9.45	1,373	.146
West Virginia.....	19,123	134,034	2,196	11.48	437	.326
North Carolina.....	99,939	2,053,572	9,403	9.41	2,207	.107
South Carolina.....	31,948	645,077	3,175	9.94	676	.105
Georgia.....	58,413	1,784,507	4,179	7.15	772	.043
Florida.....	34,937	1,867,838	2,565	7.34	673	.036
Kentucky.....	109,725	1,226,694	8,203	7.48	2,551	.208
Tennessee.....	102,474	926,132	9,491	9.26	2,883	.311
Alabama.....	60,756	1,089,695	5,039	8.29	922	.085
Mississippi.....	57,375	1,206,639	4,734	8.25	740	.061
Arkansas.....	53,497	1,837,313	3,092	5.78	674	.037
Louisiana.....	35,466	1,170,846	2,647	7.46	526	.045
Oklahoma.....	73,649	1,568,393	4,314	5.86	945	.060
Texas.....	185,572	5,661,827	12,355	6.66	2,866	.051
The West.....	258,341	17,422,220	20,471	7.92	6,829	.039
Montana.....	24,285	1,029,724	1,051	4.33	299	.029
Idaho.....	24,810	1,358,346	1,177	4.74	423	.031
Wyoming.....	8,329	356,372	414	4.97	122	.034
Colorado.....	26,896	1,935,986	1,627	6.05	474	.024
New Mexico.....	12,387	517,394	1,230	9.93	337	.065
Arizona.....	6,602	1,090,765	617	9.35	209	.019
Utah.....	13,130	329,357	1,043	7.94	384	.117
Nevada.....	2,218	131,398	183	8.25	58	.044
Washington.....	32,514	1,663,611	3,152	9.69	988	.059
Oregon.....	29,990	1,027,359	3,387	11.29	1,128	.110
California.....	73,549	7,366,364	6,262	8.51	2,251	.031
Alaska.....	333	6,707	42	12.61	17	.253
Hawaii.....	3,298	608,837	286	8.67	139	.023

Mr. HAGAN. In planning for the 1974 census, obviously we had a large amount of communication and interchange between ourselves and committees and other users, as well as with the Department of Agriculture, concerning the farm and the meaning of the farm definition.

And, traditionally, we have—although the authority rests with the Secretary of Commerce, title 13—we have approached this decision on farm definition as a joint one between the several arms of the Government that are interested.

Now, obviously, the figures I cited on the number of farms which are in that category between \$250 and \$1,000, is quite a bit different from what it was in 1969. And this, of course, is caused chiefly by inflationary factors, and the changes in price structure.

Now, to address one point in one of the bills, in view of the substantial increases in price levels and other changes in the structure of agricultural operations, we oppose reinstitution of the farm definition first used in 1959.

Since the statistics are increasingly important elements in the development and evaluation of Federal programs, and statistical concepts which are based on dollar values must be adjusted to reflect changes in levels of economic activity, the current farm definition provides a more realistic profile of economic activities significantly involved in the production of agricultural services.

We do, however, recognize that there is a need for information about persons, families, and resources in rural areas, but in looking at the continuing changes in structure and organization of agricultural operations, we do not believe that the census of agriculture is the appropriate means to obtain such information. The Decennial Censuses of Population and Housing and related demographic current surveys are better able to provide the demographic characteristics of the rural population.

The Department of Commerce, therefore, opposes the enactment of either H.R. 682 or H.R. 688. H.R. 682 would fix by statute specific criteria for reporting burden, farm classification, and publication of statistical reports in connection with the agricultural censuses which are authorized by title 13, U.S. Code. We do believe that our plans for the 1978 Census of Agriculture will achieve or approach the intent of the bill with regard to reporting burden.

The questions to be asked of all farmers are items which are most easily answered, and this will reduce the reporting burden. The more difficult questions are those which will be included in either the sample questions on the census report form or in the sample surveys which will be conducted in the following year.

A complete and detailed publication schedule is also being developed. The Census Bureau's publication goal for 1978 is to begin issuing the preliminary county reports in the fall of 1979, approximately 10 months after the collection effort has begun and nearly 6 months earlier than was accomplished in the 1974 census.

I should add at this point that the 1974 publication schedule was interrupted and delayed by the passage of a public law which fixed the farm definition for a period of time.

The publication schedule calls for all reports being released within a 2-year period, that is by the end of 1980. This is a goal which has been established for all censuses in the economic activity area at the Bureau, which cover most of the economic sectors, including manufacturing, mining and trade.

I think it's an important point that the very nature of the census itself does not permit completion within a 1-year time period as

called for. The census is not intended and it should not be expected to provide data on short-term developments in the agricultural sector of the economy.

The principal purpose of the census is to permit the study of this sector in depth, and permit detailed analysis of subsegments. It's the only source of local area data for agriculture, and this means the ability to obtain comparable data for all counties in the United States at the same point in time.

A census measures change over a period of time and permits an examination of the structure of the economy. A census, by including all farm operations, permits unlimited types of tabulations to assist in understanding what is taking place. Time is required to collect the basic information and to perform careful edit and review. We believe the 5-year cycle, which presently includes 2 years of development and planning, 2 years for collection, processing, and publication of the data, and the final year for special reports, is proper.

We oppose reinstitution in the 1974 census publications of the farm definition first used in 1959. The Bureau of the Census strongly opposes H.R. 688 which would repeal Section 142 of Title 13, United States Code, requiring the Secretary of Commerce to conduct censuses of agriculture.

This bill actually proposes to abolish the census of agriculture as it's presently known, and to substitute in its place an expanded program of commodity, statistics, and other data to be collected and published by the Department of Agriculture on an annual basis.

The entire elimination of a requirement for a periodic full-scale agricultural census program, as stipulated in H.R. 688, is apparently based on the premise that an expanded data collection program in the Department of Agriculture would be a suitable substitute for the census.

We believe this premise is not valid because the 5-year census and annual sample surveys that are conducted by the Department of Agriculture have different and complementary objectives.

When the 94th Congress considered a similar proposal in 1976, our opposition to the proposal was supported by the Department of Agriculture, Department of Interior, Farm Credit Administration, Bureau of Economic Analysis, various farmer associations, and other public and private users.

Ample testimony exists from last year's hearing to substantiate the fact that agriculture is too important to the welfare of this Nation and the world not to be measured accurately. The censuses provide data for each county, thus providing the statistical building blocks for the territories of farm organizations, and for every conceivable farm-related supply and market organization. The censuses provide benchmark data for the support—or correction—of interim sample surveys.

H.R. 688 would require an annual agricultural survey which, when necessary, provides statistics at the county level. To conduct a survey of this size on a yearly basis, capable of producing acceptable statistics for every county in the United States, would be a massive undertaking. Depending on the pattern of farming in the country, the sample size required to provide adequate statistics would vary widely. In some extreme cases, 100 percent enumeration would actually be necessary.

H.R. 688 also prohibits the use of Federal income tax returns by the Department of Agriculture. The IRS records are an important component of the Census Bureau's list of farms, and the Tax Reform Act recently enacted provides access for this purpose only to the Bureau.

I might add that the Bureau obtained this access initially in 1944, and it's been renewed twice through various Executive orders, and final action has been incorporated into the IRS Code. We use other records, of course, such as those in Social Security, trade associations, the list from the Statistical Reporting Service, and the Agriculture Stabilization and Conservation Service to supplement the list derived from IRS records.

Because of the unique statutory protections of 13 USC, sections 8 and 9, which prohibit further disclosure, IRS is authorized to provide the needed information only to the Census Bureau. This restriction limits the ability of any other agency to develop as complete and comprehensive a list as the Bureau can construct.

Where it is desirable to draw a sample from a list of all elements in the universe, the more complete the sampling frame, the more reliable the sample.

Recognizing the problems with the 1974 Census of Agriculture, the Census Bureau is committed to improving the entire program. The methods designed to reduce the farmer's reporting burden are being tested. Channels of communication are being established between the Bureau and farmers. Public information programs are being intensified to explain the importance of the census to the farmer.

We sincerely believe that it is in the best interests of the agricultural community and the public at large for the Bureau to continue to conduct a 5-year periodic census of agriculture.

Mr. Chairman, I would be pleased to answer any questions; however, I would like to insert at this point two or more statements which I think will provide proper information concerning some points that Congressman Smith made.

The reference to the difference of 8½ million cattle that was cited both last week in your Appropriations hearings and here today is a misstatement. The proper reference is 5.8 million, but the numbers have been transposed. While its still a large number, I think the correct figure should be inserted.

I also would like to offer, for your consideration a communication from the Census Bureau to Congressman Teague, Chairman of the Technology Assessment Board, which we submitted in July of last year, which does provide information pertaining to correction of errors and misleading statements in the paper entitled, "An Integrated Agricultural Data System," produced by the Office of Technology Assessment.¹

The other reference which I would like to correct for the record, is that the final response rate for the 1974 census is 92 percent. The testimony stated that it was 13 percent nonresponse. Actually, there was an 8 percent nonresponse in the final analysis.

The reference to the 400,000 large-scale commercial farmers which

¹ Retained in subcommittee files.

were missed, in actuality turns out to be about 315,000 names which we researched. We added about 90,000 farms of all sizes as a result of that operation.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Mr. Hagan.

I assume, from your testimony, that most, if not all, of the problems that we are dealing with in regard to the agricultural census can be corrected, improved, or relieved administratively, and it is not necessary to do so by changing the legislation.

Mr. HAGAN. Yes, sir, that is our belief.

The CHAIRMAN. Do you need any legislative support for these kinds of changes, or do you think you can handle the whole thing bureaucratically, and I use that word in a positive sense.

[Laughter.]

Mr. HAGAN. I don't see it so much as a need for legislative change as I see, perhaps, the need for some additional funds which we would identify through the proper channels for specific activities which we would want to undertake.

The CHAIRMAN. Another specific question I wanted to ask relates to your testimony on page 3. "The 1978 census will not meet all data needs of all interested groups but only those needs which are most vitally required."

Now required, as Congressman Pressler said, by whom? He says that this is required by speculators and traders and so forth. This is the bottom of page 3.

Mr. HAGAN. Yes, sir. Obviously there's a very intricate and continuing mechanism for trying to evaluate the various kinds of data needs, that mechanism might be a matter of legislation or of program implementation by the various departments. We can provide a very detailed run down of who asks for what kinds of information and how their requests relate to a specific census question.

Now, the problem we have, of course, is trying to identify that data needed at the county level or the State level, or the national level, and also, in many cases, to make some very tough choices about which of those can be carried on the questionnaire, and which have to be deferred.

So, our commitment is to conduct a very top-flight review of these data needs. We can provide additional information on how that's done.

The CHAIRMAN. You say you would have something to show this subcommittee, as to what you're trying to do, around the first of May?

Mr. HAGAN. Yes, sir.

The CHAIRMAN. Two overriding problems are: The complaint of Congressman Rose in regard to the definition change from \$250 to \$1,000; and also, though it doesn't affect that many people throughout the country or that much of the farm economy, still, in California, you're talking about 6,000 people, in North Carolina, you're talking about 9,400 people.

Would you suggest some kind of a hold-harmless arrangement, so that by changing this data or this definition, that no farmer now existing under this kind of category would be adversely affected? How would you do that?

Mr. HAGAN. Mr. Chairman, that issue arises in a number of areas, for the Bureau either produces or collects information where certain

actions regarding eligibility or inclusion in programs are taken or withdrawn, based on certain cutoffs and statistical levels.

At the Bureau, of course, since we're not involved in program administration, we can, perhaps, be less sensitive about it, and our opinion, of course, is that we would like to see us not have these pressures placed on a statistical program.

This applies not only on farm definition levels, but in many places: Revenue sharing and—

The CHAIRMAN. In other words, the cost of collecting and analyzing the data is more than the benefits to the recipients of this information that you collect.

Mr. HAGAN. Well, there may be that issue, too. The problem we have, of course, is that if the collection of the information will trigger a certain kind of action, once it's produced, then it's got to have an impact on some of the respondents because they understand what the data are going to be used for.

And clearly, from our point of view, we think that it would be much better for our operations if a hold-harmless position of some sort could be placed in legislation. I realize that presents other problems, but it does affect the freedom of statistical activity of our organization.

The CHAIRMAN. One other thing that relates to this, that I've been reading about and I think some of the information is coming from your Bureau, is that the trend of movement of the people is once again, back from the metropolitan area to the rural areas, and much of this trend will be settling on to small farms.

Mr. HAGAN. Right.

The CHAIRMAN. It is important for us to be able to account for these people. I know personally of people who are retiring from school systems and metropolitan jobs—police forces and everything else—that are going back into the rural areas to be partly self-supporting on these so-called marginal farms.

They won't be working in the plant in the city, but they will be on a pension and will be a small "farmer," too.

Mr. HAGAN. Our migration statistics do indicate this trend, and indicate some rather surprising events in the terms of migrations in New England.

But I'd like to add one more caution or concern that I have with regard to including the small farmers in an agricultural census. And that's the question of burden, because I think the two issues have to be looked at together.

We're committed to reducing burden. It's certainly an initiative of the previous administration that's being strengthened and enforced by the current administration, to cut down the Federal reports that produce a burden on individuals. And this is another component of burden reduction.

I think examination of the question of definition should also include this issue to see if it's a justified burden to place on the small farmer as compared to the benefits that he receives.

The CHAIRMAN. Mr. Hagan. I would like to submit some questions for your answers and in turn make them a part of the record.

Mr. HAGAN. Very well, Mr. Chairman.

[The questions and answers referred to follow:]

1. Q. On page 2 of your testimony, you state that you plan to assign priorities to requested data needs. What criterion will you use to set these priorities?

A. The criterion follows the line of importance listed below:

1. Data required by law
2. Data required to plan or evaluate legislated programs
3. Data required by agencies in planning and evaluating farmer related programs, but not specifically legislated
4. Data required to establish benchmarks
5. Data for study by analysts
6. Data used in agricultural educational programs and studies
7. Other

Of course, there are overlapping requests, and some require judgments as to whether or not a specific data item is required; in general, agencies have looked at their alternatives before requesting the census data.

2. Q. On page 3, the Bureau states, "The 1978 census will not meet all data needs of all interested groups but only those needs which are most vitally required. What is meant by the term, vitally required? Please define.

A. Vitally required data would usually conform to priorities 1, 2, and 3 which are indicated in the previous question. The other priorities are less vital in relation to the burden imposed on respondents.

3. Q. What "methods" are you speaking of when you say, "Methods designed to reduce the farmer's reporting burden are being tested"?

A. Some items will be omitted from the census. In addition, we are seeking to reduce respondent burden and are testing several methods, including:

1. The use of sampling to collect some items of data that were collected from 100 percent of the farms in 1974. Two levels of sampling will be used. Items for which county data are required are being tested to measure the extent and reliability of results which can be obtained by sampling techniques. Data for which State or National estimates are sufficient will be collected in more limited sample surveys in the year following the census proper. In this way, only a limited sample of the farms engaged in a particular activity will be asked questions about that activity.

2. The use of improved report form design and wording of items. We will be testing new designs to make it easier for the farmer to find his way through the form, as well as revised wording intended to make it easier for the farmer to understand the questions asked and to report his answers. We intend to make it unnecessary for the farmer to have at his side a book of instructions on how to prepare his agriculture census report. We also want to make the census report form look simple and straightforward to the farmer so that he is not discouraged from replying as promptly and as accurately as he can.
 3. The use of a 1-page screening form to be mailed to agricultural associated persons and whose status as a farm operator is not known. In this, nonfarm operators will not be burdened with a census of agriculture form in the census proper.
4. Q. During the hearings in South Dakota the Bureau states it planned to sample about 20 percent of Congressman Pressler's district in 1978. How does this compare with 1974? Am I correct in assuming that you are not planning to use sampling to any greater extent than you have in the past?
 - A. Sampling was not used in 1974. The plans for the 1978 census in all areas of the Nation are as follows:
 1. Collect from all farms the minimum data necessary
 2. Collect from approximately 20 percent of the farms limited additional data needed by county
 3. Collect from smaller samples of farms in the year following the census, which are needed at only the State and national levels.

Samples of approximately 20 percent of the farms to provide county data were used in the 1964 Census of Agriculture and in earlier censuses going back to 1950. We anticipate that about the same proportion of the census questions will be asked only of sample farms in the 1978 census as was the case in earlier censuses. However, no final decisions have been made yet. The size of the sample survey in the year following the 1978 census will be comparable with that of similar surveys conducted following the 1969 Census of Agriculture.
 5. Q. On page 3, you state that the basic census form will be reduced from 20 pages to 6 or 8. Estimate the length of time required to fill the form and compare it with 1974. Will the number of forms a farmer has to fill out increase for the 1978 census?
 - A. We plan to collect selected data from all farms on a basic form which will be no more than 6-8 pages. Approximately 20 percent of the farms will receive a slightly longer form to collect the county-level data that are planned to be obtained on a sample

basis. Farm operations vary in size and complexity. A farmer who concentrates on one or two crops or livestock will find that the form will take perhaps 10 minutes to complete; a farmer with a very complex operation will find that more of the items on the form apply to his operation and it will take him longer to complete the form. In fact, some farmers may need as much as 30 to 45 minutes to complete the form. The design of the forms being drafted for testing allows the farmers to "skip" items on the form which do not apply. From our tests, we will be able to determine a better estimate of completion time. Roughly, from our experience, we are estimating that on the average a farmer would take approximately 20 minutes to complete the census report form (averaging the 100 percent and sample). For comparison, for 1974 the average time was estimated at approximately 45 minutes.

In order to sample for State-level data, some farmers will have an additional report form to complete in the year following the census. However, that form will relate more to his specific activities, based on his census report. Although there will be more than one sample survey, we will attempt to avoid including the same farm in 2 or more samples. It may be necessary to include a relatively few of the largest operations in more than one survey in order to obtain reliable estimates in each of the surveys.

6. Q. In 1974, it is my understanding that preliminary questionnaires were sent out to over 4 million farmers to develop mailing lists. It's reported that some farmers received multiple letters and thank you cards. Some even phone calls. This seems to be a wasteful duplication in light of the apparent cooperation between Agriculture and Census to share lists. What is being done to correct this situation?
- A. Mailings to individual farms were not made to develop mailing lists. The Department of Agriculture has been very cooperative in sharing lists of farm-associated addresses with us. Additional names and addresses of persons associated with agriculture were obtained from as many sources as possible including the ASCS, SRS, IRS, Department of Interior, and Social Security Administration, as well as State and private sources.

Since no preliminary questionnaires were sent out prior to the census, there was no way to distinguish between farm operators and nonoperating landlords. Questions on the census form were used to determine if the individual was in scope of the census.

Approximately 2 weeks after mailing, each addressee received a "thank you" card which thanked him if he had already completed the report form and gently reminded him of the need to do so, if he had not.

Following this mailing, and at approximately one month intervals, a follow-up letter was mailed to nonrespondents: A total of six follow-up letters were mailed.

Beginning in March 1975, a telephone program was instituted to contact operators of larger farms to ensure that data were obtained from this group.

For 1978, the Bureau will still need to obtain name and address lists from other sources to ensure as complete a coverage as possible. We are working very closely with USDA and have had a number of meetings with the agencies which have or are currently attempting to build agricultural operator lists.

However, we also recognize the need for a massive public relations program to acquaint farmers with the need for a census and of the changes being made to reduce respondent burden.

We need the expressed support of Congress, the agencies, and organizations, government and nongovernment who use the data collected to persuade farmers to actively cooperate in the census.

7. Q. Why will the costs of the 1978 census be double that of 1974 when every effort is being made to reduce the duplication and provide greater efficiency and accuracy, especially since you are no longer counting farms which sell less than \$1,000 worth of agriculture goods?

- A. The budget proposed for the 1978 Census of Agriculture is \$39.5 million, a 60-percent increase over the 24.8 million dollars for the 1974 Census of Agriculture. Of this increase, 4.0 million is for pay raises, increased printing costs, and the like. In addition, \$9.9 million is included in the 1978 proposal for adjustments to include additional surveys and testing which were included in the 1969 census, but which were excluded from the 1974 census. These exclusions were necessary due to the limited time frame in which the 1974 census could be planned. In addition, the Census of Irrigation and Drainage, which is done on a 10-year cycle, will be conducted as part of the 1978 census.

Improvements for the 1978 Census of Agriculture amount to a net of about \$850,000 since there is a savings of approximately \$900,000 due to increased efficiency in the use of administrative records and processing techniques. The major improvements for the 1978 census include expansion in corporate pattern data to provide linkage to information from other economic censuses and additional programs for evaluation and coverage. The 1978 census budget also includes savings of \$250,000 due to the reduction in the number of farms.

8. Q. The Department of Agriculture, in the hearings, stated that the statistical definition for a farm is decided on a "purely arbitrary" basis. In light of this and of the fact that the Bureau has stated the extreme difficulty it has in finding the small rural farmer, isn't it appropriate to assume that the major reason for the definition change is bureaucratic, not one of providing a more accurate description of agriculture today?
 - A. The farm definition is "arbitrary" only in the sense that it reflects administrative judgments with respect to the objectives of a 5-year census, what statistics it should provide, and what it should cost relative to the uses of the data and the reporting burdens placed on respondents. These judgments are professional, they reflect significant input from data users, and in the current instance, the adopted definition clearly provides for a more accurate description of agriculture than the definition established 18 years ago.
9. Q. Isn't it the classification system not the statistical definition that describes the farming community?
 - A. Several classification systems are used to describe the farming community, including principal occupation, race, tenure, and age of operator, value of sales, type of operating organization, size of farms, standard industrial classification, and for the first time for 1974, a new classification categorizing farms as primary, part-time, business associated or abnormal.
10. Q. Does the definition provide you with any information other than the starting point for the counting of farmers in America?
 - A. The purpose of the Census definition is to provide a uniform minimum criterion for describing the agricultural operations included in the published data.
11. Q. In the course of hearings which have been held on the census of agriculture, one of the overriding concerns of the Subcommittee has been the possibility of an eventual phase out of a separate census of agriculture by making it just another component of the economic census. By excluding the demographic questions in the 1978 census, aren't you in effect doing just that?
 - A. Section 142, title 13, United States Code, specifically requires that a census of agriculture be conducted. The Bureau has no intention of phasing out the census of agriculture. However, it is highly desirable that the census of agriculture be coordinated with the economic censuses to permit an adequate description of the agricultural sector of the economy, and its relationships to other sectors; and to avoid gaps in the coverage of activities of agriculture related industries.

The demographic characteristics that have been traditional in past censuses of agriculture are being continued. However, the need for accurate statistical information about persons who live in rural areas transcends the scope of agriculture. Such demographic data needs exist for all rural residents. We believe that the census of population and housing represents the best means of providing this needed information especially now that legislation passed by the Congress requires quinquennial censuses of population and housing (previously required only at 10-year intervals). In line with this, related current demographic surveys can also be used for updating during the intercensal years.

To insure that this area is not slighted, the Bureau has established a task force charged with the responsibility for identifying these needs for demographic data and to recommend the most effective way to collect them.

12. Q. What is the difference between an agriculture census that collects economic statistics of farming and a component of the economic census that collects this data?
 - A. Each of the components of the economic censuses uniquely reflects the character of its subject-matter field. Thus, the census report forms for the census of manufactures are tailored by industry, and are quite different from those of the census of retail trade or the census of construction industries. Also, the methods for ensuring the completeness of coverage of the census and the quality of the census data differ between censuses. However, there is a basic set of common threads that permit inter-industry analyses and a statistical description of the economy (within the scope of the economic censuses) as a whole. There is no way in which the census of agriculture could lose its distinctive character, its distinctive items of information, and its unique user requirements for data at the county level. However, an agriculture census that collected economic statistics without regard to the other sectors of the economy could not meet the current needs of agricultural economists for data to support sophisticated economic analyses of agriculture and food supply. Also, it could not avoid gaps in the coverage of industries which are not classified in agriculture but which are agriculture-related, such as agricultural services and food processing.

These considerations argue persuasively that the census of agriculture should be coordinated with the economic censuses in their timing, as provided for in legislation passed by the last Congress, and in their conceptualization. This issue is totally unrelated to, and separable from, whether or not data are obtained to relate the demographic and economic aspects of farming.

13. Q. Who in the Bureau will be analyzing the results of the 1978 census? Are they the same people (or division) who designed the questionnaire?
- A. The Agriculture Division has primary responsibility for all phases of the Agriculture census program including planning, data collection, completeness of coverage, and publication. Other elements of the Census Bureau participate in their areas of expertise. The Agriculture Division also benefits from the advice of USDA analysts who are data users of Census Bureau Advisory Committees, and of various inter-agency committees concerned with agriculture. As in other fields, the Bureau intends to seek the participation of experts--especially from academic and research institutions--in the preparation of analytic monographs based on the census of agriculture.
14. Q. In your analysis of the results of the 1978 census and future agriculture censuses, will you have the ability to continue to compare the demographic aspects of farming with the economic aspects? For all practical purposes, is that phase of analysis now eliminated?
- A. The Bureau expects to eliminate questions concerning nonfarm income of family members from the 1978 Census of Agriculture. Other demographic data will be approximately comparable to that collected in 1974 for operations meeting the 1978 farm definition. These demographic data are normally used as classification criteria for economic data. The Bureau will continue to collect and use comparable demographic data in future censuses of agriculture unless the data are available from other sources.

The CHAIRMAN. The next witness we have is Mr. Howard Hjort, Director of Agricultural Economics of the Department of Agriculture.

STATEMENT OF HOWARD W. HJORT, DIRECTOR, AGRICULTURAL ECONOMICS, U.S. DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY WILLIAM E. KIBLER, ADMINISTRATOR, STATISTICAL REPORTING SERVICE; AND EDWARD REINSEL, ACTING DATA COORDINATOR, ECONOMIC RESEARCH SERVICE

Mr. HJORT. Certainly.

Mr. Chairman, although I served in the Department for about 13 years, I've been away for the last 8 years. I've been back in USDA about 8 days now, and so I don't characterize myself as an expert on these matters. I have with me Mr. Kibler, who is the Administrator of the Statistical Reporting Service in the Department, and Mr. Reinsel who is with the Economic Research Service.

The statement has been prepared, and with your concurrence, I'd like to have that submitted for the record, and then briefly summarize the viewpoints.

The Chairman. There'll be no objection.

Mr. HJORT. Thank you.

Let me begin by saying that we're fully in support of the objective of H.R. 682 to reduce the response burden on farmers and agribusinessmen.

And we're also in support of the objective of H.R. 688, to ensure more timely distribution of accurate agricultural census data.

However, the Department is opposed to H.R. 682 as written. We favor the increased use of sampling survey techniques, and we support the efforts of the Department of Commerce in moving toward greater reliance upon those techniques.

We fully support the current farm definition, which was only recently adopted by the Departments of Agriculture and Commerce and the Office of Management and Budget, after lengthy consultation.

As you know, this definition identifies the farm as any unit that sells \$1,000 or more worth of agricultural products in a year. Now, anybody that has a gross return of less than \$1,000 a year from the sale of agricultural products certainly has some expenses, and deducting these doesn't leave a person very much income to live on.

The fact of the matter is that these people are not farmers. Their main income is derived from other sources. They are likewise picked up in other censuses.

The CHAIRMAN. Sort of double-dipping.

Mr. HJORT. Right. They're not excluded from the Federal statistics.

The new definition will include over 94 percent of those that were counted in the 1974 Census of Agriculture, and certainly it will reflect a true estimate of the number of real agricultural units in the Nation.

The modernized definition will, in fact, help us true up some of the statistics that we report through USDA. At the same time, I want to stress that all of these people out there, whether or not they are defined as farmers, will still be eligible for any of the programs of the Department of Agriculture. A person doesn't have to be a

farmer by any kind of a census definition to be eligible for programs and services provided by the extension service, soil conservation service, Farmers Home Administration, or any of the many other agricultural farm programs.

No State will lose any Federal funds currently allocated according to the farm population.

The current Federal fund base is protected. The grandfather clause effect is there. However, any new funds for research or services that could be allocated on the basis of number of farms or number of rural residents would be affected by the new definition.

The flexible definition of a farm, using the index of prices received by farmers as proposed in H.R. 682, would complicate the economic analysis of the agricultural sector, and we believe it would cause confusion.

Although we concur in the need for significant reduction in respondent burden, we do oppose legislation mandating a reduction by a specified amount. The review and approval of data collection systems as provided by the Federal Reports Act should be sufficient control to ensure the protection of respondents.

We also are concerned with a potential problem inherent in demanding publication of census of agriculture data by the end of the year in which the census is taken, as proposed in H.R. 682. A legislatively fixed date, especially a demanding one, could lead to inaccuracies and a generally less-than-qualified job of summarization.

This also assumes appropriate and adequate resources to conduct the census in a timely manner. Undoubtedly the Bureau of the Census has the expertise and equipment to summarize and publish the Census of Agriculture on a timely basis. However, it appears that the agricultural census has had a very low priority within the Bureau, and in our view is repeatedly delayed in favor of other census activities.

The Department of Agriculture does not believe it is appropriate to address the shift of the census of agriculture from the Department of Commerce to the Department of Agriculture as outlined in H.R. 688. There is other legislation pending before the Congress to provide the President with the authority to reorganize the entire Federal Government.

In addition, OMB is coordinating a review of all Federal statistics.

Therefore, we prefer to take no position until the outcome of this legislation and ongoing reviews are known. However, we might point out that there are both advantages and disadvantages in such a transfer. And let me mention those. Perhaps I'll stress the advantages more than the disadvantages, but in any event, the Department of Agriculture does have long experience in conducting sample surveys to gather information for estimates.

The Department is presently engaged in a major effort to build a list of farmers' names and addresses for survey purposes. USDA has an effective network of 44 field offices serving all States to collect and publish current agricultural data.

The staff at USDA is in close daily contact with agricultural data users, and, thus, is qualified to respond adequately to data user requests.

A transfer to USDA would eliminate the misconception of most farmers that the census of agriculture is already conducted by USDA.

USDA has an enviable record in timely publication of agricultural information.

And I want to add one other point on this with respect to the Statistical Reporting Service. In recent years I have served as a consultant, and the Statistical Reporting Service with its procedures, statistical base, its integrity, and its confidentiality, is, in my view, a premier statistical agency. I'm not saying it can't be improved. Any organization can be improved. But the confidentiality of the information, the timeliness, the accuracy, and the reliability of statistics that come out of these department reports, are without peer.

On the other side of the ledger, the Department of Agriculture does not have a mandatory reporting regulation as is available to the Department of Commerce. But we don't see the need for such a provision in the law.

Also, we would note that moving the census of agriculture to the Department of Agriculture would, in some people's minds, remove the independent check on information provided by the two agencies.

That completes my oral presentation, Mr. Chairman.

The CHAIRMAN. Your prepared statement will be in the record at this point.

[The statement referred to follows:]

PREPARED STATEMENT OF HOWARD W. HJOET, DIRECTOR, AGRICULTURAL ECONOMICS,
U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and Members of the Committee, I am pleased to have this opportunity to present the views of the U.S. Department of Agriculture on House Bills 682 and 688. I will address the provisions of H.R. 682 first with my later remarks directed to H.R. 688. The Agriculture Census Amendments Act of 1977 (H.R. 682) provides for a specified reduction in respondent burden, the use of sampling methods, rigid census publication requirements and specifications that will classify farms. H.R. 688 would transfer the function of the Census of Agriculture from the Department of Commerce to the Department of Agriculture.

DEFINITION OF A FARM

First, let me address the issue of definition of farms as provided in the Bill, which the Department opposes. Historically, the definition of a farm has been based on value of production and/or value of sales, usually in conjunction with an acreage criterion. The definition has undergone numerous changes during the past century to meet dynamic economic and structural changes in agriculture. Such changes have been made administratively through the concurrence of major agencies and industry groups concerned. The desirability of the most recent modification was first discussed in the early 1960's when it was recognized that changes in price levels and the structure of agriculture required a modernization of the definition. The Department of Agriculture was closely involved with the Bureau of the Census in developing the criteria which resulted in effecting a new definition to be adopted with publication of the 1974 Census of Agriculture. The Department will publish this new series for the first time in its December 1977 report. This report will also present the number of farms on the basis of both the old and new definition for the 1969-74 period to provide data users with a bridge to the new series.

We fully support the current definition which designates, as a farm, any establishment from which \$1,000 or more agricultural products is sold or would normally be sold during the year. We believe this definition will properly reflect today's agriculture in the economic and statistical data normally used to

describe that sector. Farms selling less than \$1,000 of products account for a very small portion of total agricultural production and an even smaller portion of total cash sales from farming. However, their inclusion as farms has an unrealistic and significant impact on per unit statistics such as net income per farm. Indeed, the socio-economic concept of a farm that has been followed for many years must not be considered outdated. Fewer than 20 percent of families living on farms rely solely on farm income. About 20 percent of those whose occupation is farming do not live on the farm. In an effort to better track such changes new farm classifications are being implemented with publication of the 1974 Census of Agriculture. The Department and the American Agricultural Economics Association will be addressing some of the problems of outdated concepts and data requirements for the future in an "Agricultural and Rural Data Workshop: Improvement of Concept and Operation" to be held this spring.

The changes that have occurred in the structure of farming and the importance of off-farm sources of income to many farm families place the very small operator in the same policy need category as other rural nonfarm people. Traditional agriculture programs to enhance farm prices and farm income do not significantly help these small operators, yet they have been included in the statistics and economic data series that are used for making policy decisions on farm programs. Thus, the elimination of this group from the statistical definition will make data series on the farm sector more appropriate for the types of decisions for which they are used. Congressional authorization of the mid-decade Census of Population and Housing will provide a clear opportunity for acquiring the data needed for both farm and non-farm residents. These data should be considerably more complete for rural residents that produce under \$1,000 worth of agricultural products than the Census of Agriculture data.

The change in the definition of a farm will be largely reflected in statistical data and there will be little, if any, direct programmatic impact on the very small operators. Because of the inflationary trends, the actual number of farms eliminated by the change of definition will be very minimal. In any event, these operators will still be eligible to participate in programs of the Extension Service, Soil Conservation Service, Farmers Home Administration, and Agricultural Stabilization and Conservation Service.

There will be a very slight impact on the distribution of Federal funds for agricultural research, extension, and rural development, particularly after the 1980 decennial census of population figures become available in 1982. The formulas for distributing these funds include variables for farm population and rural population. The impact would be very small because no state loses any of the funds it is currently allocated; the new population numbers are used solely to allocate new funds added to these programs.

The Department of Agriculture believes that the farm definition developed jointly with the Census Bureau is appropriate for today's agriculture and we, therefore, oppose the legislative definition of a farm as proposed in H.R. 682. Adjustment of the minimum sales value using the percentage change in the Index of Prices Received by Farmers would recognize changes in the price level, but would produce census data of reduced value. A constantly changing definition would complicate comparative analyses and lead to confusion. A statistical definition set by law would, on the other hand, be too inflexible. It would be unnecessarily difficult to update the definition when sound statistical policy calls for such a timely change. The review and public discussion procedures used by the Office of Management and Budget in carrying out its responsibility to assure relevance and appropriateness of federal statistics appears more preferable than fixed legislation. The statistical description of an economic sector provides the public, and makers of public policy, with an understanding of the sector and guidance for policy decisions. Statistical definitions established by law may become outdated if the economic structure and policy needs change for a sector.

RESPONDENT REPORTING BURDEN

H.R. 682 also requires a 50 percent reduction of respondent burden for the 1978 Census of Agriculture to be taken in 1979 compared with the 1974 Census. Although we concur with the need for a significant reduction in respondent burden, we oppose a legislative mandate for a reduction of a specified amount.

The purpose of review and approval of data collection systems as provided by the Federal Reports Act should be sufficient control to insure the protection of respondents.

Traditionally, both the Statistical Reporting Service and the Economic Research Service of USDA work closely with the Census Bureau in developing the Census of Agriculture questionnaire. In our opinion, the Census Bureau has erred by making the questionnaire too comprehensive. At the same time, we recognize that during the planning stage the Census staff is besieged by numerous legitimate requests for data, and the process of establishing priorities for data demands is a difficult one.

In the past, the Bureau of the Census has used an advisory committee consisting of representatives of farm organizations, agri-business industries, academic and research organizations, for advice on the types of data that should be collected. The Administrators of the Statistical Reporting Service and Economic Research within USDA are ex-officio members of that committee. We prefer that this procedure, used in conjunction with well established statistical procedures subject to approval by the Office of Management and Budget, be used to reduce the reporting burden rather than legislatively specified remedies. This method allows response to changing data needs such as those now essential in the fields of energy, pollution, and conservation.

USE OF SAMPLING

The Department does support the greater use of statistical sampling in obtaining Census data. USDA has often encouraged the Census Bureau to consider using a sampling approach to reduce respondent burden and cost, rather than attempting to obtain reports from all farmers. Sampling, however, has been used only to a very limited degree in primary censuses of agriculture. There has been some use of sampling in follow-on surveys.

RELEASE OF DATA

In today's dynamically changing agriculture, the usefulness of data diminishes rapidly with the passage of time. The Department of Agriculture feels strongly that there should be a realistic time between data collection and publication of the Agricultural Census. The long time span for both the 1969 and 1974 Censuses is not considered realistic.

Undoubtedly, the Bureau of the Census has the expertise and equipment to summarize and publish the Census of Agriculture on a timely basis. However, it appears that agriculture has not had high priority within the Bureau, and its needs often delayed in favor of other census activities. We are concerned, though, about the advisability of requiring publication of information by the end of the year in which the census is taken as prescribed in H.R. 682. A legislatively fixed date, especially a demanding one, could well lead to inaccuracies and a generally less than quality job of summarization. This also assumes appropriate and timely receipt of adequate resources to conduct the Census in a timely manner.

TRANSFER OF THE CENSUS OF AGRICULTURE TO THE DEPARTMENT OF AGRICULTURE

The Department does not believe it appropriate to take a position on the proposed transfer of the Census of Agriculture functions from the Department of Commerce to the Department of Agriculture as outlined in H.R. 688. The President has legislation pending before the Congress that would enable the Executive Branch to begin a major reorganization of the Federal Government. It is expected that the thorough study and review of all functions that will be considered for realignment and/or transfer under any reorganization will produce a more effective plan for improved performance of the Executive Branch. One of the principal advantages of such a review is the independent participation of staff outside either Department. Such participation should be expected to help insure a more objective analysis. The Office of Management and Budget is currently working on "A Framework for Planning U.S. Federal Statistics, 1978-1989" which will provide a more systematic and comprehensive effort in the planning of Federal statistical programs.

There are a number of advantages and disadvantages to be considered in connection with the functional transfer proposed by H.R. 688. I would like to

briefly review these as I understand them. Some of the advantages of a transfer to the Department would include:

(1) The USDA has long experience in conducting sample surveys for collecting agricultural information at both local and national levels. A centralization of the agricultural data collection responsibilities could reduce respondent burden and eliminate some duplication of effort. Census restrictions imposed by Title 13 now makes it impossible for the Bureau of the Census to exchange data with the Department of Agriculture although the Department traditionally provides Census data which helps produce an improved product.

(2) Major efforts are underway in USDA to develop and maintain a complete list of farm operators for current survey activities. The list will be kept current using the most up-to-date survey data. This list could be used in collecting the Agricultural Census data and would help reduce respondent burden. It should be noted, however, that the Census Bureau also has a list but it is presently not available to us.

(3) USDA has in place an effective network of 44 statistical offices and experienced staffs to give local and personal assistance in list development and maintenance and agricultural data collection activities.

(4) A transfer would eliminate the misconception by a majority of farmers that the Census of Agriculture is conducted by the Department of Agriculture.

(5) The Department of Agriculture has a unique record in the timely collection and release of agricultural information.

(6) USDA staffs are in constant contact with agricultural data users on information needs. Thus the Department should be qualified to establish realistic priorities for agricultural data requirements.

On the other hand, some of the disadvantages of such a transfer would include:

(1) The absence of a law requiring mandatory reporting by respondents and guaranteeing confidentiality for the data respondents report. Legislation is being developed to overcome the latter concern. The Department does not seek mandatory reporting requirements.

(2) The Department does not have, nor would it seek, authority to use income tax records in the development of lists of names and addresses of farm operators.

(3) The collection of the Census of Agriculture data by the Department of Agriculture will remove an independent check by a different agency on the various series of current agricultural statistics published by USDA.

(4) The Department of Agriculture has no single data collection activity which is as large a project as the Census of Agriculture and thus may be considered as lacking experience for a job of this scope.

There are, no doubt, other advantages and disadvantages. However, those cited have been expressed most frequently from many sources. We believe they warrant thorough discussion and evaluation.

Today's dynamically changing agriculture needs timely and reliable data for making intelligent decisions on policy, marketing, and production. The source of such data is of minor importance compared with the equality and timeliness of the data. In this respect, the Census of Agriculture needs to be improved. Regardless of where the Census of Agriculture functions are assigned, factors such as questionnaire content, adequate resources in terms of staff and funds, data needs, survey design, and the level of respondent burden should all be given strong consideration in developing plans for this effort. A good quality census reflects favorably on the Department of Commerce and the Department of Agriculture; a poor quality census reflects unfavorably on both Departments.

Mr. ROUSSELOT. My chairman says he'll be back in just a minute.

Do you want to comment on Congressman Rose's remarks? Were you here when he testified?

Mr. HJORT. Yes; I was.

Mr. ROUSSELOT. Do you want to comment on his statements about the problems he sees in leaving the definition of a farm \$250 to \$1,000—what he considers to be a removal of a substantial number of farms in his State.

Mr. HJORT. I did mention that in my brief remarks. Let me repeat that part of it, though, because you were not here at that time.

Mr. ROUSSELOT. Well, I don't want to ask you to—

Mr. HJORT. I think it is very relevant. I would appreciate the opportunity to respond to the question.

Mr. ROUSSELOT. First of all, is \$1,000 gross?

Mr. HJORT. Yes; and anybody that sells \$1,000 worth of agricultural commodities has some expenses associated with producing these commodities. So these people, in fact, are not farmers. Their major source of income is from other sources.

The second point is that any person is eligible to participate in any of the Department programs that are available. Eligibility is not statistical definition of a farm. Any person in North Carolina, or any other place, is eligible to receive the assistance of the Extension Service or Soil Conservation Service, or any of our other action programs. Eligibility is not conditional on a place being defined as a farm.

These people that will no longer be defined as farmers are not forgotten. They are included in other censuses. Where they are rural residents, their income is reported in other censuses. And their agricultural production is a very small portion of our total.

Mr. ROUSSELOT. What other censuses report them?

Mr. HJORT. In the general decennial population census to be taken in 1980 and in the new approved mid-decade census to be taken in 1985.

They're included, they're people. They're citizens of the United States. So, obviously, they're included, and so is their income.

There is the grandfather clause that protects the base for research funds. Current Federal funds going for research will continue to flow at the same level established by the old definition. The allocation of any new money that might be based on the number of farms would be influenced by the new definition. And that is the only point that seems to be of great concern.

Mr. ROUSSELOT. Well, I think we understood from Congressman Rose that it wasn't the gross income. I don't think there was an attempt on anybody's part to misunderstand that. I guess if you produced \$750 worth of farm income, which is a relatively small family operation, even if it was outside income of some kind, and worked hard to produce that, I guess you'd consider yourself a farm.

What is the advantage in eliminating them as an economic unit producing in the agricultural field? My understanding was that the figure in California would be 6,000 farms eliminated. Is that correct?

Mr. HJORT. I'm not sure.

Mr. HAGAN. That was the figure I said, Congressman.

Mr. ROUSSELOT. Was that right?

Mr. HJORT. I understand that's from the 1969 census.

Mr. HAGAN. 1974. The table's being provided to counsel.

Mr. HJORT. I think Congressman Rose's numbers would be based on 1969.

Mr. HAGAN. I think his numbers were.

Mr. ROUSSELOT. No; I think his numbers were 1974.

Mr. HAGAN. Well, they were much too high for 1974.

Mr. ROUSSELOT. Were they? I'm sure income's gone up.

Mr. HJORT. The main advantage is that it trues up the statistics that are used to report on the structure and characteristics of American agriculture.

Mr. ROUSSELOT. Yes.

Mr. HJORT. That's the advantage.

Mr. ROUSSELOT. Well, I guess my problem is, I don't care for producing on a part-time basis. If they're producing tomatoes, or tobacco leaves, or whatever it is, if they are part of the stream, I don't see the advantage in eliminating them.

I know I'm a little bit slow; I'm a Member of Congress. But could you explain that to me?

Mr. HJORT. As I said, very few who produce less than \$1,000 worth of products would class themselves as farmers. There are even a large number of people above that line who would not class themselves as farmers.

Mr. ROUSSELOT. Let's take somebody above \$1,000. Give me an example of somebody that produced, say, \$5,000 worth of gross income and doesn't consider themselves a farmer.

Mr. HJORT. A person that has \$5,000 income from a farm could be—

Mr. ROUSSELOT. Well, let's say, for the sake of argument, he produces tomatoes, how's that, in California.

Mr. HJORT. And then I'd say he's president of a bank.

Mr. ROUSSELOT. Fine.

Mr. HJORT. That's the difference. And he'll report that his main source of income is from a bank.

Mr. ROUSSELOT. But he's still producing \$5,000 worth of tomatoes. And what you're saying to me is that the income cutoff point really doesn't matter. It's where he earns his principal income. That's what you're saying.

Mr. HJORT. That wasn't exactly what I was saying.

Mr. ROUSSELOT. Well, but you said it really doesn't matter if it's above \$1,000. There are some people that produce more than \$1,000 that don't consider themselves to be farmers, but they may contribute to agricultural production.

Mr. HJORT. Certainly.

Mr. ROUSSELOT. And they are a unit.

So, I guess what you're saying, then, it doesn't matter what the income cutoff point is, that becomes arbitrary as to whether they consider themselves to be producers, major producers, in the agricultural field. Is that correct?

Mr. HJORT. That, apparently, has been the way the definition has been cited ever since it's been discussed—arbitrarily.

Mr. ROUSSELOT. Well, what I've heard you say—and maybe I shouldn't have interrupted you, I should have let you complete it—that the income itself, as income received by an individual or a family, is not as important as whether that individual or unit considers themselves to be principally in farming. Is that right.

Mr. HJORT. I was simply saying from their standpoint.

Mr. ROUSSELOT. Yes.

Mr. HJORT. From their standpoint it probably isn't. It's very important to have a definition from the standpoint of the Department of Agriculture.

Mr. ROUSSELOT. I understand that.

Mr. HJORT. An example is for the purpose of describing the structure of the agricultural sector.

Mr. ROUSSELOT. But you see what Charlie Rose is saying to us is that there are people who produce \$750 dollars in some kind of gross income from agricultural produce of some kind. They consider themselves in farming, whether we like it or not. Why should they arbitrarily be cut off because they're under \$1,000?

Mr. HJORT. And all I'm saying is that they're eligible for all of the Department programs—the operating programs out there. The definitions have nothing to do with that. They're eligible for the services.

Mr. ROUSSELOT. Yes.

The CHAIRMAN. But isn't State and county aid based on the number of farmers? Are there certain Federal benefits you get by having just a numerical number of farmers?

Mr. HJORT. There are under certain programs, such as agricultural research, which was a concern. As I said, as I understand it in the law, there is the grandfather clause that protects the present Federal fund base.

But additional new money that might be appropriated in the future would be influenced by this change.

The CHAIRMAN. It would be a fail-safe thing that you could benefit from any new source programs that would be initiated.

Mr. HJORT. You would benefit according to the new definition, rather than the old.

The CHAIRMAN. Right.

Just to follow that up, briefly. We talk so much in terms of economics and I keep getting back to the same question. Is there that much of a need for a separate agricultural census, as separate from a regular economic census that you get from other segments of the economy? It's just a burden on the agricultural producers that doesn't seem to be as heavy on the other segments—of our economic community.

Mr. HJORT. Well, as you know, the Statistical Reporting Service is collecting current information on a regular basis. That information, of course, needs to continue irrespective of the question of how the census is conducted.

I would expect that there could be some advantage in the suggestion that was made earlier here, that, in a census there are very few items that are needed to describe the general population. These could be collected in one census. Then there's still the agricultural economic data needs that must be filled. Some of it is now gathered by the Statistical Reporting Service in the Department and some of it through the Census, that may more properly fit together.

The CHAIRMAN. There's obviously some overlap.

I have no other questions.

Mr. ROUSSELOT?

Mr. ROUSSELOT. Mr. Hjort, I may just write you a letter on this definition problem. I'm not sure I understand what I consider to be the arbitrariness of the \$1,000 figure versus the \$250 figure, at least what it appears to me to be on the basis of today's testimony and the testimony we had last year. So I'll write you and get you to

elaborate, especially when I understand that you have categorical definitions of a farm.

Mr. HJORT. We have—

Mr. ROUSSELOT. Classifications; primary farm, a parttime farm, business—

Mr. HJORT. Those are to be in a used Census.

Mr. ROUSSELOT. But you pay attention to that.

Mr. HJORT. Those are the classifications that are used in the Census of Agriculture. We would use these. We cooperated with the Census in defining these.

Mr. ROUSSELOT. But do you make use of those?

Mr. HJORT. We make use of the statistics.

Mr. ROUSSELOT. It's a difference to you as to how to classify.

Mr. HJORT. Right.

Mr. ROUSSELOT. And I wonder if that classification isn't more important than the dollar figure.

Mr. HJORT. It probably is. We use both.

Mr. ROUSSELOT. So why does it harm; if you have those kinds of classifications, why does it do harm to still count one that produces \$250 or more up to \$1,000.

Mr. HJORT. I don't want to imply that I think it does harm. It's a question of the reliability and the accuracy of how one portrays American agriculture.

Mr. ROUSSELOT. Right.

Mr. HJORT. The response or completion rate for questionnaires from the small farms is low. I'm sure the people in the Bureau of Census can tell you more precisely than I, but I think it's certainly true that these units that have very small gross income from agriculture have the highest nonresponse rates, making the data less accurate, and it would be very difficult and expensive to get information from them.

Mr. ROUSSELOT. Right.

Mr. HJORT. And, in large part, because it's the logic that they don't really consider themselves farmers. We would be very happy to respond.

Mr. ROUSSELOT. Thank you very much.

The CHAIRMAN. Thank you very much.

We have some questions that we'll forward to you in the form of a letter, and your response will be included in the record without objection.

[The questions and answers follow:]

Question. I am told that in the past the USDA has provided lists to the Bureau of the Census to assist them in the taking of the census. As you know Congress recently appropriated 1.2 million dollars to the Department for the purpose of compiling a National List of Farmers. I understand negotiations are currently underway to determine whether or not the Department will provide the list to the Bureau. Do you anticipate any problem in this respect?

Answer. In all recent Censuses of Agriculture, USDA, SRS, has cooperated by providing lists of extremely large livestock farms and lists of specialty crop farms. These lists had been compiled for the crop and livestock estimating program and no major costs were involved in providing them to the Census.

The current project to build a national list of farmers is not scheduled for full completion until late 1978. We have pointed out to the Census staff that

this schedule may present some timing problems for using this list for the 1978 Census of Agriculture. Much of the time required to build a list of all farm operators is associated with verifying that names and addresses secured from administrative records, such as ASCS files, really represent operating farms. SRS also is collecting control information, such as size and type of farm, which is required for efficient sampling. This process is very time consuming since it often involves some contact either by mail, telephone, or personal interview with the individuals who turn up in the list building process. This process could be greatly shortened or simplified if it were possible to obtain all this information from the administrative records or from a source such as the list used for the 1974 Census of Agriculture. Both USDA and the Census Bureau have long recognized the need and desirability for reducing both costs and respondent reporting burden by sharing, for statistical purposes, both lists and information collected by each agency. Unfortunately, this sharing has not been possible because of restrictions placed on the Census Bureau by Title 13 of the U.S. Code. USDA has and will continue to cooperate with the Census in every way possible to ensure that the Census of Agriculture results in a quality product. We do not anticipate any difficulty in working out the scheduling and other details for making this list available to Census for their use. The Department is also anxious to make full use of data that might be provided by Census, within the limitation of Title 13, to support the list building activity.

Question. Is it correct to assume that the list is being gathered with the new definition as its criterion? If it were to revert back to the previous definition how would it affect the gathering of information for this list?

Answer. Presently, the Department is required to estimate total agricultural production regardless of whether it comes from places defined as farms. Hence, it is important to have a list that includes all producers regardless of size of operation. Practicality, however, dictates that the list be more complete for larger producers.

The list development activity is divided into two major phases. The first phase involves obtaining lists of names and addresses of all operators along with whatever measures of size might be available. In most instances, control data for an individual operation is incomplete which makes it nearly impossible to classify farm operators who are near (on either side of) the borderlines of either the old or new definition. The second phase involves obtaining sufficient control information to enable farm or nonfarm classification for these borderline cases. Thus, our process can easily adapt to any given farm definition. With this flexibility, and since the charter of the Statistical Reporting Service is to measure all agricultural activity, those individuals with agricultural sales less than the amount described by the farm definition will be retained as a portion of the list.

Question. In testimony before this Subcommittee, last year, there were assurances that there would be no effect on funding programs with the implementation of this new definition. Now the Department states that the impact of this definition on funding will be very small. Will you please clarify?

Answer. The implementation of this new definition would have no effect on present Federal funding to States for agricultural research, extension, or related programs. Its impact would be felt with the allocation of new funding that might be based on the existing farm population. However, since new appropriated money is generally small relative to the current base, the overall impact on funds is likely to be very small. For example, using the best available sample data for the 1975 farm population, on the basis of the old as well as the new definition, and assuming no change in rural population since 1970, a \$1 million new allocation for the Hatch Act funds or the Smith-Lever Act would result in the following allocation changes: (1) the largest gain by any State would be \$1,000 more in the Hatch Act and \$1,200 more for extension programs; and (2) the biggest losses would be \$800 in the Hatch Act and \$600 in extension funds.

There would be no impact or change if no new money is appropriated. No State loses any money it is currently allocated and all would gain from any additional appropriation. Data used in these formulas must come from the Census of Population, so there can be no possible impact before these data are

available in about 1982. The Hatch Act and the Smith-Lever funds are distributed as follows:

[In percent]

Distribution characteristic	Hatch Act	Smith-Lever Act
Administration.....	3	4.0
Each State equal.....	20	19.2
Nonformula.....	25	-----
Rural population (excluding farms).....	26	38.4
Farm population.....	26	38.4
Total.....	100	100.0

Farm population excluded by the new definition would merely increase the rural population total. Factors likely to impact these allocations considerably more than any change in number of farms are the shifts occurring between urban and rural populations between 1970 and 1980. These shifts will be measured by the 1980 Population Census that will be published in 1982.

Question. The Department stated, in the hearings of March 17th, that it would prefer to withhold comment on the proposed transfer of authority of the taking of the agriculture census from Commerce to Agriculture. Does this reflect a change in the Department's position of the past?

Answer. During the past year a number of things have occurred that influenced the Department to take its present position on House Bills 682 and 688. Legislation has been approved that ensures a mid-decade Census of Population in 1985 and subsequently every 10 years. This Census will provide a new vehicle for acquiring better quality demographic, economic, and social data about farm and rural families. New House Bill 688 sets no rigid time frame for transfer of the census as was the case for H.R. 12397 and 1976. Farmer concerns with reporting burden continue to increase and their feelings are being expressed through both the Legislative and Executive Branches. The Department has received additional appropriations for developing a list of farm firms to be used in improving its current statistical programs. This list would be beneficial in taking the agricultural census. These factors and the President's desire to make a detailed study and review of all Executive Branch functions that might be considered for reorganization, make it most inappropriate for the Department to take a firm stand now for or against H.R. 688. As pointed out in our testimony, both advantages and disadvantages can be identified with the functional transfer proposed. These can probably be best debated and more objectively evaluated by people outside the Departments of Agriculture and Commerce.

Mr. LEHMAN. Would you care to have Mr. Hagan come back, Mr. Rousselot?

Mr. ROUSSELOT. Yes; thank you.

Could you comment for us on some of Congressman Pressler's comments? I know you were here when he gave his testimony. Could you comment on some of the statements that came up in this meeting that he had in South Dakota, February 11, where none of the people supplying the statistics seem to appreciate or understand what it's all for?

Mr. HAGAN. Yes; sir, I think that our being there is an indication that we had reached the same conclusion, basically, because, in fact, our response rate indicates much more resistance.

Mr. ROUSSELOT. Right.

Mr. HAGAN. And clearly it is our responsibility, whether it's explicit or not, to communicate better with the public, and, well, according to our tallying of questions, there seems to be quite a range of numbers—

Mr. ROUSSELOT. At that meeting?

Mr. HAGAN. No, I'm talking in general. The 1974 Census doesn't have quite as many inquiries as the 1969 Census. But, nevertheless, the resistance was much greater on the part of the farmer, and clearly the uses and the needs were not understood by the farmers.

I think the benefit to the farmer has to be viewed as an indirect one rather than a direct benefit—I don't think the kind of question: "Have you used the Census of Agriculture in planning your operation?"—would elicit many positive responses. But to the extent that the census information itself, and particularly as it relates to smaller areas, is used by many other elements in the agricultural economy to provide additional product services and so forth, it's certainly defensible, and I invite Miss Kallek to make a few more comments if she will concerning our uses.

Mr. ROUSSELOT. Were you at this meeting?

Miss KALLEK. Yes; you have some problems not only in the agriculture census, but with all economic and demographic censuses.

A small farmer, or a small businessman doesn't use the data directly, but we feel it would be to his advantage. That is one of the things we're trying to show him—how to use the data. We've had a series of data user conferences and we have been preparing case studies to show how this information can be used. But at the present time it's used by the farm associations.

Mr. ROUSSELOT. You mean the marketing cooperatives?

Miss KALLEK. Right. For example—

Mr. ROUSSELOT. Well, let me interject at this time. Why wouldn't the market cooperative for which these farmers are operating, or might be operating have told them the value of it?

Miss KALEK. Because in many instances even the farm cooperative doesn't really know where the data comes from. I'll give an example. Several years ago one of the largest manufacturers in this country wrote to us stating they no longer intended to report in a monthly census survey of tractor production, because they knew their own monthly production, and they got the industry figures from their trade publication. They never associated the fact that the trade publication was just reissuing the Census Bureau data to which they were contributing in their census reports.

This is a problem of communication, and where data gets used. Our data are not copyrighted. Anybody can use them. And the most important thing is that they be used; not really that the farmer, per se, knows exactly where they come from, because the benefits are there in any circumstance.

But the tractors are distributed for sale by county, and the way they know how many to put in each county is by use of the Census data—this is how planning is done.

Another example is the use of agriculture census data by another tractor manufacturer, which wished to manufacture a new type of combine, and their engineering department wanted special data—special tabulations from the Census to identify the characteristics most needed by farmers for economy of operation.

And so the data are used by a great many people, but just as importantly are used as bench mark information for general surveys. For example, it's used to bench mark the agricultural section of the gross national product.

It's used by numerous other Government agencies, and, as Mr. Hagan said before we'll submit a specific list of the types of information that were requested by the various agencies.

Mr. ROUSSELOT. Have you published any kind of an information booklet, or have you been allowed to, that could be given to farmers to show the value of the data they produced for you in these surveys—where the end product is, where it goes, how it may be helpful in the marketing cooperative, how it may help the grain elevators?

Miss KALLEK. Again, this is a problem with the agricultural census or the economic censuses. We did prepare booklets in the 1974 census. We obviously have to prepare additional types, because they were not as effective as we thought they would be.

We will be sending out special booklets with the census of agriculture forms, and with the economic census forms, because of the need to have people know why they should report and the advantages to them in being reported.

Mr. ROUSSELOT. Now, have we failed you in giving you the where-withal—and I don't mean to carry on a propaganda campaign—to provide that kind of information to the people from whom we're trying to glean information?

Mr. HAGAN. No.

Our authority and the responsibilities are clear, and in our relationships with this committee I think the support we've received has been quite good. I would like to refer back to a comment in my testimony.

I think it would be more of a general comment. It may ont be specifically identified in the same language, but in my testimony I did reference the fact that the 1974 census obviously had a number of problems. And some of those problems were caused by factors beyond the control of the Bureau of the Census, such as the impoundment of the planning funds for the 1974 census with the original intent to delay it for 7 years.

As you know, in Public Law 93-86 Congress restated the requirement that the census be taken for 1974. While this problem was being resolved, we lost about 15 months out of the normal 2-year preparation and planning period. In the rush to get ready for the census we let ourselves be persuaded to include questions that had not been pretested and questions that previously had been asked on a sample basis.

Mr. ROUSSELOT. Yes; the question count rose from 165 questions to 911 questions in 1974?

Mr. HAGAN. I don't accept the question count. Our best count, for the larger of the two forms used for the 1974 census indicated that there were a possible 750 entries including checks for yes-no boxes and things like that.

So, I don't know the source, and I certainly don't support the accuracy of the count.

Mr. ROUSSELOT. I guess if we got it from our previous hearings—

Mr. HAGAN. I don't think the source was identified there. I don't recall. The 750 count is one that we have made.

Mr. ROUSSELOT. For 1974, that's your count?

Mr. HAGAN. That's the approximate number of items of information we have requested. They cover all possible kinds of agriculture

and no farms in the Nation approaches having to answer even half of them.

The average number of responses given by farmers on a national scale is 114.

Recognize that the questionnaire was designed for all sizes of farms, all geographic areas, had to carry every crop, all kinds of livestock, fruit, nut trees, and the whole array of commodity information.

Mr. ROUSSELOT. There are lots of nut trees.

Well, then, your feeling is that you do recognize that people aren't responding because they don't understand?

Mr. HAGAN. They certainly didn't. There was ample evidence in their letters.

Mr. ROUSSELOT. And they clearly feel overburdened.

Mr. HAGAN. That's certainly true.

Mr. ROUSSELOT. And you feel that you've analyzed it carefully enough to decide that next time, whether it's an agricultural census or an economic census, or whatever, that you're doing the best you can to reduce that down and eliminate unnecessary questions?

Mr. HAGAN. Yes; sir, there will be very substantial reduction in the number of questions that the average farmer would have to answer.

Mr. ROUSSELOT. Maybe you've said that before—percentage wise, how much?

Mr. HAGAN. It's very close to 50 percent.

Mr. ROUSSELOT. You can achieve that?

Mr. HAGAN. Yes; through this combination of a shortened form, and additional sample follow-on surveys where we are going to have to get additional information in much more detail. But we do plan to submit a draft questionnaire, and you'll be able to observe the reduction.

Mr. ROUSSELOT. Well, I'm glad to hear that you were present with the Pressler seminar—whatever we call it—in South Dakota. How many more of these will you hold throughout the country?

Mr. HAGAN. The number is really not set. We're responding to invitations on request. There are several more planned.

Miss KALLEK. We have to be on the road a great deal.

Mr. ROUSSELOT. So, by the end of the year you'd get about how many?

Miss KALLEK. Well, for the farmer sessions, I think we have about six or eight set up for the next several months.

Mr. ROUSSELOT. Will you plan to notify the Congressmen and the Senators from that area, so that they can get their constituents, who yelled and screamed about this, to those meetings?

Miss KALLEK. Many of them are being set up with cooperation of the various congressional offices. For example, I'm going down to Florida the first week in April.

Mr. ROUSSELOT. I see.

Miss KALLEK. The northern part of Florida.

Mr. ROUSSELOT. Do you have such a schedule for California?

Miss KALLEK. Not at this time.

Mr. HAGAN. We'll be available.

Mr. ROUSSELOT. Well, since farming is our biggest dollar product, I think maybe it might be helpful. I used to have substantially more

farming activity that I do now, after reapportionment, but it is a rather important thing, especially because of the problems and other issues that are now affecting it; the dams that are being cut off and things like that. Anyway, we appreciate that you're responding, and I think education is a primary part of the problem.

I hope you will help us anticipate for the 1980 census. We are immediately deluged, as you know from history, long before they ever hit everybody's mail box and/or the interviews begin, by all kinds of suspicions.

We might anticipate some educational meetings in several parts of the country. I know there are other ways to spend money, but I think we might anticipate that for the 1980 census.

Mr. HAGAN. We've been working at that, Congressman, for several years. In fact, we held around 90 local public meetings wherever we could obtain local sponsorship, and there were some held in California and other States.

Mr. ROUSSELOT. For 1970 you mean?

Mr. HAGAN. For 1980—in 1975, we spent a great deal of time that year trying to get citizen input, and this information funneled into complex mechanism for decisions on what kind of information people needed.

Clearly, one of the big messages we got from that was the great need for information on disabilities, health care and things like that. So, we had a very expanded forum.

Mr. ROUSSELOT. I'm just trying to anticipate what we'll have to face as we approach 1980.

Mr. HAGAN. Well, I completely agree with you.

Mr. ROUSSELOT. Every Member of Congress is affected, and considers themselves immediately an expert when they have 10 constituents comment on how bad the situation is and ask the questions they ask. So anything you can do will help.

Mr. HAGAN. We certainly appreciate anything Congress will do to support it. Our goal for the 1980 census is to do everything possible to improve coverage. That's No. 1. Particularly, we'll focus on minority populations where there was an undercount.

The CHAIRMAN. We're going to get some rough drafts, not only of agricultural, but of other types of questions in the next 60 days.

Mr. HAGAN. Yes; sir, and the requirements enacted in the law reporting on subject matter content in a few weeks.

The CHAIRMAN. Thank you again, Mr. Hagan.

Mr. ROUSSELOT. Thank you for staying.

The CHAIRMAN. We have a vote coming up. Mr. Weller, from the National Council of Farmer Cooperatives, was scheduled to appear next. Mr. Weller, the Chair regrets that we will not be able to hear your presentation today. We will include your statement in the record and you may supplement it in anyway you wish by communicating that desire to the subcommittee.

Mr. Rousselet?

Mr. ROUSSELOT. Can you inform the members in your cooperatives as to the value of this census?

Mr. WELLER. Well, we helped supply material for that hearing, Congressman. I might say, in defense of what was said here, I think

the marketing and farm supply cooperatives know where that information comes from. They use it every day. I think a lot of farmers know about it.

[The prepared statement submitted by Mr. Weller follows:]

PREPARED STATEMENT BY PAUL S. WELLER, JR., VICE PRESIDENT FOR PUBLIC AFFAIRS, NATIONAL COUNCIL OF FARMER COOPERATIVES

Mr. Chairman, the National Council of Farmer Cooperatives appreciates this opportunity to comment on legislation before this Subcommittee relating to the Census of Agriculture. I am Paul S. Weller, Vice President for Public Affairs of the National Council, and have personally served as a member of the Agricultural Advisory Committee of the U.S. Census Bureau for more than five years.

American farmers currently own and control approximately 7,600 local marketing and supply cooperatives doing a gross annual volume of more than \$50 billion. Through its membership, the National Council represents approximately 80 percent of this cooperative agricultural industry.

Farm marketing and supply cooperatives are regular users of agricultural data collected by the quinquennial Census of Agriculture. Such data, collected and compiled both by county and by enterprise and farming operation, is critically needed in the daily operations of these vital agricultural businesses. It would be difficult, if not impossible, for us to maintain increasing standards of efficiency and effectiveness without factual and relevant data. As a result, the National Council has been a long-time supporter of the Census of Agriculture, and has had staff members serve on its agricultural advisory committee for more than 30 years.

As an active member of this advisory committee for five years, I have been party to many lengthy deliberations on the issues surrounding this nationwide Census. And it is on these issues, as brought forth by House bills H.R. 682 and H.R. 688, that I would like to comment this morning.

H.R. 682

I would like to begin first with H.R. 682. The first issue to be addressed here is the reduction of respondents' burden from future Censuses of Agriculture. No one would agree more than I that the burden should be reduced. It should be—and it will be. But I strongly question whether it should be mandated through legislative action. Especially when the issue is being worked on at this very time by the staff of the Bureau of the Census, and by the members of the agricultural advisory committee.

Attached to this statement is a copy of a letter dated November 8, 1976, and signed by three major farm organizations whose members serve on the advisory committee. It outlines a simplified data gathering process for the 1978 Census of Agriculture, and for future Censuses. Such a simplified data gathering process is now being finalized within the Bureau of the Census. Drafts of a simplified questionnaire have already been distributed to members of the agricultural advisory committee. Comments have been received from myself and others who are closely allied with farmers, agricultural industry, and data users.

Although neither I nor the Bureau of the Census can report this morning to this committee on the exact procedure that will be used in 1978, we can report to you that it will be as simplified as is possible to collect the necessary data. We anticipate that it will include a short form to all identified farmers and farm operations, plus a 20 percent sampling to gather more detailed farm data. We are hoping that these 20 percent of the farmers asked to fill out a long form in 1978, will not be asked again for many years. And that the burden, if any, will be rotated to other farmers in 1983 and beyond. We feel that this procedure is best worked out administratively by the Bureau and its professional advisors.

The next issue in H.R. 682 is the census definition of a farm for data collection purposes. H.R. 682 proposes to revert back to the previous census definition indicating that a bonafide farm is "any place that produces \$250 or more annually on 10 acres or less, or any place that has 10 acres or more and produces \$50 or more annually in agricultural goods." We think that this is a mistake.

This census definition of a farm was adopted in time for the 1954 Census of Agriculture. It was adopted 23 years ago when realized net income per farm was averaging \$2,476 annually, when disposable farm income per capita was \$880 and when total assets per farm were \$24,465. Total farm income that year was \$34,080,000,000.

Times have changed. Today, total farm income is more than \$100 billion—three times the 1954 figure. Prices received for many agricultural commodities have doubled or better. And it seems feasible to the farmer cooperatives that similar revisions must be made in the census definition of a farm.

Toward this end, the National Council has participated for more than three years in a study and evaluation of changing and updating the census definition. After much debate, the National Council and a majority of the agricultural advisory committee decided that this definition should be revised to include establishments selling \$1,000 or more of agricultural products annually. This decision was reached through compromise. Midwestern and western advisors favored a shift to minimums as high as \$2,500 in annual sales. Other committee members advocated changes to \$500 and \$1,000. USDA economists leaned toward a \$2,000 annual sales definition. Deliberations through 1974 finally netted the \$1,000 compromise to be used for the 1974 Census of Agriculture.

As inflation increases the prices of goods and services, we question the advisability of retaining a definition of working farm that is far below that of a minimally profitable unit. The 23-year-old \$50-\$250 definition would categorize as a working farm any place that produced approximately 18 bushels of wheat, 20 bushels of corn, or 600 pounds of milk during a year. Small urban garden plots that produced sales of approximately 375 quarts of strawberries, 3,500 ears of sweet corn, or 50 bushels of cucumbers would qualify as working farms.

Data available to us reveals that less than seven percent of all farms produced less than \$1,000 annually in 1974, and that these marginal operations accounted for about one percent of the farmland and about one-half of one percent of the value of agricultural products sold in that year. Certainly, the importance is even less today. We could not justify a return to a definition that would surely mislead our data users as to the real number of farming operations in the U.S., and we urge this committee to endorse the decision of the Secretary of Commerce in December, 1976, that ordered future census data to be collected using the \$1,000 per annum production figure.

Another issue raised by H.R. 682 is that of the ownership of farms, and the collection and reporting of data relating to that ownership. This requirement seems to us to be contradictory to the provision that the Census Bureau should reduce the respondents' burden, for it would surely add yet another section to the already over-burdened census questionnaire. But, Mr. Chairman, I'm sure that the agricultural advisory committee should be pleased to consider adding this new section.

Finally, H.R. 682 proposes that all data collected by the Census of Agriculture be published no later than December 31 of the year in which the Census is taken. We think that this goal is a good one, but we have serious doubts that such a goal is feasible. To legislate such a mandate would place undue burden on an already over-burdened system. Let me explain.

Some 3.4 million Census forms are mailed during the last week of the census year—in this case, during the week of December 25-30, 1978. Farmers are requested to fill out these questionnaires, and return them to the Census Bureau as soon as possible. Unfortunately, it has been the experience of the Census Bureau that the bulk of these questionnaires are not being returned—if they are at all—until late March or April. Indeed, by July 15, 1975, only 85% of the required data had been received by the Census Bureau. And this had been after one or more mailed reminders. This procedure then gives the Census Bureau less than six months to compile, cross tabulate, and publish the voluminous amount of data. It may be possible to compile and publish county data in eight or nine months. But we doubt that state and national data can be cross tabulated and published in that length of time. Indeed, the only feasible way to speed up the process that we see is to speed up the completion of the questionnaires by the farmers.

This would be possible by using personal enumerators to go from farm to farm, a process dropped in 1969 because of the cost and of the desire to give farmers more privacy and convenience. It would be best done through a cooperative program with federal agricultural employees from county government centers. This nationwide network of rural community centers is a pro-

posal that the National Council is working on with the U.S. Department of Agriculture and its Rural Development Service. It is not in place at this time.

H.R. 688

I would like to comment on the major issue addressed by this legislation—that of transferring the Census of Agriculture responsibilities from the U.S. Census Bureau to the U.S. Department of Agriculture. This bill would in effect eliminate the quinquennial Census of Agriculture. We strongly oppose it.

There are many reasons for our opposition to this proposal. I will outline several: (a) The Bureau of the Census is the logical government agency to conduct censuses, and is properly staffed and equipped to do that job; (b) The U.S. Department of Agriculture is not staffed or equipped to do the job, and traditionally has opposed assuming this role; (c) Every major farm organization and agricultural data user group opposes such a shift in responsibility; and (d) Annual sampling will not provide the quality of data that is required by many data users. Finally, it should be noted by this committee that a 1976 statute change has grouped the Census of Agriculture with other national economic censuses, a move that will enhance the relevance of the agricultural data.

We do feel that the collection of agricultural census data should be left to a statistical agency, and out of the realm of an agency with as much political involvement as the U.S. Department of Agriculture.

There are two other areas of H.R. 688 that should receive comment. One is the proposal to eliminate the mandatory provisions of the census collection process. We see no reason to delete this provision. Unless data is received from a wide sampling of the population, it cannot be complete enough to be relevant. We question whether it can be collected without a mandatory provision in the law. We do not feel that this penalty clause threatens the average law-abiding farmer. At the same time, we feel that it is desirable to retain for the Census Bureau's potential use.

The other remaining issue is one that has been around for several years. It relates to the Census Bureau having access to federal income tax returns. There are two points here for the committee's consideration: (a) The Census Bureau must be able to identify bonafide farmers if any Census of Agriculture is to be properly compiled; (b) The Form 1040-F from the Internal Revenue Service is one of the most pertinent sources of names and addresses of U.S. farmers, and is a critical cross-reference to verifying these farmers from other sources.

To our knowledge, there has never been interest by the Census Bureau in obtaining any information from federal income tax returns, other than names and addresses of farmers. We would oppose any legislative effort to deny these names and addresses to the Census Bureau for use in conducting the Census of Agriculture, but if this committee felt compelled to do so, we would support a provision limiting access to only names and addresses. We do support the confidentiality of both Census and Internal Revenue data.

Mr. Chairman, these are the National Council of Farmer Cooperatives' comments on the two bills now before this committee. We thank you for this opportunity to express them.

Enclosure.

NATIONAL COUNCIL OF FARMER COOPERATIVES,
Washington, D.C., November 8, 1976.

Mr. ROBERT HAGAN,
Acting Director, Bureau of the Census,
U.S. Department of Commerce, Washington, D.C.

DEAR MR. HAGAN: At the Special Ad Hoc meeting held on September 28, the Census Bureau requested comments from those in attendance. We trust we are not too late with our comments, and that final plans have not been formulated for the 1978 Census of Agriculture.

First, let us commend the Census Bureau for having called a meeting of this type, and for providing an opportunity for each of us to express our views. We are pleased to offer these comments much along the line of opinions expressed during the meeting.

The 1974 Census of Agriculture was a disaster in most areas. Certainly, the coverage left much to be desired, as numerous farmers apparently refused to complete their questionnaire. As has also been stated, there were names of farm operators that were not included on the Census mailing list. We can only conclude then, that in addition to public relations problems, the 1974 Census can not have complete data, and its value to the farm community is not what we would desire.

We all know that farmers were reflecting the general public's attitude toward government. But we must also admit that the volume and types of questions asked were part of the problem. All of us on the Advisory Committee must share in the blame.

Farmers will not accept another Census of Agriculture likes the 1974 approach. The next Census, no matter how simple, will need strong organization support to create acceptance by farmers. And this support must come well in advance of the 1978 Census. We are pledged to helping create that acceptance.

An identification survey was mentioned during the Ad Hoc meeting. We did not comment in detail, but lest silence be construed as consent, we want to point out that we do not support an identification questionnaire in the year preceding the Census. It would mean that two campaigns would have to be mounted in consecutive years. It might well fail badly. Our contacts with farmers indicate that this additional demand on farmers' time might negate the benefits derived from simplifying the Census form.

Here is the Census of Agriculture procedure that we could support:

(1) *Farmer identification.*—Using your current list as a base, contract with the USDA to update the list during 1977. The money saved from not doing an identification survey would help here. Encourage the USDA to utilize the resources of the ASCS as the primary source, with checks by other agencies as the need arises. Hold USDA responsible for complete coverage, and disarm this major source of criticism.

(2) *General survey.*—Prepare in 1978 a general questionnaire to be sent to all farm operators in early 1979. Use one standard form, trying hard to get all questions on the two sides of a one-page form. Ask only for general data—Sections 3, 18, 19, and 20—plus type of organization. This would require that the farmer supply only general farm data, including major crops and livestock, acres and production, plus several lines for write-in entries to identify seeds, vegetables, nursery operations, etc. At an appropriate place on the questionnaire, ask the farmer to check a box to identify his level of gross farm income—less than \$500; \$500 to \$1,000; \$1,000 to \$2,500; \$2,500 to \$5,000; \$5,000 to \$10,000; above \$10,000. This would avoid the controversial area of "small farms."

(3) *Detailed sampling.*—There is merit in conducting a detailed sampling of approximately 2 percent of farm operators each Census year. This carefully prepared sampling could include more detailed questions on fertilizer and equipment use, costs per acre, on-farm storage, and production per unit. Farm operators would have to be selected to provide accurate sample data by enterprise and geographic section of the U.S. Extensive promotion would be necessary to tell

these farmers of the importance of their data—and that they would not be asked again for at least 15 years (3 Censuses).

(4) *Follow-up contacts.*—We suggest that the Census Bureau contract with local-based people—such as ASCS Committeemen—to do follow-ups for non-respondents. Locally based individuals are much better able to communicate with their neighbors, and less apt to cause hard feelings.

In conclusion, we strongly suggest that more effort be put forth to explain the importance of the Census of Agriculture: that it is required by law, that its data must be available for developing farm programs and increasing foreign markets, and that it greatly assists farm suppliers in their quest to provide adequate inputs for farmers.

We hope that these suggestions will be helpful to you. We urge that the planning and conduct of the 1978 Census of Agriculture be oriented toward building confidence in the government, and toward better national coverage. Thank you for your attention to our suggestions.

Sincerely,

ROBERT FREDERICK,
The National Grange.

CHARLES FRAZIER

National Farmers Organization.

PAUL WELLER

National Council of Farmer Cooperatives.

The CHAIRMAN. The subcommittee will stand adjourned.

[Whereupon, at 11:40 a.m., the subcommittee was adjourned, subject to the call of the Chair.]

these figures of the impact of their data—and that they would not be asked again for it in 1965 (C. 1965).

(2) For the 1965 survey—We suggest that the Census Bureau con-
tinue with local-level people—such as 1965 Census enumerators—to do
follow-ups for non-response and family-based individuals and much
better able to communicate with their neighbors and less apt to
cause hostile feelings.

In conclusion, we strongly suggest the more effort be put forth
to obtain the response of the Census of Agriculture and that it is
preferred by law that the data must be available for developing
social programs and in certain cases in the future and that it greatly
affects farm life in this quest to provide adequate income for
farmers.

We hope that the suggestion will be helpful to you. We hope
that the remaining two copies of the 1965 Census of Agriculture
be retained and that the contents in the government and be used
for national coverage. Thank you for your attention to our
suggestion.

Sincerely,

Robert F. Johnson

Chairman, National Council

of American Indians

National Council of American Indians

1111 W. 1st St.

Washington, D.C. 20004

Enclosed for you are 10 copies of the

1965 Census of Agriculture.

The Census of Agriculture will stand adjourned.

I hope you will find the information was adjusted and

sent to the staff of the Census.

THE AGRICULTURAL CENSUS

APRIL 1, 1977

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON CENSUS AND POPULATION,
Washington, D.C.

The subcommittee met at 1 p.m. in the Farm Bureau Auditorium, 315 North Sixth Street, De Kalb, Ill., Hon. James A. S. Leach (chairman) presiding.

Present: Hon. Tom Corcoran, member of the Committee on Post Office and Civil Service.

Mr. LEACH. Good afternoon, The Subcommittee on the Census and Population of the House Post Office and Civil Service Committee will now convene.

I appreciate very much your hospitality, that particularly of Representative Corcoran, allowing us to meet here in Illinois today.

We are going to have one other subcommittee meeting in Iowa, in the First District at Marengo, tomorrow to discuss the Agricultural Census.

I might say that it is an honor to be in the first Farm Bureau Hall in America. I have been in a number of Farm Bureaus in the State of Iowa and this is the most impressive I've seen. It is a real tribute to you people here.

It is also good to come on a day when the weatherman says there's going to be rain tonight. Downstairs in your export office the word is soybeans have just gone up another 20 cents, so all the signs are good.

I think that might have something to do with the quality of representation you sent to Washington. In his 3 months in office Tom has established a reputation of being the outstanding freshman in the U.S. Congress, and I think that's something that is a great credit to this area.

It is our intention to offer anyone who wants to testify that opportunity and then to throw it open to questions.

Anyone who wants to testify who hasn't done so, should come and talk to Joe Fisher, who is from the subcommittee staff, or Mike Ferrell, who is the majority counsel of the subcommittee.

Before proceeding with witnesses, I would like to ask Tom if he has any comments he wants to make.

Congressman CORCORAN. Thank you very much, Mr. Chairman. I particularly, of course, appreciate your kind words in my home district.

Secondly, I, too, want to applaud the fact that the Subcommittee on Census and Population of the House of Representatives Post Office and Civil Service Committee, on which I am pleased to serve, has held hearings to examine the issue of whether or not we can reform and improve the Agricultural Census.

I think Chairman William Lehman of the committee and the membership of that subcommittee are to be commended for again, as they did 2 years ago, taking up the issue of how we might go about reforming the Agricultural Census.

We can well remember the census of 1974. It was the 20th nationwide Census of Agriculture that we have had in this country; and in my opinion and in the opinion, I believe, of many people, it was a complete disaster.

I think it is particularly interesting when you consider the history and the perspective of the Agricultural Census to note that in 1964, 480 questions were asked. In 1969, 754 questions were asked, and in 1974, 911 questions were asked, and it took 20 pages to comprise the census.

I think that one of the reasons that Chairman Lehman and other members of the subcommittee are inquiring and taking testimony to find out how we might reform the Agricultural Census is because they want to break that trend, and I certainly want to do whatever I can as a Member of Congress. We are attempting to find out from the people here in north-central Illinois what suggestions they might have in order to help us get the accurate information that's needed, but at the same time do so in a way that does not infuriate the farmer.

That's what we are going to try to do for the next 1979 census.

I am particularly delighted that the subcommittee has seen fit to come here to De Kalb.

I think it is also significant that for the first time, certainly in my memory, a legislative committee of Congress has come to north-central Illinois to take testimony on public policy questions.

It has been a matter of concern of mine for a long time that too often the input into public policy comes from Washington and then the output goes to the country.

I think we have to reverse that trend. It seems to me that taking testimony on the issue of the Agricultural Census by getting the input from the people themselves who are, after all, the bullwark of representative government makes possible the kind of cooperation between the Government and the people that we all want.

So I am delighted that we are here. I look forward to the testimony of the witnesses.

Mr. LEACH. The first witness will be Jeffrey W. Gain. Mr. Gain is Director of the Commodity Programs of the Commodity Division of the Illinois Farm Bureau.

You must be doing something right. For the second straight year Illinois has out produced Iowa in corn.

That's an impressive accomplishment, but it will not happen again.

STATEMENT OF JEFFREY W. GAIN, DIRECTOR OF THE COMMODITY PROGRAMS OF THE COMMODITY DIVISION OF THE ILLINOIS FARM BUREAU

Mr. GAIN. Thank you.

Congressman Leach and Congressman Corcoran, we appreciate the opportunity to present some views here this afternoon. I extend greetings from the Illinois Farm Bureau and our president, Harold Steele, and Len Gardner, our director of legislative programs. They both wished they could have been here, but it wasn't possible to fit into their schedule.

The Illinois Farm Bureau, as I am sure you know, is a general farm organization representing over 240,000 members here in Illinois.

I would like to make just a few general comments about the census, and then I would be happy to take any questions that you might have.

The American Farm Bureau Federation testified, I am sure you are aware, on March 17 with regard to H.R. 688 and 682 and this testimony has basically covered the three major points primarily opposing the transfer of the responsibility for the Agricultural Census to the USDA; second, opposition to a 50 percent reduction in the respondent's burden as defined therein; and third, in support of the definition of a farm as contained in the census.

I think basically these would be our positions as well on these matters.

I would like to background my comments a little bit with a recognition of the fact that the Agricultural Census—or the census of 1974 was perhaps somewhat of a miscue, as I understand it, with some attempts being made to delay the census to 1977, and at the last minute that decision made apparently by the administration being changed by the Congress, and so I think some things were done and put in motion perhaps before they were really ready to go.

It's our impression and feeling at this time that some of those problems perhaps were well recognized at the time, but it was a matter of timing and of necessity that may have caused some of the problems, hopefully which have already been addressed since that time and some partial solutions found.

We certainly appreciate your concern looking at these matters and want to encourage you to do everything possible to upgrade the census system.

I think it is essential for agriculture to have good, basic, factual information. It is my opinion and the opinion I think of most of the farmers that if we did not have a census program for gathering this kind of information, that other organizations with whom farmers must deal would have this information and they would be at a disadvantage if they did not, in fact, have a system similar to this, which, of course, would bring up the point of saying if we did not have the census as we know it, we would be forced to set up some sort of program of our own.

Obviously it does not only service agriculture. We do support the census. We feel it is important.

It provides not only good, basic information to us, but it does give us an opportunity to verify and update and upgrade the various USDA reports that come out over the years.

This is an opportunity for us periodically to check where we are and make sure we are still on target and on track and can catch up.

I think it needs to be emphasized, also, that these report forms need to be made as simple as possible. I think the point has been made here and I think we will hear from others about the complaints that were voiced with regard to the 1974 census.

The forms need to be as simple as possible, easy to understand, and I think every care needs to be given to how the questions are designed and how the forms are designed so that, in fact, it is not a major burden and one which offers a great deal of opportunity for confusion.

I think, too, we need to emphasize that the census function remain in Commerce. There has been suggestions made and currently is being discussed the possibility of shifting the census to the USDA, and we feel this would not be in the best interest to shift it in that manner.

I think there is a certain opportunity perhaps for not necessarily misuse, but opportunities for conflict that may arise if that kind of situation existed, and we would prefer to see it stay as it is presently structured.

I think, too, there has been some concern raised in the past and there was an attempt made a few years ago to utilize some of the information gathered in the census by other agencies of the Government, which would have been on a personalized basis.

I think it is important that the information collected for the census be in a total and summary-type form, that individual, personalized responses to census information should be guarded as confidential. It should not be made available to the IRS or any other agency of the Government.

This is something that we would like to emphasize.

I think, too, that we should use care in designing these questionnaires so we know what our objectives are, what kinds of answers we want to publish and provide, what fashion they would be meaningful so that we don't get burdened down with asking a lot of unrelated and, maybe in some cases, too personal questions just for the sake of having a broader base and having information on the respondents.

I think we need to clearly define what our objectives are and make sure the questions are restricted to areas related closely to achieving those objectives.

I think this is particularly true with relation to financial information.

This is just kind of a quick summary of some of our thoughts. I am sure we would be most receptive to further discussions or questions you might have regarding questions you might be looking at with regard to structures and questions and things of this kind.

We do appreciate your interest very much, and the fact that you recognize the grassroots importance and the importance of knowing the attitudes and advice and opinions of the people with whom the census process deals.

I personally thank you for the opportunity to be here, and that will conclude my testimony.

If there are any questions about something I might have said, I would be happy to try and answer them.

Mr. CORCORAN. I have one question. You talked about the information requested on the 1974 census and your concern that we might be able to narrow it down a little bit with respect to financial information.

Could you elaborate a little bit on what questions contained in the 1974 census having to do with financial requests or financial information you would like to see—

Mr. GAIN. This was a comment that we picked up from a number of people that we contacted. I personally can't tell you.

I am sure with a little research I would be happy to provide this information. The general comments were that the questions were too specific. There was too much information about amounts of money in certain areas and financial returns in investments and this kind of thing.

It was too detailed and too specific. But to give you a specific question in this specific area, I didn't bring that information.

Mr. CORCORAN. I think one of the concerns I have heard about is information requested on the financial condition of a farmer, his assets, liabilities and net worth. That offended a lot of people. They wonder why that kind of information is needed.

Since you are with the State farm bureau, I would like to know, and maybe you could provide this at some later date to the subcommittee, just what kinds of specific complaints have been received about the financial information requested in the census; in other words, if it turns out that the big concern is with the requested information on the financial condition of a farmer, I think it certainly would be possible for Congress to determine, A, what the use of that information is and why they feel they need it; and B, if it turns out there is not any legitimate need for purposes of achieving the objectives of the census, we could restrict the census in the future to eliminate requirements going into that kind of private information.

Mr. GAIN. Yes. This ties into one of the recommendations I made about defining objectives; and I think, too, that we won't object certainly to a certain range of information regarding finances, conditions or levels, investments and returns, but it would need to be done, in our opinion, on the basis that it isn't specifically identified in too much detail for that individual.

Mr. CORCORAN. One other concern I have, and I think many people have, is the need to get cooperation on the part of the farmer if we are going to continue with the census. I think that the information that's being developed now through the census is questionable as far as its accuracy is concerned.

They ask for data which maybe is no longer available inasmuch as the census only occurs every 5 years.

Some of those records might not still be available with an individual farmer, and some people give that as a reason why the full cooperation of the farm community is not given to the completion of the census.

Would you have any ideas as to what might be done in order to get more cooperation from the farmer in completing the forms?

Mr. GAIN. We run into this same problem-type situation with regard to USDA reports in some cases. There are periodic reports.

I think it is an educational process, and I think here again this would underscore the need for clearly defining the objectives as to how this information was going to be used.

I think if we can provide information through the media and certainly our organization through Farm Week and our other publications, this can be helpful in this regard. We can do an educational program with the respondents so that they do understand and are more willing to comply.

But I think the real question in many of their minds is do they really need all this much information and what good am I possibly going to get out of it.

Mr. CORCORAN. The Farm Bureau like other farm organizations publishes periodic newsletters and magazines.

Would you anticipate that your organization might be in a position once Congress were to clearly define as a matter of policy what the purpose of the census is and then to delineate what the actual form of the census might be, that once that were to happen, in order to prepare for the next one could we expect that the Illinois Agricultural Association would be willing to help in the educational process of the farm communities?

Mr. GAIN. Yes. I think I can say without reservation that we would be most responsive to this kind of request.

We do publish information of this kind and of a similar educational-type nature throughout the year, and not only through our weekly publication, but we have various other types of programs, individual meetings and various other TV and radio programing.

But I think if we had the right kind of information available, why, certainly we would be happy and pleased to extend the information to our members.

Mr. CORCORAN. Thank you very much, Mr. Gain.

Mr. LEACH. One of the bills before Congress today is submitted by Neal Smith of Iowa which would take the agricultural census out of the Department of Commerce and put it into the Department of Agriculture. You testified that you didn't support that principle and that you felt there could be certain conflicts which might arise if the census were transferred to the Department of Agriculture.

Could you delineate what some of those conflicts might be?

Mr. GAIN. Well, I think that there are indications where when people work closely with a certain area that they tend to look at it from a certain prearranged set of views, and this might—it might mean, for example, that in designing or interpreting questions, they

wouldn't be designed as impartially or as objective as they could be.

It might also mean that certain privileged information that might be gathered in the census would be available to those who are in posts of making decisions which affect our marketing decisions and things of this kind. This is a rather broad example, but I think you could think of many examples.

Mr. LEACH. Is the second part of it more important than the first?

Mr. GAIN. In my opinion.

Mr. LEACH. Certainly, I have received strong feelings from farmers, that sometimes big institutions and organizations have earlier access to agricultural information than the farmer does.

Mr. GAIN. I hear the same things occasionally.

Mr. LEACH. You also testified that you wanted to be clear that information from the census should not be transferred to the IRS. One of the issues that the committee is currently considering is whether the IRS statistics should be available to the census. That is the reverse of what you were concerned with.

Does the farm bureau here in Illinois have a position on that; for example, should income statistics gathered by the IRS be allowed to be used with this census?

Mr. GAIN. I don't know of the position on this matter. I don't know that it's been discussed, so I really couldn't comment on it.

Mr. LEACH. I would be appreciative if other people who will testify would consider that as an issue and express their judgment.

Mr. GAIN. I would be happy to take that back to our board and suggest that they do discuss it and we will respond to you.

Mr. LEACH. Thank you very much, Mr. Gain.

The next witness will be Mr. John Hart, who is the president of the DeKalb County Livestock Feeders. I might say that the subcommittee has no intention of providing any incentives for people not to use the local grocery stores, but in this building you can buy beef and the price looks pretty good. We are pushing beef. We sympathize with your situation, and you are one of the poorest farmers in the room, I am sure.

STATEMENT OF JOHN HART, PRESIDENT OF THE DE KALB COUNTY LIVESTOCK FEEDERS

Mr. HART. I thank you both for inviting me here. I can't speak for the group. Our monthly meeting is the third Thursday night of every month, but I do know that to my memory—and if I am wrong, I want to be corrected right away—there were two forms sent out, and I speak in a family way, not as the organization, because my brother-in-law got one form and I got another form. Is that correct, there were two sent out the last time, two different forms in 1974?

Mr. FERRELL. That is correct. There was a long form and a short form. In fact, there is some indication that some farmers received even three and four forms as followup as well. Two was the general rule.

Mr. HART. That's the first thing I questioned. Everybody is a little concerned and disgusted with it.

We have the cattle on feed report that we fill out, and that comes out in 3 weeks or 3 weeks and 3 days; and we have filled out the 1974 census and to my knowledge I have never read anything about it. Am I improper in saying that?

Mr. FERRELL. That is correct. The 1974 census has not, to date, been published.

Mr. HART. If you want to help us and we want to help you, we need to know what you are—I think this is the concern. There is a lot of questions. Yes, there's a lot of questions and some could be modified a little, but I don't think you would have near the resentment if you would get some information. We like to know where we are.

The cattle on feed report is discussed about 6 to 8 months later. It is many times closer than what we are doing.

As an individual, I say that these reports are not all harmful. They are not all wasted, but we would just wish that you would modify the questions and mainly get back to us equally in time with the feed stores and the fertilizer companies.

Many times the bigger businesses get the first report a few days ahead. It would affect some markets. But mainly this idea of being 3 years without an answer, it just looks like we wasted all our time, and it takes time. We have to get our record books out or else just guess. But I think a lot of fellows really, sincerely filled it out and probably the most disappointing thing about it is we never hear from it.

Like the grain farms in the neighborhood, they are about 3 weeks ahead; and I know the cattle on feed reports come out four times a year. You fill the form out and about 3 weeks later it is out. Whether you disagree or agree, it's still out. You get an answer. But here we come up and we answer this whole page, a small catalog, as I have heard many of them call it, and we never get an answer.

That's all I have to say. There's several here, and I don't want to take up a lot of time; but to be real blunt, we would like to hear back from it, not just be left with a lot of work and no answers.

Mr. CORCORAN. Mr. Chairman, if I might, as Congressman Lehman pointed out in the previous testimony, there have been two bills introduced which would reform in different ways the current agricultural census. One of them is H.R. 682, which was introduced by Mrs. Schroeder of Colorado, and one of the provisions of her bill is that "The information obtained in each such census shall be published not later than December 31 of the year in which such census is taken."

So that means, I think, then there's certainly a recognition on her part of the concern that you expressed, that the census information is not getting out in time; and as the chairman pointed out, although that information was initially requested more than 3 years ago for the last census, we still do not have any published data on what was found.

Here we are now preparing for the next census, and we still don't have the information from the last one. So I think it is a valid point. I certainly want to associate myself with your concern, and I would

hope with respect to whatever else we might do that one of the things that's contained in a final package would be legislation that Congress would mandate—than the Census Bureau publish by the end of the year, in which it is taken, the findings of that current census.

Mr. HART. Thank you. I am sure that's the feeling of our group. We make cattle on feed reports and we hear something from it, give or take, like or dislike what you hear or what you write down, you do hear back and that helps.

Thank you very much.

Mr. LEACH. I would like to comment briefly. We received testimony that even though the census has not been published, certain information from it did come out; and the United States owes an apology to cattle feeders for the inaccurate 1974 information, indicating 8½ million less head of cattle in existence in this country than actually was the case. That's the type of signal that goes out to an agricultural community, which is very bullish, not to make an unfortunate pun.

My major concern with the Department of Census or the Bureau of Census is simply that it hasn't given a high priority to the agricultural census taking; and if nothing else, the Department of Agriculture does give it that priority.

I think one of the hopes of this committee is that we can arrive at a shorter, more manageable census. Because it is shorter and more manageable, it can be filled out and compared in a much briefer period of time.

While the committee is concerned about the burden of paperwork, it might even be equally or more concerned about paperwork that leads to nothing, and the 1974 census, unfortunately, has not led to very much. What it has led to has been used inappropriately; and I think that's the great thing we want to avoid this coming year.

Thank you, Mr. Hart.

Mr. HART. Thank you.

Mr. LEACH. The next witness will be Mr. Gordon Jameson, President of the LaSalle County Farm Bureau.

STATEMENT OF GORDON JAMESON, PRESIDENT OF THE LA SALLE COUNTY FARM BUREAU

Mr. JAMESON. Thank you very much, Chairman Leach. I appreciate the opportunity to appear here today. Also, I might say we are looking forward to having you at the LaSalle County Farm Bureau tonight. We are not quite as affluent, but we are alive and kicking.

The procedure I followed was to call a few farmers who I thought might have some comments. I didn't have much time and no material to check, so I just got a few comments from them. I might say I can subscribe to what has been said previously. One gentleman said he thought the material was overlapping and frequently it is outdated. By the time they collect the material many times it is outdated. It could lose some of its effectiveness by that situation.

Another claim is the description of farms is not always accurate. Detailed records are not kept by most of the farmers, for example,

on herbicides, insecticides, this kind of thing. They want poundage per acre and so on. This requires much bookwork. A lot of times farms don't have this information.

One suggested maybe a warning letter to be sent out the year of the census so they could try to keep these records. Larger farms would probably have more secretarial help.

The big issue is invasion of privacy. Mr. Gain talked about confidentiality. I definitely feel that's very important. In the financial part of it keep it as brief as possible, to the point, don't get too personal in finances. Also, again, I would underline make clear the purpose of this census material, how it is to be used. You will get better cooperation from the majority of farmers if this is done.

Basically that's all I have to say.

Mr. CORCORAN. I certainly am pleased to have the benefit of your testimony. You mentioned about the confidentiality of the census information and it has been brought up before.

In previous testimony before the committee the Associate Director of the Bureau of the Census, Miss Shirley Kallek, pointed out the law provides that the strict confidentiality of the data be protected, and she points out that in title 13 of the United States Code this is provided for. I think what you reflect now is a concern that a lot of people have who really question whether or not the information is confidential.

I think that perhaps one of the byproducts of the hearings that are being held and the ultimate action that probably will be taken to make changes in the manner in which the agricultural census is conducted will be that some of the misconceptions about what goes on and why the census is being taken may be laid to rest; and certainly one of the things that I believe is crucial in order to have more cooperation on the part of the farmer in the taking of the agricultural census would be some strict assurance that the information being provided—especially if there is continued inquiry regarding financial matters be absolutely confidential.

I think one of the provisions I would suspect in any legislation might well be dealing with that particular consideration.

Mr. JAMESON. I would agree.

Mr. CORCORAN. One other question that I have that hasn't been brought up yet deals with sampling. Presently every farmer is mailed a census form to complete—but what would be your reaction to employing the more modern technique of survey sampling in order to get the information that we want? While I realize, Gordon, you are not an expert on opinion-survey techniques, would you think that a farmer might be more willing to cooperate if it were on a sampling basis rather than the present system?

Mr. JAMESON. I can only speak for myself.

I don't know. I should have said at the beginning I haven't had a chance to talk to my Board, so I am speaking just as an individual. I definitely feel I would.

Mr. CORCORAN. Thank you.

Chairman LEACH. Gordon, if you can stay 1-second.

You raised something that no one raised at this hearing or in Washington, and that is the concept that maybe a warning should

go out the prior year that the census is coming up; I might just ask if a farmer could feel comfortable in being able to answer all these questions without first going to his accountant or someone trained in accounting, and I am also, wondering in the last census how many farmers filled them out without anyone else's outside help or if they just turned them over to someone else. Would you have any feeling for that?

Mr. JAMESON. I think it takes a lot of time, if you are going to answer them as accurately as you should answer them.

The long form is what I am familiar with; and, you know, I have no idea how some—how much time you give to it, how serious they take them.

I would guess most of the farmers would take them serious enough to do a good job, and I know it is a difficult thing to do a good job.

Mr. LEACH. I am interested in your thoughts on this. Do you think most farmers would ask their accountant for help?

Mr. JAMESON. I couldn't say that most would.

Mr. LEACH. Is the Government then imposing a cost burden on them, as well as a time burden?

Mr. JAMESON. Well, I think in some cases they are. The time is an important factor as well. Most of the farmers are very busy.

Mr. LEACH. Perhaps it is not overly important. Anyone involved in farming knows the average farmer gets paid something under 80 cents an hour.

If you worked in a large factory, it would be a great burden. I meant that humorously.

Mr. JAMESON. One thing I might say that I did hear, a number of older farmers—I believe they are older—for example, went to the Triumph Bank for assistance because they needed help. Whether they had to pay for it or not, I have no idea. I do not bank there.

Mr. LEACH. We have some bankers testifying. I think that will be an interesting question.

Thank you.

Mr. JAMESON. Thank you.

Mr. LEACH. The next witness will be Mr. Ray Grommes, who is president of the Kane County Livestock Feeders Association.

STATEMENT OF RAY GROMMES, PRESIDENT OF THE KANE COUNTY LIVESTOCK FEEDERS ASSOCIATION

Mr. GROMMES. Thank you, Mr. Chairman and Congressman Corcoran.

This morning when I was sitting at my breakfast table I wrote down a few thoughts. I didn't have any idea what other people might say.

I thought there is just so many acres of farmland in the United States. It has crops grown on it if it is economically feasible to do so.

So there's just so many acres of farmland and it will be used unless there is a government set-aside program, and the only thing that's

going to determine what crops are going to be grown will be the price.

The cotton people will switch to soybeans and what-have-you. Some farmer will plant wheat instead of corn. It all depends on the price.

I filled out the long form, and I really didn't care to fill it out because it did take a lot of time because I did try to do a good job.

Well, anyway, getting back to these acres that we put down, I really don't think they are that important. The land is going to be used.

By the time everything gets back and it is analyzed, it is out of date, because the profit margin in the livestock industry will determine if they are going to farrow some more sows and so forth.

It just gets down to supply and demand will dictate what's going to happen; and by the time we write something down, that's all past history, and to me it is irrelevant really.

That's what I thought about it.

Anyway, for instance, like down in Florida, we were down there, and we talked to some fellows that had an orange grove.

If they spend about \$70 an acre for fertilizer, the prices for oranges aren't very good. He probably won't spend that much for fertilizer.

I see they have a place for your trees and everything else. I really can't see the information they gather, that it is worth it.

These are my own personal thoughts.

Well, I thought the form was too long and that it wasn't worth its cost either to the Government or myself, the information they received.

I also thought that it was an invasion of my personal privacy. I don't think that the Government should—you have to account quite so closely.

I think a 1-page form, they could get the information that they would need, not such a long form as what we had.

I think what's more important is we need to know what the land use is, because there's a lot of it going into highways, housing, airports and forest preserves.

Like the Aurora School District built a new high school. They bought 90 acres of good farmland.

I think we need an accounting of our farmland in the census. Somehow maybe that could be incorporated into it.

We need to know our inventory of farmland.

These are my own personal views and that's all I have to say.

Mr. CORCORAN. I want to thank you for coming here this afternoon, Mr. Grommes.

One of the things that attracted me especially to your testimony is the fact that, obviously you didn't particularly like completing the form, but you indicated you took sufficient amount of time to complete it. I think that, based on that observation, plus, I think, the comments that I have heard this afternoon so far and from people at other times concerning this matter, people are willing to act and cooperate with the gathering of the data, if they feel like it's got some purpose.

You mentioned two purposes that you think are valuable, which would suggest if it were a better form from your standpoint you could see some value in it.

One you mentioned was land use so you would have some idea of how much land there is, and related, of course, is the inventory for farmland.

Can you think of any other uses to which this information might be put?

Mr. GROMMES. No. I really question its actual value. I think it is nice to know the number of farmers, how many people in the household, if you have a hired hand. That type of thing is nice, and how many acres are included in the farm and so forth.

When they get down to asking how many tons of fertilizer you used last year, I think it is irrelevant.

Mr. CORCORAN. Even if you go back 3 or 4 years, which is the case of the 5-year agricultural census, I think you would find very few farmers, except in big operations, who would be able to tell you exactly how much fertilizer per acre was put on; so that when you gather that kind of information and then use it as some sort of basis for other business and manufacturing decisions, I think you've got some invalid data on which to make those judgments.

Mr. LEACH. I just want to pursue one thing. One of the interesting, philosophical question is what use the farm census is to farm people. You have testified it is fairly irrelevant to you.

From your knowledge and personal perspective—and this is the 20th census we've had—was the farm census more relevant, to yourself as a younger man, to your grandfather, to your father? That is, is the census itself less relevant than it once was?

Mr. GROMMES. Well, I filled them out because they were sent to me, and this is actually the first time I ever sat down to actually really try to put some thought into just how much good it was since I received a notice of the hearing, and that's the first time I really did spend a lot of time.

I filled them out before because they were sent, and I really didn't think that much of them then.

Some of these reports that we fill out—I don't happen to fill out a cattle on feed report because—

Mr. LEACH. You are not a farmer. You don't have any cattle.

Mr. GROMMES. I've got some, but anyway I feel that some of these reports that you fill out, the figures come back that the supply is large, it is like a hammer over your head; and what happens when the price is down, that means everybody got them, and when the price is up, that means only a few people have them.

So I think with these reports you do more harm to a lot of people than you do good to just a few people.

That happens to be what I think of some of the reports. I am not against progress or anything, but I think that sometimes our markets are influenced more than they should be by reports.

That's kind of off the subject of the census there.

Mr. LEACH. But that's very, very helpful. I appreciate that very much. Your statement will be in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF RAY GROMMES

My name is Raymond H. Grommes and I am a full-time farmer and President of the Kane County Livestock Association. I farm, with my son and another tenant, 700 acres.

We grow corn and soybeans, and our livestock consists of raising 800 head of hogs and feeding 450 head of cattle per year.

I would like to question the value of the farm census on the following basis:

1. There is only so many acres of farmland in the U.S.A. and it will have crops grown on it if it is economically feasible.
2. There are only two things that will affect the number of acres in any one crop and they are a government set-aside program or a shifting of crops due to a more favorable price.

3. In the livestock industry the profit margin directs whether there will be a decrease or expansion in numbers.

4. I feel that current supply-demand situations will dictate the direction for the use of our agricultural land. The land will be utilized, and the market, not the census, will effect its use. Profitability alone will say if the orange groves are fertilized or not, if new trees are set out, if more gilts are held back to increase the hog herds, et cetera.

Therefore I feel that the census is outdated before it can be analyzed.

I also feel that the last census was much too long, not worth its cost, and an invasion of our personal privacy.

There is need for information on land use. We need to know what is happening to our land. How many acres are used each year for housing, schools, highways, forest preserves, airports, et cetera. This is the area where I think our efforts should be concentrated.

Mr. LEACH. The next witness will be Mr. Ralph Freebairn, president of the LaSalle County Livestock Association.

STATEMENT OF RALPH FREEBAIRN, PRESIDENT OF THE LA SALLE COUNTY LIVESTOCK ASSOCIATION

Mr. FREEBAIRN. I had a prepared text here, and pretty much what everybody ahead of me has said was what I was going to say.

The only one point different, I am not sure that the census is needed in the first place. I don't know if there is a published figure as to what it costs, but I am sure if I heard that I know I would be opposed to the reason for the census.

Second, as far as grain, livestock, herbicide, fertilizer and all of those commodities, each one of those, for instance, the fertilizer industry, the cattle industry, has reports, has to furnish reports to the government, I would assume, as to the movement of stocks and that type of thing.

My opinion is someplace in Washington they have all of this information in the first place; and probably if there was any interaction between departments, it would be a lot less expensive than going out again and collecting all this information from a firsthand source.

I don't know.

One question: Is there a published figure as to what it cost to collect the census in 1974?

Mr. CORCORAN. Mike just handed me that figure. The cost for the 1974 census was \$20 million. The expected cost for the 1979 census is \$39 million.

I don't know whether that strengthens your position or not.

Mr. FREEBAIRN. It does mine. That's my point. Everything that is said in there can be collected in another way that is being collected anyway.

To avoid being repetitious, that's about what I have to say.

To reiterate the point about the older farmers in the community—which there is a bigger majority than any other group—the banker that I talked to said that was a real problem in a lot of cases.

A lot of these guys when they got that form didn't understand anything on it, because it is my understanding that 1974 was the first mailing census that was taking place.

Every other one had been on a personal basis; is that right?

Mr. CORCORAN. I think the one before that was the first one, but I am not sure.

Mr. PRITCHARD. The first one was 1969.

Mr. FREEBAIRN. That was a concern the banker made to me. There would be an influx of a lot of people wanting help.

Mr. LEACH. Did the banks charge for this?

Mr. FREEBAIRN. I don't believe ours did. I would imagine if it got to be a third-of-a-day job, they would.

Mr. LEACH. I might first say, if you would like to give us a copy of your testimony, we would be happy to put it in the record. That's up to you.

You can just see my afterwards, and we can do that.

Do you have any questions?

Mr. CORCORAN. Ralph, I certainly understand your testimony up to this point, but assuming it could be developed to your satisfaction and to the satisfaction of most of the people that there was a valid need for the census, there is still a question as to what size farm ought to be covered. What is our basic unit of information here; current law provides that the figure be any farm operation with sales of \$1,000 or more.

There is some discussion about reducing that to \$250 or even as it was in years past to a lower figure.

What would your reaction to any change in terms of the basic definition of what a farm is as far as dollars of sales be?

Mr. FREEBAIRN. I would say that it would have to go up instead of down. I can't hardly visualize what would be less than \$1,000 a year.

One acre, if you have done gross sales, you could take \$400 an acre off of it.

I would say a lot of these, what they call, farmettes anymore in the rural areas where they come in and buy a house and a few acres, you would be classifying all of those as farms and they are not.

Their concerns aren't the same as somebody who is making a living off of it, which they are not making a living off of that farmette.

Mr. CORCORAN. The reason I asked that question is before the hearing began the subcommittee counsel and I were talking about the character of the farms in this part of the country.

He asked whether they were small farms or big farms, and I thought we ought to get into the Record that from the standpoint of what would be valid and meaningful in this part of the country, farms based on sales of \$1,000 or more would certainly be a minimum.

Thank you very much.

Mr. LEACH. Thank you.

The next witness will be Mr. Milford Bjelland, president of the Grundy Farm Bureau.

STATEMENT OF MILFORD BJELLAND, PRESIDENT OF THE GRUNDY COUNTY FARM BUREAU

Mr. BJELLAND. Well, I, too, want to thank you in that you have taken the time to come out to the country. I hope that is an indication that we are giving the Government back to the people.

If this is, this would go a long way in helping with farmer acceptance. Of course, the 1974 census came out at a time when Government reputation wasn't the best and, hopefully, we are healing that up.

A lot of my points also already been expressed; however, I think I can address myself to two of your questions.

The one is in our farm bureau building there we do a lot of tax work; and, in fact, our executive secretary does a lot of tax work, and there were several of these censuses brought in to him.

I don't know if it was as bad as people thought it was. When they opened it up and looked at it they just decided that was too much for them to tackle.

I think probably in most cases the people were not charged for it. It was more or less figured a farm bureau service to its members.

The other question of yours on the IRS, in other words, taking information from our tax forms for census, I would like to think the only reason for IRS is to collect the money due to me—or due from me, I should say.

If they are to be used as a census, I think that this should at least be published to every person that files the tax, that not only is this your income tax, it is going to be used for a census, because I'd like to think that anything I sent to Washington is used for the purpose that it is pretended to be used for.

I also would agree with the opinion that the census should not be open to anybody but people in the census bureau where it is supposed to go.

One thing I don't think anybody could accuse the census of is affecting the soybean market. I was really surprised that none of this data has been published yet. I didn't realize that.

To me, we did waste any time we spent on that census because the way agriculture is changing, we are 3 years down the road now. Apparently it was in early 1974; right?

Mr. CORCORAN. Right.

Mr. BJELLAND. We are 3 years down the road now. The way agriculture is changing I can't see too much value of anything that came out of it now other than possibly whether the number of farmers went up or down or the size of the farm, whatever value that has.

But after 3 years I am sure that a lot of this is useless information.

Also, I am sure that there is a very fine line between effective census and invasion of privacy, and I am sure I don't know where that line is.

This is one of the complaints, as has been said here today, people have, the personal nature of some of the questions. They didn't feel it was anybody's business other than their own.

I think the point was brought up before. An educational program is very important. Possibly as soon as farmers become convinced that this census is going to be used for the reason that it is taken for and that it is going to be used to their advantage and they are not being taken again by their government, why, they will probably be more apt to be agreeable to filling it out.

I think that basically is all I have.

Mr. CORCORAN. I have a couple questions.

First of all, being the president of the Grundy County Farm Bureau, I am sure that there are some of your members who are not grain and livestock farmers.

Would you be able to give us any idea what the attitude of some of those other farmers might be on this subject?

Mr. BJELLAND. Would you be more specific?

Mr. CORCORAN. Well, the poultry farmers, and you've got some trucking operations there too.

Mr. BJELLAND. Yes; and unfortunately, I can't answer for those people. Most of the people, not all of them, but I should say a lot of the people in this situation are also grain farmers besides.

There are a few like east of Morris that are strictly in the vegetable business.

No, I can't answer that.

Mr. CORCORAN. I think we will be keeping the record open on this hearing on the inquiry that the subcommittee is making generally into the subject of the agricultural census; and I would say within the next 10 days or so if you have the opportunity Milford, to contact any of those people and to get a reaction whether or not their views would be somewhat different or whether or not they might want to get into the Record something with particular reference to their specific farming operations, I think we would be quite open to receiving that kind of information.

Mr. BJELLAND. Is there any of these people that weren't fully covered in the last census, do you feel?

Mr. CORCORAN. My information is all of them would have been covered.

One other question I have: you were talking about something that's been brought up before having to do with the confidentiality of the information and in particular with reference to the cross-reference between the agricultural census information and the Federal income tax returns.

The Form 1040-F, according to the testimony of the census bureau, is quite important in order to identify the names and addresses of U.S. farmers.

They feel that in order to identify the farmers, they need to use this form.

What would be your reaction to a specific provision giving the census bureau the authority to go to the 1040-F as long as they are limited and as long as it was very clearly provided that all the information they could get would be off the top of the form?

Mr. LEACH. You mean the name?

Mr. CORCORAN. The name and occupation.

Mr. BJELLAND. I don't believe I would have any objection to that. I don't know how you would do this. I would hope that it would be done by a listing from the IRS or something rather than them actually looking at the form, which I am sure is what you had in mind.

Mr. CORCORAN. Assuming it is technically feasible to restrict the census bureau in that respect, you would be agreeable to allowing them to use that source of information as a means of identifying who the farmers are?

Mr. BJELLAND. If you are talking about my name and Social Security number as having filed an F, yes.

Mr. CORCORAN. Yes.

Mr. BJELLAND. Yes.

Mr. CORCORAN. Thank you very much.

Mr. LEACH. I just have one question, sir. Do you feel that as a reaction against the Government, that estimates which are submitted are apt to be, in some areas, overestimated or underestimated?

For example, we have heard testimony from a cattleman who believes that some of the cattle projections are likely to be lower simply because of the general feeling if they are high, the cattle market is apt to go down.

Is that thinking generally pervasive or not?

Mr. BJELLAND. Unfortunately I think it is if you are talking about among farmers I am in contact with.

Mr. LEACH. Would this apply virtually to all livestock?

Mr. BJELLAND. In our area livestock is a minor thing, so I don't have a handle on the livestock as much as the crop reports.

Mr. LEACH. Would the crop reports be subject to the same thinking? If one guesses, and we all guess in many of these types of things, would one be apt to guess low or high?

Mr. BJELLAND. Who is one?

Mr. LEACH. I mean a farmer.

Mr. BJELLAND. If it was his estimated yield, he would be apt to guess low. I am sure he would.

Mr. LEACH. One of the very interesting things that is brand new in the whole statistical reporting area and which raise a question on the need for some of these statistics, is, the use of satellites, which are now proving to be incredibly accurate when it comes to estimating two things.

One is what crops have been planted; and secondly, what yields are apt to be in a given period of time.

The yield thing is not nearly as precise. Some of our satellite people tell us they can come within 20 percent of gross projections of actual yield.

We in this country are using satellites very widely in projecting the rest of the world's yields particularly in the Soviet Union and China.

We also are using satellites to look at our own crops.

One of the factors that does come into play with this new technology is whether there will be much of a need to go to the individual farmer? Something else that I have heard almost no comment

upon, is whether the individual farmer feels a little bit as if he is being spied upon up there in the sky.

Is there any concern in that direction?

MR. BJELLAND. It would strictly be a guess because I haven't heard any concerns expressed, but yes, I would say they would have the feeling that they were, yes.

When it came right down to asking them the question if they were for or against it, they may not say they were definitely—it should definitely be stopped, for instance, but I am sure they would feel that they were being spied upon.

MR. LEACH. It is helpful in looking at the rest of the world. Somehow we have a different feeling in looking at ourselves.

Because of military concerns, we have put in a tremendous amount of resources into making technological improvements in our satellite capacities. The ability to make crop estimate is one of the possible spinoffs from that.

Thank you very much, sir.

The next witness is Mr. Carl Heinisck, who is the vice-president of the DeKalb Bank.

Welcome, Mr. Heinisck.

STATEMENT OF CARL HEINISCK, VICE PRESIDENT OF THE DE KALB BANK

MR. HEINISCK. Thank you for inviting me, and I would like to commend you for coming out in the country.

I am a country banker. I am no great world financier, to get the record straight.

MR. LEACH. I might say that what Carl is saying is that in the United States today we have large money-center banks in New York and Chicago. They are filled with some very, very smart MBA's who have bought a lot of New York City loans, bonds, and they have made a lot of real estate loans.

By comparison, country bankers have proven to be a little bit like the country lawyers. Watch out. They speak softly, but carry a smart walking stick. They know what they are talking about. They didn't make the mistakes the big banks have made.

Please go ahead, Carl.

MR. HEINISCK. Thank you.

I also filled out the 1969 report as a farmer, too, and I have a copy. I have some idea of the detail and so forth and some of the information that went into putting it together and the personal experience of so doing it.

It is by no means a simple report and it is lengthy. It requires a lot of time.

I think the comments about the results is one where our farmers are interested in; and I sit in a position of being able to hear, you know, many people and can reflect the thoughts and feelings of the community.

I think that agriculture is a very diverse industry. It is a big thing in this country.

In an industry of this size and its input to our total well-being to the total contribution of our country, we need to plan.

I know that you gentlemen before you went out on the campaign you researched the facts because you just didn't go out helter-skelter and carry on a program, campaign. You tried to identify a base, a base of facts, of needs, and then you tried to react to those needs, those facts.

You tried to find the support of information.

I think the industry needs to have facts for the benefit of the consumer, for the benefit of the agribusinessman and for the business of the farmer, because we are all in this thing together. We are in it together.

I think in terms of planning the needs of agriculture—and I am not going to list a whole long list of them, but there are many, many needs, needs in terms of education, one of the reasons our agriculture is great.

I spent two years in Nigeria and there we did not have an extension program, an education program, to help the farmers about modern methods and production. We have that here and that is as the result of planning.

I think our own lock and dam issue that we have in this community or in northern Illinois, which I know you gentlemen are concerned about, is a result of what has happened.

In terms of in the last, what, 10 years or something like that we have doubled our corn production, and I can assure you I think we've got the technology where we could increase that more; and if we don't have the transportation facilities necessary now to meet our needs now, what are we going to have when we double or whatever, you see, and so, we need facts in order to base a plan upon.

I think another thing—and I really feel this. I really sense this. I think what you have here with every farmer that's sat in this chair is the farmer's concern about confidentiality. It is a real concern. I think another concern they have is how the information is used in terms of confidentiality. They are concerned about taxing and how they will be taxed and, of course, you could answer that back in two ways.

They are concerned about using the information that would tax them in an unequitable way. But you can counter and come back and say if you have all the facts, they could be taxed in an equitable way, because we are citizens of this country and we all have to support this country. Farmers, no different than anybody else, want to support this country, and taxes is one of the ways we do it.

The means of regulation and control, they are very concerned about this. We've seen this come with environmental people and so forth and more and more of this is coming.

The people in the feed business, more and more regulations; in the bank industry, a tremendous amount of Government regulations on policies.

Part of this, I think, has been brought up about these regulations because the facts aren't there or perhaps it is maybe the Government trying to find more jobs for people in Washington. I don't know, but it is frustrating.

A means of affecting management, this has been brought up a couple of times. I think in northern Illinois you've probably got some of the sharpest farmers in the country; and if, you know, we have a reporting system, farmers are concerned about the USDA reports that come out, and it is my understanding that these are samplings. These are samplings and their margin of error in grain hasn't been too bad. They have been pretty good. But the livestock has left something to be desired. So when you have facts coming out, one of the things that this census does do is it is a means of substantiating. It is a means of substantiating all these spot things, spot surveys that go on throughout the country. Maybe we can do that with the satellite. Maybe there are other ways we can go about doing it more efficiently and more accurately.

The other thing I would like to address myself to, and again it comes to planning and establishing facts, this is one that I have come to appreciate only in the last couple of years. In the last five—let's say 1970 we went from total agricultural debt—the total national agricultural debt went from something like \$45 billion to 1976 which was in excess of \$100 billion. Now, that's 6 years what it took almost a century and a half to achieve.

The point I am trying to make is again there is a set of facts. Now it comes back to say what's happening in agriculture.

It says if you project that we are going to need a tremendous amount of capital pumping into that agriculture, to go out and get that, to develop programs, for Congress to develop programs, that would reinforce moneys being pumped into agriculture. That requires a set of facts, a basis upon which to make that legislation. If you don't get the facts back very fast, how are you going to create legislation based on the facts?

That's all I have to say.

Mr. LEACH. Thank you very much.

Mr. CORCORAN. Thank you very much, Carl.

I was delighted when you took the witness chair. I know that those in the audience who farm for a living were delighted that you were here testifying because, after all, their prosperity depends on the kind of involvement with the financial community that I know exists here in this county.

I think, also, that the quality of your testimony certainly confirms my belief, and I suspect that of many others, that we are far better off in this country, going out into the country to find out what public policy initiatives ought to be taken and what changes ought to be made. Certainly the testimony we have received has certainly shown the value of coming here to find out how the program is working and what might be done to make it better.

One specific question I have that deals with the capital requirements, because you have injected a new factor into the need for the census, would you care to elaborate a little bit on what reactions there might be in the banking industry based on the findings that could be developed as the result of the agricultural census?

Mr. HEINISCK. Well, we haven't—I don't believe that we have really tapped the beginning of what we can produce in this country, and the production that we are going to achieve down the road is, I

don't believe, going to result from new land or from necessarily new farmers, new people, new bodies, to any great number.

I believe that the increase in agriculture that we are going to achieve down the road is going to be a combination of the skills of the farmers we have today in combination with private industry providing increased goods and services to the farmer, you know, through research, through investment, more efficient plans and so forth. So I think that the thing that is going to determine how much capital is pumped into agriculture is going to be the result of whether agriculture is profitable or not.

It is pure and simple. If agriculture is profitable, I think people in finance will find the money to pump into agriculture because the money will go to the opportunity that will pay the greatest return. That's our system. That's what makes our system great.

I think that when people try to arrive at a decision as to how much money to invest in barges for the river, for example, they are going to want some idea of what the capacity or potential production of our land is out here. It is all tied together. You just don't go out and build barges and so forth without trying to find out what its needs are going to be.

Is this the question you are asking?

Mr. CORCORAN. Yes.

Mr. HEINISCK. I see this as a correlation, how it is tied together, because a company when it is going out to ask for money has to establish how they are going to use it, how they are going to pay it back.

Mr. CORCORAN. Thank you very much.

Mr. LEACH. Thank you very much.

The next witness is Mr. Malcolm Whipple, vice president of the LaSalle County Pork Producers and vice president of the farm bureau.

Malcolm will be the eighth of 16 witnesses and after he is through we will have a stretch for a few minutes.

STATEMENT OF MALCOLM WHIPPLE, VICE PRESIDENT OF THE LA SALLE COUNTY PORK PRODUCERS AND VICE PRESIDENT OF THE FARM BUREAU

Mr. WHIPPLE. I hope I am not the cause for the need to stretch.

It is nice to see you here in Illinois and not always in Washington. After only a couple of days of thinking about this—I wish I had more time—I think I have more questions that I would like to ask you than comments to make on this subject.

We are talking about a large industry here, and it is varied from coast to coast or from State to State and actually from country to country. Farmers are farmers by definition in a way. What a farmer is here may not be a farmer elsewhere. That may sound a little facetious. Here you call us farmers. If you hold a hearing in Montana, don't even call them farmers.

Some of these questions that we have, we received in the same way. The question that I read here may not mean the same thing to me as a man in Montana may interpret it. The long and complicated forms we have to fill out don't mean the same thing.

Again you talked about the old farmers. That made me a little bit concerned when he talked about the old farmers. I submit that we have as many young farmers, by the definition we use, who don't understand the forms either or the questions. They may not understand the difference between 022 and 24-D.

I am not sure just where the post office, as such, fits in this except as a vehicle for the Commerce Department to get the census; is that correct?

Mr. CORCORAN. Yes.

Mr. WHIPPLE. And I would agree with the previous speaker who talked about wanting the census, assuming it is beneficial in the first place, to remain in the Commerce Department rather than shift it to the USDA and the labor census being in the Labor Department and so forth. I think the census makes sense not only of agriculture, but of other industries or segments of the economy; and we make one about every year for some group.

I think we have a better base from which to operate if there is some uniformity and means more to not only the farmer, but to other industries. Other censuses would mean more to agriculture if we have a common starting point.

I am a little concerned at times about who benefits in the census, and maybe that should not be a concern if they are not even published after 3 or 4 years. I am wondering at that point what the value is, and I would like to ask you at sometime does anybody have the figures or some of the figures that we turned in 3 or 4 years ago.

Let's say a farmer here, a small farmer. Does the big grain industry have some of the things that we turned in, or the big machinery industry, do they have some of the figures that we turned in? Apparently the farmers don't.

I would like to question, also, do records show that the census is more accurate than the previous surveys surveyed by the university or land grant colleges? Who has access to these returns? IRS has been mentioned. I think perhaps in the future a greater concern might be OSHA or EPA or some other new group that's apt to come along.

I believe that there is a resolution in the IAA resolutions that they are encouraging the farmers to be accurate in making reports and try to do a good job of it in presenting the figures. The figures are no good to anyone if you try not to be accurate. I really don't like to think that kind of resolution is necessary. I would like to assume that farmers are basically honest and would answer questions, but there is that resolution.

Mr. LEACH. Where was that resolution?

Mr. WHIPPLE. In the IAA resolutions. It doesn't mention specifically the census. It does mention various reports.

The farmer's benefits are very indirect. I think they come, but through education.

The educational channels like the colleges and extension services—even that has to be a little farfetched if after 3 years we don't have the results of the last census; and I would submit that perhaps if you can devise a simpler census form and method of taking it once every 10 years and get it out much sooner, we certainly have the technology to get this out almost immediately if we wanted it.

That's kind of a rambling report.

Mr. LEACH. Very thoughtful.

Mr. CORCORAN. Thank you very much.

First of all, I am not surprised that Malcolm's presentation is thoughtful. I have known Malcolm for a while now and particularly when it comes to the subject of agriculture and its relationship to the rest of the economy, I think Malcolm is among the more thoughtful people I know.

The previous witness commented a little bit about the value of the census in order to establish the facts to develop the financing that will be needed to gear up the productive capacity of farms in the coming years.

I am aware of your involvement to some extent in the banking business. Would you mind commenting on how you see that interrelationship, Malcolm?

Mr. WHIPPLE. From census figures?

Mr. CORCORAN. Yes.

Mr. WHIPPLE. I am not sure that the census figures are very appropriate when they are so much delayed except as a base mark from which to compare industry-type figures.

The industry figures, whether they are from the bank or agriculture or certain commodities groups, which I supposedly represent today, are very, very much up to date and very useful.

Mr. CORCORAN. Doesn't that raise another question that I think you touched on and I believe other witnesses have also, and that is the acceptance of the census by the farmer. I think that one of the difficulties in this respect has to do with the cooperation of farmers in completing the information requested. This raises the question, is the information gathered for the benefit of the farmer or is the information gathered for the benefit of those who provide goods and services to the farmer?

I'm not sure that either you or I know the answer to that question, Malcolm, but what is your perception of that? What do you think people today feel is the purpose of the agricultural census, people you talk to?

Is it to benefit the farmer or is it to benefit the people who provide goods and services for the farmer?

Mr. WHIPPLE. I would have to say I would hope it is for the good of all.

Turning that around, I would say then that I would hope the survey or the census you take of industry would benefit me, and I think it does, perhaps more than my census benefits anybody else.

I might make this comment, and I remember clearly trying to fill out the form 3 years ago. I think I called the enumerator twice and she finally came over and got the form.

Mr. CORCORAN. One other point just in passing, you touched upon the relationship that the Census Bureau has with other Federal agencies and the confidentiality of the information.

There is, I am told, a specific provision in the law today which prohibits the Census Bureau from sharing that information with other agencies such as OSHA or EPA or others.

There is, however, a special arrangement, I am told, with IRS and it may well be we might want to define that a little bit better in the law in order to define that relationship and then make aware to the farmer and the public generally just what that relationship is.

Thank you.

Mr. LEACH. Thank you, Mr. Whipple.

The subcommittee will stand in recess for 5 minutes.

[Whereupon a recess was had, after which the taking of the hearing was resumed as follows:]

Mr. LEACH. If the subcommittee can reconvene, the next witness will be Robert Pritchard, president of the De Kalb County Soybean Association.

STATEMENT OF ROBERT PRITCHARD, PRESIDENT OF THE DE KALB COUNTY SOYBEAN ASSOCIATION

Mr. PRITCHARD. I appreciate the opportunity to testify before you. I feel a little bit at home with this committee. I am now living in Congressman Corcoran's district. Previously in the past years I was an Iowa resident in your area. I feel at home talking to you both.

Mr. LEACH. Thank you. Many people who can't quite make it in Iowa come out here to Illinois, so we feel very close. Illinois may be the second best State to live in.

Mr. PRITCHARD. By way of a little background, the comments I will be making are primarily mine as an individual farmer, but are touched with a lot of experience with media usage with promoting the census and using some of its output.

As has been mentioned by other speakers in testimony, I think there is a real need for some of the type of information from the census. I think it gives us valuable benchmark data that can be added to the more legitimate surveys that the USDA is taking.

I must say the census is something of a paradox because it is only as good as benchmark data if the information is accurate.

I seriously doubt the information is accurate because of the attitude of the respondents to the census form.

I see several problems which have been mentioned. The forms themselves are complicated. They are involved and oftentimes may contain information that is irrelevant, at least in the eyes of the respondents.

The forms seem long. You asked the comment would a farmer take the form to an accountant. If the farmer has to pay the accountant, I would say no.

The farmer certainly is investing time in responding to this, and I don't think they want to invest any out-of-pocket costs.

I think some of the questions in the census form, as others have mentioned, are too personal. Along with this, I am not certain that the Government has a need to know the income information or the investment information that they are asking on the current census forms.

I don't see any other segment of society being asked these types of detailed information, and the only use that I can see of this type of information is for regulation. Perhaps to some degree to the taxation to the latter point I see a legitimate value for this information, but IRS is supposedly obtaining accurate information.

I also think there is a poor attitude of the respondents to the census form because everyone is asked to respond. Certainly in the larger farmer category everyone is expected to respond.

I think we could get by with less than a hundred-percent sample. Perhaps we might even be able to get by with less than every 5 years, perhaps a 10-year census benchmark would be as valuable and reliable as a 5-year is.

If we look at these types of attitudes and wonder how we could respond to them, I think in my view I come up with a number of ways to change it.

I was only able to ascertain the 1969 census form and that only after a great deal of scrambling.

Perhaps I should note the Government is very voluminous in the paperwork they have in the actual census form. Fortunately, they are trying to cut paper, but they are cutting paper by not making samples available; and in a hearing like this having those copies is certainly essential.

I think if we can look at the 1969 census form there are several pages where the page itself is easier to read than other pages.

To me that is coming down to the point and this might be more specific than what you want in this hearing, but it is a case if you've got one column of information on a page or two columns on a page, I think there are specific sections that are irrelevant that could be omitted or perhaps could be summarized and made more compatible with other Government reporting forms.

For example, the section on machinery inventory, on pesticide information, on production expenses and on the market value of farm production, it certainly could be made compatible with the income form 1040, schedule F, so that information could be directly related from one form to the other and you could state on the census information simply take line such and such on 1040 to fill out this information.

If we look at the market value of crops produced and also specific production expenses, I question whether this type of detailed information is essential.

I think this is too detailed. I think this is to a degree, an infringement on privacy.

I think if we look at the degree of motivation that a person has to respond to this form, I question the appeals that the Census Bureau has used in the past. They often threaten farmers that they must fill this out under violation of the law.

They impel the farmers to respond to this more or less out of a condition response attitude, and I think one of the appeals that they use is this is done every 5 years and this is the fifth year, so we need to fill the form out this year.

I think it would behoove the Census Bureau to stress the value, the need and the use of the census data, and perhaps there would be more accurate and more complete information obtained from the respondents.

Congressman Corcoran referred to the growth of the census form over the past 10 to 15 years. I was not aware of the size of pages that have grown. Just looking at the 1969 census in relation to the 1964 census I was amazed at the amount of increased information in that 5-year period.

I think the census form now is seeking out information on production expenses, detailed production expenses, on the value of income on farm-related income.

The census form is now interested in the organization of the farm, whether it is a partnership, corporation or what have you.

The census form is now involved in land ownership, in the use of chemicals, just as a few examples of the growth of the census form from 1964 to 1969.

I think if we look back perhaps a hundred years or whenever the first census form was taken we might form the original purpose, which was to enumerate the number of livestock, the number of acres and the types of crops that were grown.

Now we are more concerned with production information and costs—I should say production costs and types of chemicals that we are using than we are in finding out how many livestock we have or how many acres of various crops.

In summary, I would like to see us perhaps restrict the census to a more needed original purpose of enumerating these types of production, acreage and population figures, rather than the cost figures that we seem to be moving towards every 5 years.

I would like to see us reduce the cost of the census from \$39 million projected to something more realistic. I think we can do this by perhaps cutting down the amount of information that's requested and the number of people that are required to follow up and get a response from every farmer.

Finally, I am not certain that it is appropriate for the Government to want to anticipate its financial needs or any other needs in the agricultural community. I think we should let free enterprise respond to the needs in agriculture, and, therefore, restrict the amount of regulations the Government is getting to do.

Thank you.

Mr. LEACH. Thank you very much.

Mr. CORCORAN. How long have you been here?

Mr. PRITCHARD. I am a native of this area.

Mr. CORCORAN. Since you did mention the speculation you have about the change in character of the information requested let's review its history. Looking back at the agriculture census let me just point out that some of the research we developed shows that in the

1910 Agricultural Census the requested information was the following: name, color, country of birth, tenure, acreage, acreage of woodland, character of timber, value of farm and improvements, number and value of livestock on farms, number and value of domestic animals, the acreage of crops planted and to be planted during the year of enumeration, acreage of crops and quantity and value of crops for the year ended December 31, which I think corroborates your position that in the early period of the agricultural census the kind of information that was being sought was a more quantified type. Now what appears to be happening is that the direction in the line of information requested is toward production costs. This is really going into management considerations in farming and into the determination of how profitable farming is as well as comparing the profitability of one type of farming with another.

All of this, I think, further excites in people the concern about possible regulation consequences or other possible uses to which that information might be put.

So I particularly appreciate your detailed testimony because I think it brings out something important, and that is the changing character of the kind of information that's been requested.

Mr. PRITCHARD. I might just add I was going to mention if you look at some of the specific information desired on the machinery inventory list, it is a very incomplete list; and I raise the question if you are asking for incomplete information, what value is that information. If you are not asking for complete farm machinery inventory, why ask strictly for tractors, trucks, combines.

It may be a substantial part of it, but it is not a complete list of crop production machinery.

You asked the question earlier, too, about whether we felt it would be appropriate to get some type of information from IRS and for them to get information from you. I can appreciate your problem of trying to find out who is a farmer.

To that extent IRS records are easily accessible detailed information that you need to know, but again I point out the suspicion when the IRS is looking at your figures and you perhaps are looking at their complete list of figures, whether the Government is maybe cross-checking information that's inputted to it, and this has an impact on regulation.

Mr. CORCORAN. And an impact on the attitude of the respondent. Thank you very much.

Mr. LEACH. Thank you.

The next witness is Mr. Allan Aves, president of the DeKalb County Farm Bureau.

STATEMENT OF ALLAN AVES, PRESIDENT OF THE DE KALB COUNTY FARM BUREAU

Mr. AVES. Thank you.

I, first of all, would like to tell you I am happy you did come out in the country and use our Farm Bureau company building and we are real proud of it.

I represent DeKalb County. We have about 4,600 members here.

Probably the thing that concerns me the most about the census—I certainly, first of all, would like to say I am in favor of the census. I think we need to keep it up.

Probably the thing I am concerned with the most, most of the people here today—in fact, all that have testified so far—have been presidents or representatives of some commodity group, which is probably better than the average farmer.

I am not saying that the average farmer isn't as smart as we are. I am not intending to make that kind of assumption. But in my attempt this morning to find out something about what I was going to testify to here today, I went to a local place of learning, the local coffee shop, and visited with some of the guys trying to find out what their feelings were.

I would say probably about 40 percent of the people that I talked to would say, "Let's not have a census. Let's close it off. All it is, is giving other people the advantage over us because they are finding out what we are doing."

I can't really agree with that, I myself personally. I feel we need these things because I personally cannot find this type of statistics myself without the Government or someone doing it for me.

Someone in the big corporation, of course, they have the advantage of having statisticians of their own to do this, and they are certainly going to find out on their own.

For example, the market traders, the people on the Chicago Board of Trade and places like that, they certainly have their own statistics.

Many times we out on the farm sit there and think how come the Government is coming out on these long reports on grain when we know it is dry out here. Someone should let them know.

The thing comes down to the wire. The agricultural statistics are probably correct, but I wonder sometimes maybe some of the things you are wanting to find out is maybe better found out by visiting with the man on the street or the farmer in the country.

Many times we listen to the people who come into these meetings and are the ones willing to go out and be heard, and I don't necessarily feel that maybe we are the ones that really know.

We represent these people. We try to do the best we can. Sometimes we maybe are giving you our opinion, what we feel is best for them.

You made the comment, Congressman Leach, earlier about the accuracy of the satellites. You thought about 20 percent accuracy. 20 percent probably isn't close enough.

We are trying to get this thing on an even balance and probably 20 percent isn't close enough, although maybe that is closer than what our statistics show. But the statistics are pretty close.

Someone asked also about the accountants. I think many of us farmers depend upon our wives to be the accountant.

I know the last one my wife filled out everything which she could and then I took over. I would say probably the things she put down were more accurate than mine.

In some cases wondering about the amount of fertilizer, how much was used on the farm, instead of going through and figuring out exactly what it was, I would kind of put it in a box and figure it out. You know, you use so many pounds and you figure how many acres you've got and mark it down.

I think probably it is nearly enough accurate, but I think probably sometimes it is just kind of a long shot.

I have a few notes I marked down here. A lot of the things have already been covered.

Probably one of the other things that kind of concerns me a little bit, too, is maybe some of the personal involvement that we get into with farming. Many times in the census they will cover the area of the farmland's worth, the size of the farm, things like that.

The average size of a farm in DeKalb County, I believe, is around 300 acres.

I don't know how many farmers own their land. If you say half of them do, you could also say they own 150 acres. I don't know if this is a proper assumption or not.

If we say that it is, I think many times the people who are not concerned with farming basically only would read statistics. They probably know what farmland is worth, but they really don't know what is involved in farming.

Sometimes they could get the assumption figuring 150 acres of land per person, \$3,000 an acre, that amounts to \$450,000. This is an awful lot of money.

Of course, this is all money that the farmer cannot readily turn into cash. The only way to do it is to sell out; and when he sells out, he pays all these other different expenses and that kind of equalizes everything.

They say the farmer lives poor and dies rich. That's pretty well the way it is. You go all through life trying to put a farm together.

This may be one of the things that might be wrong with it, getting some false assumptions, getting it to people who understand part but do not understand all the information.

Thank you. That's all I have to say.

MR. CORCORAN. I want to take the opportunity to say how much we appreciate the courtesy and the opportunity to use the Farm Bureau building here in DeKalb for the meeting.

One question I have relates to a new suggestion I think you made, and that is the idea of sampling the man on the street.

We have talked a little bit about the value of a sampling technique to get the information rather than having to have every farmer complete the form.

Do you think that the farmer generally would accept the technique that might be developed by a good—say A. C. Neilson or Gallup or Lou Harris or whatever—professional opinion survey company?

MR. AVES. I would think they would. The comment was also made it cost \$38 million. How many respondents are there?

MR. CORCORAN. Two and a half million.

MR. AVES. That's running \$16 apiece. I am certain we would gain that much from it. I won't be surprised that they would.

I know the comments were made earlier, the feelings, that the farmers were maybe not being honest in filling out these questionnaires. Maybe if we make it a little shorter, it would be to our advantage.

I don't think as a whole that happens. There might be the odd one, but in general I think farmers have always been born and raised honest and they fill it out honest. I have faith in them.

Mr. CORCORAN. Whatever inaccuracies would not be intentional.

Mr. AVES. No; definitely not.

Mr. LEACH. Thank you, and also thank you for the use of the facility.

The next witness will be Mr. Bob Hutcheson, Jr., DeKalb County Farm Bureau.

STATEMENT OF BOB HUTCHESON, JR., DE KALB COUNTY FARM BUREAU

Mr. HUTCHESON. Thank you. I certainly would like to extend a thank you for coming out to the country. I think it is a good step in the right direction to talk to people about what they feel about certain governmental agencies and regulations, and I think it is a step in the right direction to come out and hear what the grass roots have to say.

I think we are in a society when we are talking about a census, we hear people say there's too much access by other interacting agencies to gain people's personal knowledge. I think that's one of the things that probably is the first and utmost in people's minds, is what has been already stated, the confidentiality or the cross reference in which people gain access to other information.

I think that's one thing why people are rather reluctant to fill it out. I know in about two or three words I can tell you what my dad would tell you to do with your forms, and I think there's a number of people in that position who would probably do the same thing.

It's already been stated that some of the people fill it out because it happens to come to them. So I think you have to have a real sell job on the part of your Census Bureau to prove the need, the accuracy by which it is given and why a person should take the time out of his busy schedule to fill it out.

I myself am much like Allan. I handed it to my wife and she looked it over and said, "Holy cow. That's too much. You take care of it. I don't want to mess with it."

So I think you have to take a look at simply streamlining it, because when a farmer such like my dad in his late 60's would take a look at this and he would be swamped by the complexity in which the 1969 form was filled out, in which I happened to take a look at it.

I did happen to dig and find a form which was preliminarily sent out in about 1972 and supposedly, by the cover letter, it might be used in the 1974 census.

It was a real short form. There was some things I liked about it. I think it is very well put together.

In particular one area, when we were talking about getting into the money question, its need to be jotted down to the exact dollar, in

the case of this one when it talks about corn or grain, mark the number sold, less than \$5,000 or \$5,000 to \$9,999.

I think something like that people might be more willing to respond to where you can kind of speak in generalities.

They've got the figure. They are not trying to go into my business because they don't know the exact dollar.

So this might be a possibility that might be utilized.

As has been stated before, farmers are very protective because they are individualists. They do not want anybody else knowing what their business is, and I think probably this is one of the biggest downfalls.

I do feel when they resign themselves to the fact they've got to fill it out, they do the best job they can and fill it out the most accurately as they can.

So I think, kind of in summarizing, we need sort of a sell job on why we need the census, the advantages to the common farmer to fill it out and shorten the thing up so it doesn't—I think mine took about three nights to complete. I would work on it after supper and so on.

So you need to get it down to a shorter time and possibly not be quite as worried about honing it down to the dollar.

I think the response could be better that way if it was not honed down quite so close, but I do think the census has a great value.

As I try to find out information from the Government to find out how many farmers are engaged in agriculture, what type of goods and services do they buy if we are trying to make a program to go before the urban audience, I think that's the first place I look for the Government's statistics. I think they do have a point of value in them.

So that pretty much concludes my testimony, and a lot of it reiterates some of the things other people have said; and I agree with most of the things that were said by other people before me.

Mr. CORCORAN. Bob, I have one question. You mentioned that it took three nights to fill out the 1974 form. Would you estimate how many hours were involved?

One of the things I think we need to know is how many man-hours were involved.

Mr. HUTCHESON. I suppose probably—

Mr. CORCORAN. Including your wife.

Mr. HUTCHESON. I would just guess probably about three hours, a total of, what, nine, somewhere in there.

That 1969 census, which is the one that I was able to get another copy of, it took you at least a while to go back and read it.

As you read everything, you find out, "OK Some of these things don't pertain to me."

After you got into it and got into the swing of the thing, you could go a little faster.

But as someone was to open up this first page, "Holy cow. Look at all that writing." As you started reading if you don't produce any hay, you answer no and go on to the next question. This is helpful.

I think it is that first impact upon people which gives them a

negativism and you wanted to put it up on the shelf and forget it until you have to come back and ask three or four times.

Someone mentioned there might be a need of a presell job or a type of thing where you say you are going to be getting this. Be on the lookout. You might need to use mass media, but some kind of momentum to get people motivated to take part in a program and become part of a program which could be of benefit to them.

I think it all comes back to them, to try to generate them to fill it out and make it simple enough for them to be able to fill it out and not be inundated with a whole ton of material.

Mr. LEACH. Thank you.

The next witness is Mr. Robert Bridge of De Kalb.

STATEMENT OF ROBERT BRIDGE, DE KALB, ILL.

Mr. BRIDGE. Thank you, Congressman Leach, Mr. Corcoran, and I appreciate being here.

As far as the census is concerned I have here my copy of the 1974 census. I feel that census material is something entirely different from livestock and crop reporting services because they are not really related at all.

Census material is reported for statistical purposes and does not come into the news media for any special effect on the market or anything else in my opinion.

As far as the confidentiality of the census is concerned, there is a notice here on the front page that indicates it is not used for taxation investigation or regulation, and this satisfies my concerns in that regard.

Carl Heinisck mentioned the census could be used for the purpose of establishing financial needs in the future, and I think in that regard the census every 5 years is certainly worthwhile inasmuch as agriculture is undergoing such fast changes that I don't see how anybody can keep up unless we have information within the last 5 years.

It is unfortunate that the results of the 1974 census was not printed until September of 1976, as I understand it, and the extension and the ASC office, as far as my information is concerned, are the only ones who have received it.

In regard to this census here, my copy, I have the remarks that I wrote after filling out the census in 1974, and this copy was sent back to me as a direct result of my criticisms. I shall read you the remarks that I made at that time. They are somewhat leftover material.

This is an extremely confusing census form. First of all, there is no provision for a file copy. In 1969 and 1971 I, at least, was provided with a file copy.

How else can one provide sustained continuity if he has no record of what was reported before.

The information asked for here has little resemblance to the IRS 1040, yet all of our farm recordkeeping systems are geared to Federal income tax reporting.

I find no provision for inclusion of Social Security on Labor and no provisions for including interest costs except in the block 'All other expenses not included above.'

I feel much like the budget planner who often adds 20 to 50 or even 100 percent for contingencies for someone to pick on.

You folks use this information for statistical purposes and the true condition cannot be reported in this form. Any cattle feeder on a cash income reporting basis usually has two crops of cattle involved in any one year, yet you ask only for those purchased this year, 1974.

Feeder cattle costs two to three and a half times as much in 1973 as some purchased in 1974, yet many were carried into '74 sales but not included in '74 purchases.

Another confusing feature is that in our case I must report as a partnership since that is the way we record our business. Though we report income tax as individuals.

Here again a file copy is important in that we could keep the messed up one whereas it is you folks are going to get it. I have tried to offer constructive criticism.

Thank you.

Mr. LEACH. Those are very constructive comments.

Mr. CORCORAN. Mr. Chairman, I wonder if we could ask the witness to give us his 1974 document on the assurance that we will give him a copy.

Mr. BRIDGE. Oh, sure. Do you want the whole thing?

Mr. CORCORAN. Whatever you would prefer.

Mr. FERRELL. At least the statement.

Mr. BRIDGE. I will give it to you because it's served its purpose now.

Mr. CORCORAN. Bob, I would like to draw you out a little more on the comments you made, especially the difference between livestock and crop reports compared with the census report. There is a concern that many people that have that agricultural census information has an influence on market pricing and things of that sort.

As I understood it, you testified that it should not and you do not believe that the census information does have that kind of direct effect on farm market prices; whereas, livestock reports, crop reports, and others do have some indication into the future which will ultimately affect what the prices are.

Mr. BRIDGE. Yes; I am convinced with that. Census information, for one thing, you are reporting at the end of the year. It is something that has already occurred. The livestock and crop reporting is something that is taking place now as of a certain day, and they want it within 2 or 3 days, so that they can compile all this information, get it out just as quickly as possible.

Census information has no relation to that whatsoever.

Mr. CORCORAN. Thank you.

Mr. BRIDGE. This is my opinion.

Mr. LEACH. Thank you very much, Bob.

The next witness is Mr. Stanley Durin, a farmer from Steward.

STATEMENT OF STANLEY DURIN, STEWARD, ILL.

Mr. DURIN. Congressmen, I would like to thank you for this opportunity to share the frustrations I experienced in 1974.

We operate a family corporation of 380 acres on a part-time basis, and the first recollection I have of that census form was the statement on the front that if I didn't fill it out, they would put me in jail. I thought that was dumb. They are not going to put all the farmers in jail.

I tried to fill the thing out. I opened it up and got about halfway through. I put the form in the bottom of the file. I got very frustrated. I think I got a reminder and finally I got another copy of the census form. I decided they might not put all the farmers in jail, but they might put one farmer in jail. So I tried to fill the thing out.

It is a very cumbersome form and very confusing. There were some questions in the form that I thought was nobody's damn business. I put down some extravagant answers. As I plowed through the form I had to refer back to my income tax, and I thought somebody else might, so I went and changed most of those answers.

It is quite hard to split out the different categories from your income tax forms as they apply to the census form. I think the gentleman before me mentioned there should be some correlation between the two forms.

I do remember that if, indeed, somebody does look at these things, somebody might wonder how I managed to raise 4,000 bushels of apples on four apple trees, so I do question the value of some of the answers. I would suggest that we correlate this with our tax forms, if we could get it at the same time and have the answers correlate with the tax form, because this is the time most of the farmers do their bookwork. It would have been very helpful to me if I could have done it at the same time.

You were asking about the value of these census forms. It crossed my mind that I doubt very much the food value of a bushel census form, but I do know what the food value of a bushel of corn is.

If the man-hours are right, if the amount of time is right, I probably could have raised 200 bushels of corn, certainly not in January. At I remember, I spent the better part of a Sunday afternoon on that. I could have easily farmed a couple acres in that period of time.

I want to thank you gentlemen for coming to the country. I think it is a healthy sign.

Mr. LEACH. Thank you. We want to make it very clear it is not our hope to hold the next hearing at the Illinois penitentiary visiting all the farmers who refused to fill out the last form.

I would like to put the rumor to rest that Continental Bank is buying all the land around that pen.

I am impressed with a part-time 380-acre farmer.

Mr. CORCORAN. I appreciate your forthright testimony and I do have one question.

If you were convinced that there was a valid purpose for the information being gathered and if the census form was streamlined and sensible and would take about an hour to complete, would you be neutral, negative, or positive about completing it?

Mr. DURIN. I think I would be quite positive. This form was really quite awkward.

I think by the time you got done, you understood a little bit about what you were trying to accomplish. Yes; I think all farmers realize the necessity for accurate information, but I really question the value of some of the information you got on this, the complexity of some

of the questions and the fact that some 3 years later nobody knows what you really got.

Mr. CORCORAN. Thank you.

Mr. DURIN. Yes; a very short, simple form that could be prepared in an hour or less and get the results, I would be very much in favor.

Mr. LEACH. Very good. Thank you.

The next witness will be Mr. John Emerson of the DeKalb Corn Growers Association.

STATEMENT OF JOHN EMERSON, DE KALB CORN GROWERS ASSOCIATION

Mr. EMERSON. It is a pleasure to be here today. I didn't know I was going to be here until the other day when somebody called me up. I think he said Washington, so I dug through my mail. Yes, I did get a letter. So today I came over here and I wrote on the back of a telephone bill what I was going to say.

Mr. LEACH. I think Lincoln wrote the Gettysburg address on the back of an envelope, too. This is the land of Lincoln.

Mr. EMERSON. That was just what the gentleman I was sitting next to told me.

I have quite a few more questions to ask more than give you information.

The 1974 census, you should look back and see why that isn't out instead of looking ahead at the next one. If you have to spend \$38 million out of your own pocket, it would be more accurate than that. As long as you are spending my money I have paid you in income tax—and there is not a farmer, I don't believe, that criticizes your income tax setup—but I know for one, I don't agree with what you do with it all the time, and that is just one little example. Who is this made available to? I don't know.

I remarked to myself as I wrote down the 80 cents per hour that you said we made as a farmer, you said that sometime this afternoon, 80 cents an hour, that's ridiculous. But we are still doing it. We love it.

Mr. LEACH. Unless you are a cattleman.

Mr. EMERSON. I used to be a cattleman. Thank goodness I couldn't figure out on paper in 1967 how to figure out any money. That year I had to fall down from the barn and fell on my head.

One thing I would like to just kind of bring in here, my wife and I have been farming 520 acres. How are we going to be able to turn this farmland over to our children without—the Continental Bank is not going to get it, but somebody is going to get it, the Government, and we worked all our lives for that. The law is not right.

Thank you.

Chairman LEACH. Thank you, sir.

Mr. CORCORAN. Mr. Emerson, would you wait just a second?

I appreciate your testimony for two reasons. First, I think that you have pointed out who it is we must keep in mind when we are asking for this kind of information; and I think if we have in mind

who the respondent is, we will have perhaps a better idea of what kind of information to get.

Second, while the focus of this year is on the Agricultural Census, I think you have touched on a couple other points, one of which is the estate tax which you alluded to, which needs to be corrected.

Let me just simply say I think there are some changes taking place. I think you are going to find the Government is a little more responsive, and one of the ways to do this is to give people like you an opportunity to express yourself, and I appreciate your coming here.

Mr. EMERSON. And I appreciate you gentlemen coming out here, you know.

Mr. LEACH. The next witness will be Mr. Howard Andres, cattle feeder from Clare, Ill.

STATEMENT OF HOWARD ANDRES, CLAIRE, ILL.

Mr. ANDRES. I hope she doesn't check my attire.

Mr. LEACH. I appreciate you wearing your Kent garb. Kent is headquartered in the first district in Iowa.

Mr. ANDRES. My testimony is going to be altogether different from the others.

I didn't fill out my first one, first census. They send it to me, and I felt that it was greatly infringing on my right to privacy. I didn't fill it out.

I got all of the letters. I was like the gentleman before. I guess I was getting ready to go to jail.

Finally I got a phone call and I filled it out over the telephone.

I disagree with some of the people that testified ahead of me that they were accurate. I don't think—I think the percentage of accuracy was very small.

When I came to the second one, I thought this time I am going to do it right. So I sat down and it took me 6 hours to fill it out.

After I was all done I never did hear of what became of the thing; and you said today it was published in 1976 or it was put out in 1976 or something like that.

So I am questioning whether we should spend the time on it. That's for what it is worth.

Mr. CORCORAN. Let me just comment. The reason we are here is because we are questioning the same thing.

Mr. ANDRES. I hope so.

Mr. CORCORAN. And I think the testimony we are getting here and I suspect the testimony that's been provided to the subcommittee and other quorums probably raises a sufficient degree of doubt that unless we make some rather drastic changes in the present manner of handling the agricultural census, we are going to get not only less cooperation, but probably more faulty and invalid information, which makes the whole thing worthless.

Mr. ANDRES. That's right.

I thought at first I was the only one that wasn't turning it in. After visiting in the coffee shop, I found out that I wasn't the only one.

Do you know the percentage that didn't turn in the first one?

Mr. CORCORAN. Counsel may have—

Mr. FERRELL. The respondent rate nationwide was very low, but I don't have the actual percentage figure.

That was one of the concerns that the Bureau indicated to us, the response of the farmers like yourself.

Mr. ANDRES. Because I know in my particular area there is a much higher percentage of them that didn't turn it in, and most of us got our call from Indiana.

Mr. FERRELL. Can you give us some idea what was the general sentiment?

Mr. ANDRES. They all felt like I did. It was so detailed.

Mr. FERRELL. This is the 1974 census?

Mr. ANDRES. No. This is the first one, 1969.

I was thoroughly upset with it; and I thought—well, I felt strong enough about it that I was going to go and see what happened. I kept getting letters and everything.

I thought, well, I would try it out and see what could happen.

Mr. FERRELL. What would you think about filling out the next one?

Mr. ANDRES. If it was very simple and we knew what it was for, I wouldn't be opposed to filling one out.

I guess I was more opposed to the length of this one.

Mr. LEACH. Thank you very much, sir.

Mr. ANDRES. OK.

Mr. LEACH. The next witness is Mr. David Wirsing, Sycamore, president of the Pork Producers.

STATEMENT OF DAVID WIRSING, SYCAMORE, PRESIDENT OF THE PORK PRODUCERS

Mr. WIRSING. I would like to thank you for inviting me. This is my first opportunity for something like this; and I'm nervous, I have to admit that, sitting here this afternoon.

Of course, there are several things that I had in mind to say that have already been pretty well covered.

I called some of our board members to get some ideas, and the general first impression from them was, "Let's just forget it."

After some conversation they said, "Well, there's some valid reason for taking a census, but not to the length we have."

It needs to be simplified, I think, for the reasons of accuracy.

I know when I filled out the census in 1974 that after sitting in the office for 2 or 3 hours, you are paying out money for a good set of books, and you can't simply pull things out of the set of books to enter into the census.

After a while you say, "Why do I have to be that accurate," and the other people I have talked to say the same thing.

After you've spent an hour, an hour and a half, you didn't really care if you got that accurate or not. So I questioned the accuracy of it.

As far as simplifying one, I like multiple choice. I think that's the best way to go.

I've got one wife, but I had a multiple choice before I selected her.

The question of IRS using their information and crossing, I am totally opposed to that.

Some of the board members I've talked to, we got to talking about this possibility, and it just seems to me there is a fine line there as to what the census people can look at as far as the IRS and vice versa.

It is a pretty fine line. I feel it can cause some problems.

You can get some individuals who have something he did to them and maybe use it the wrong way.

Very simply, that's all I have. That concludes what I have to say.

Mr. LEACH. I would like to just comment on your notion of multiple choice. I think that's a very good one.

I am not sure just what percentage of the census can be done in that fashion, but I suspect a good deal.

Mr. CORCORAN. Dave, I think you have touched on a situation which certainly we have heard here this afternoon and perhaps has not yet been considered by the Census Bureau in actually implementing the design of the form. I am sure they will be made aware of this.

One other comment, though, why the opposition to the IRS cross-reference? Is it because of doubt or is it because you just really don't believe that we can restrict the IRS on just getting that information?

Mr. WIRSING. Well, yes. There's a sense of doubt there; and granted, if regulations are set up to say, "OK. This is all that may be used," and if somebody goes beyond those boundaries, it becomes an illegal situation and all this, even so I can see some problems there with this little sense of doubt in my mind.

It is a pretty fine line when you are presenting a sheet of paper and you say, "Well, you can only read the top half."

What prevents them from kind of glancing down at the bottom half, you know, this type of situation.

Mr. CORCORAN. I think technologically it is possible for the Census Bureau to be able to achieve a rather substantial savings by virtue of computerizing the returns. Then you can extract certain information from the tax returns and if that information is just the name, address and occupation, and then you get that into the computer and that is all that comes out. I am speculating, but I think it is possible that the result of that might be a rather substantial cost savings in the cost of taking the agricultural census.

If you can cross-reference, get those names and addresses and occupations, and thereby identify your population, that is all the farmers that you want to get to, there could be a significant savings; and the cost, which is projected to be \$39 million, might be something a good deal less.

If it could be determined without any doubt that it is possible technically to get that information without in any way physically going down to the other parts of the 1040, then what would be your reaction?

Mr. WIRSING. In other words, what you are saying is to determine who is a farmer.

Mr. CORCORAN. Right.

Mr. WIRSING. From the records?

Mr. CORCORAN. That's all, just the 1040-F.

Mr. WIRSING. OK. Yes, I could be positive of that.

I've still got the sense of doubt.

Mr. CORCORAN. You'd want to see what the savings were?

Mr. WIRSING. Yes.

Getting back to the multiple choice, granted you can't use that all the way through a census and really get meaning out of it in total, but to me you can get a lot of necessary information on that basis and it is just a simple matter.

It seems like farmers are always filling out things either on the telephone or getting some type of form in the mail from private companies or whatnot.

Like the hog operation. You sell x-number of hogs a year, and you'll have between 500 and 1,000, 1,000 and 5,000, 5,000 and 10,000.

In my mind why does it have to be any closer than that?

Mr. LEACH. Thank you very much.

The final witness will be Mr. William Mullins of the Illinois Corn Growers Association.

STATEMENT OF WILLIAM MULLINS, SECRETARY, ILLINOIS CORN GROWERS ASSOCIATION

Mr. MULLINS. I want to first thank you for the opportunity to express myself and thank you for coming out in the country and listening to what we have to say.

I might say that I am very familiar with Iowa because the Illinois corn growers have been working very closely with the Iowa corn growers. We appreciate this opportunity because they are the second largest corn producers in the country.

If you don't mind, I would like to read some aspects of my testimony and in no way do I mean to infer just because you are from Iowa that you can't read it.

Do you want a rebuttal?

Mr. LEACH. Please go ahead. Don't consider this a test.

Mr. MULLINS. I received notice of this hearing on March 29 and I do not have a formal statement that has been approved by either group, by the State or national corn growers.

I would request that notice of these hearings of this type be sent far enough ahead so that the topics can be discussed by our organization and a firm recommendation can be made.

This would eliminate the very many and varied solutions and remedies that you received today, and it may consolidate an answer to the problem.

I spoke with a few of our State board members, and for the most part I would say that we agreed that the forms are too long and they seek too much information, and a lot of this, we feel, is too personal and too detailed.

I also question the accuracy of the information received, not saying the farmers are trying to give false information, but I don't believe due to the length of the forms that they go back and look up their records.

I think they try to put it down from their memory, which undoubtedly isn't quite as accurate.

One of the possibilities that might work would be to select, say, 10 percent of the people that you are going to survey, and with the money that you save from paper and clerical help in processing these, possibly you could compensate the people who are willing to fill out the forms.

I think Congressman Corcoran mentioned this possibility earlier.

I would also recommend that only information that is pertinent to the general public be released.

It states on the form that it is confidential. I think this is important.

There are people who can take figures, pieces and parts, and make accusations that aren't necessarily true; and I think that could defeat legislation that is needed for a strong and productive agriculture.

I also believe that there is some merit in letting this particular census in the Census Bureau and giving us a cross-check along with the USDA surveys.

I feel that the information from surveys is needed by our government officials and agencies in order to establish plans for the future, but I don't necessarily think that we should share some of the personal information with the rest of the world, and let maybe some of the foreign countries come into our agriculture and know what we know plus they know what they know. They would have quite an advantage.

Maybe we are a little too free with some of this detailed information.

In closing I would just like to thank you for the opportunity; and if we can, I think it is important that we communicate with each other.

I believe commodity groups such as the corn growers and farm organizations such as the Farm Bureau are a means for communication.

The corn growers have been in Washington on a couple occasions, primarily just to open the communication line up and to educate ourselves to some of your problems and difficulties in making certain decisions.

I again would like to thank you for this opportunity.

Mr. LEACH. Thank you very much.

You have raised something very serious about whether or not it would be appropriate to pay someone who would fill this out. What type of compensation would you have in mind?

Mr. MULLINS. When I wrote this, I had in mind a similar survey that I am making to a private seed corn company. They have a little training exercise that you go through and a pledge that you do it timely and accurately.

For this they give you a small token gift. I don't think it has to be, you know, so much an hour or anything like that. Maybe a token and have some training or some involvement before this big, long sheet of paper comes out.

I do feel our records aren't necessarily based on the same format that the census form was based. It is pretty difficult to pull the particular information out.

I think if you start—say, you selected a certain group, maybe interviewed them and got the sizes that you wanted and so forth, and they knew that they were going to be filling this form out maybe on a yearly basis or whatever.

They could keep that information throughout the year. It would be much easier for them, and you would have a better set of records for yourself.

Mr. LEACH. That's an interesting proposal.

I might comment you also said—and I think you are very right—that you can prove almost any position by using figures out of context.

There is a great Missourian, Mark Twain, who once said, "There are three kindly lies: Lies, damned lies, and statistics."

The census has a lot to do with that observation.

Mr. CORCORAN. I am learning more about my colleague Congressman Leach, as the afternoon progresses here; but, Bill, you've commented on something else by virtue of what you have introduced into the testimony here, and that is the notion of some control on the information that would be released.

Would you care to comment on who you think ought to be involved in making the decision about what information gets released and what information does not?

I am not looking for particular agencies or something like that because I don't think either one of us at this point would know the appropriate agency other than the Census Bureau itself, but what kind of standard, what type of entity would you have in mind?

Who would you have involved in the decisionmaking progress to say this information gets released and this information remains within the Bureau of Census?

Mr. MULLINS. With that kind of question, I think you people would be better qualified to know the answer.

Mr. CORCORAN. What I was getting at, do you think the Department of Agriculture ought to be involved in that decision?

Mr. MULLINS. I think they could lend some good thoughts along those lines, just, say, the cost of production and so forth, how the information should go to the world market and foreign buyers coming in and so forth.

Mr. CORCORAN. The reason I asked, one of the two bills before the Congress at the moment, at least before the House of Representatives and in this subcommittee, is a bill introduced by Congressman Neal Smith of Iowa which would transfer the administration of the agricultural census from the Department of Commerce, the Census Bureau, to the Department of Agriculture. There's been some testimony against that on the grounds that the Department of Agri-

culture might not be completely objective in developing this kind of report; they may design a way to look for information that would support export programs or something of that type.

Considering that do you think the Department of Agriculture would be helpful, from the standpoint of deciding what information would be used and what information would not be used?

Mr. MULLINS. I think that the Department of Agriculture could maybe say to what degree certain questions should be asked.

I say in here there is merit in leaving it in the Census Bureau as a cross-check, just alleviate the problem that you—this is one thing when I was in Washington. I felt like I was in a little vacuum with business and activity that was going on around me, and I heard about this before I went out.

After being there a couple days, I felt that.

This is why it is good that you people take this time to come out, and I think it is important for us to go there.

Mr. CORCORAN. Right. Thank you.

Mr. LEACH. Thank you, sir. Your statement will appear in the record at this point.

[The prepared statement follows:]

PREPARED STATEMENT OF WILLIAM MULLINS

I am William Mullins of Shabbona, Illinois. I am Secretary of the Illinois Corn Growers Board of Directors and also on the Board of Directors of the National Corn Growers.

I received notice of this hearing March 29, 1977, and do not have a formal statement that has been approved by either group. I would request that notice of hearings of this type be sent far enough ahead so the topic can be discussed by our organization and a firm recommendation can be made on the subject. This would eliminate the many and varied solutions and remedies that you will receive from the many individuals that reply.

Speaking with only verbal contact with a few members of our State Board, I would say that the forms that farmers are asked to fill out are much too long and they seek information that is too personal and detailed. I question whether the present survey represents accurate information because of its complexity. I believe the information would be much more accurate if only a select ten percent were asked to supply the information and use the savings on paper and clerical help needed to process the results as compensation to the people that fill out the forms.

I would also recommend that only information that is pertinent to the general public be released. Many times only parts of the numbers are used by our bureaucrats to prove certain points they want to make. We all know that you can prove most any position by taking figures from certain areas or short periods and comparing them with other select times and prove most any point you wish. Sometimes urban congressmen use this to defeat legislation that is needed for a strong and productive agriculture.

I also believe there is merit in letting the Census Bureau make this particular survey. This gives us a comparison with survey figures compiled by the U.S. Department of Agriculture.

I feel the information from the survey is needed by many of our governmental agencies but question to what extent we should be asked to share our personal information with the rest of the world.

In closing I would like to thank you for this opportunity and hope that we can further communicate on this subject and others that might need to be discussed by our government officials and by fellow Corn Growers.

Mr. LEACH. Mr. Mullins is the last witness.

I would like to put into the record a statement from Mr. Brooks Whitney of McNabb, Ill., who has written us on this subject.

STATEMENT OF BROOKS WHITNEY, McNABB, ILL.

I offer for your consideration this written testimony on your hearing to discuss the problems associated with the Agriculture Census.

I farm in Putnam County, Illinois, where I raise corn, soybeans and feed hogs.

My thoughts and suggestions are as follows:

1. Our township assessors gather much of the same information asked in the Ag. Census. This information should be available to the Census Bureau.

2. The format of the Census is complicated and long. Because of this fact, few farmers take the time and effort to fill it out accurately. I would suggest that the Census Bureau utilize a "farm committee" to help formulate this Census.

3. If the Census Bureau does not see fit to improve the format of the Ag. Census, I would be in favor of eliminating it. The reasons are quite clear; the information gathered presently is not accurate. And secondly, inaccurate information is quite costly to gather. If we are to gather and use this information, let us do it accurately.

Thank you for allowing me to express my views on this subject. If I can be of any help, feel free to contact me.

Mr. LEACH. I would like to open this hearing up to comments from anyone in the room, particularly from individuals who have not testified. If there are no further comments, I would like to thank you—

Mr. BJELLAND. I wanted to give a chance to those who hadn't testified.

There are only two comments I have in listening to the rest of the testimony now that are of a little bit of a concern to me. One is the magnitude of the growth of this thing. It reflects the magnitude of the growth of the Government, when Congressman Corcoran pointed out the 1909 or 1910 census and compared it to today. It is just one indication of the big balloon we've got that I hope is not ready to burst.

The other thing is on the confidentiality. I think even some things that are released legally such as, for instance, statistics which would say that Illinois and Iowa or the Midwest corn farmers are now using root worm insecticides on 90 percent of their acres, could this be a red flag to an organization like OSHA. While I am sure OSHA is not all bad, I haven't decided what good they are with the quality of some of the stuff they have come out with. But this is another concern I have, even though this information if it was kept confidential does no good. Some of this stuff where they get into the management aspect in getting away from the old format and getting into the management aspect could throw some red flags to more regulation.

That's all I have.

Mr. LEACH. Thank you. If that's the last comment. I would like to thank everyone for coming. This has been exceedingly helpful.

I think Tom and I are both very hopeful that the next census that is produced will be more sympathetic to actual needs, and maybe we can do something symbolic that reverses that trend towards bigger government, have something that is actually more concise, shorter, more responsive.

Mr. CORCORAN. I agree and thank you very much for coming.

Mr. LEACH. Thank you. The subcommittee is adjourned.

[Whereupon, at 4 p.m., the subcommittee adjourned.]

THE AGRICULTURAL CENSUS

APRIL 2, 1977

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON CENSUS AND POPULATION,
Washington, D.C.

The subcommittee met in the Marengo, Iowa, Courthouse, Hon. Jim Leach (acting chairman) presiding.

Mr. LEACH. I would like to welcome you all here. I might say that it's a particular honor to hold a meeting in this courthouse which is one of the oldest and most beautiful in Iowa. In fact, my wife did a survey of all Iowa county homes years ago and this particular courthouse is her favorite building in this county.

We have convened this hearing, as you know, to examine the concept of the next agricultural census. As you know, a lot of concern, has been expressed about the last agricultural census.

Before beginning, I would like to introduce Mike Ferrell who is counsel to the committee; Joe Fisher and Warren Geurin who are on the staff of the committee. Anyone who would like to testify is welcome to. We have a list of those who intend to testify. At the conclusion of the testimony, we will open it up to any comments that other people might have.

I might just begin by noting that a number of people have indicated to me three or four concerns about the last census. It was quite long, quite complicated, and quite burdensome. Begun in 1974, it has, to date, not been published, and if censuses are to have much value, presumably one wants to get the information out on a timely basis.

There is also very real concern that some of the information gathered was inaccurate and subsequently used by the Department of Agriculture in a counterproductive manner, particularly with respect to cattle numbers. There was an underestimate of something like 8½ million head of cattle. In 1974 with that type of information being circulated in the agricultural community, the implication was very real that one should be bullish on cattle obviously the message was not welcome at that time.

Second, there is a feeling in this country among farmers that the census invades the privacy of individuals—partly, because of the depth of the information that's asked for, partly due to the fact that the IRS is involved, both in terms of furnishing the census with material and also in terms of whether the Census Bureau should give material to the IRS. Many of us are concerned that the Internal

Revenue Service is an agency for taxes and the Census Bureau for other statistical information and the twain shouldn't meet.

Yesterday we held hearings in central illinois and DeKalb with Congressman Tom Corcoran. Congressman Corcoran was to be with us today but we made a decision late last night, based on the weather forecast, that he should not plan to fly over this morning. Thus Congressman Corcoran will not be with us.

I might say one of the major problems with regard to the last census is that no one made any effort to have farm input and the meeting today is an effort to get grass-roots input into the census. I think it's very symbolic. I told people in DeKalb yesterday that it was an honor to bring the hearing to the second greatest agricultural State in the country, and today it's an honor to bring it to the first. With that as an introduction, let me call the first witness, Mr. Thatcher Johnson who is the deputy secretary of the Iowa Department of Agriculture. Mr. Johnson, you are welcome and we are pleased that you brought some advice from home with you. His daughter is with us as well.

**STATEMENT OF THATCHER JOHNSON, DEPUTY SECRETARY, IOWA
DEPARTMENT OF AGRICULTURE, REPRESENTING HON. ROBERT
LOUNSBERRY, SECRETARY OF AGRICULTURE**

Mr. JOHNSON. Chairman Leach and the U.S. House of Representatives Subcommittee on Census and Population, it's a privilege to be here this morning. My name is Thatcher Johnson and I serve as Iowa Deputy Secretary of Agriculture, and in the following testimony I am representing Iowa Secretary of Agriculture, Robert H. Lounsberry. Incidentally, can you hear us all right?

Mr. LEACH. Yes.

Mr. JOHNSON. Our office is extremely cognizant of the need for accurate statistical data. This necessity stems from the realities of producing and marketing. Only by having information that is isolated from the private sector can we have any significant degree of credibility in crop and livestock statistics. This is an important agricultural production mechanism which is in the best interest of all Americans. Only by knowing where we have been, and where we are going, can we chart a course into the future. Statistics give farmers another tool with which to plan.

Governmental statistical figures are important but it appears the current system can be improved upon. This general evaluation surfaces from our offices close relationship with U.S. Department of Agriculture's Statistical Service in Des Moines, Iowa, as well as from our constant communication with farmers and the farm leadership of Iowa. We do not profess to have mastered the expertise of the statistical discipline but we harbor a compelling mandate to speak out for a large number of disgruntled farmers. We received many complaining telephone calls and letters during the last 5 year census conducted in 1974 by the Bureau of Census.

Frankly, in Iowa, our department funds an annual State farm census which yields a magnificent reservoir of information relating

to county acreage yields and total production of the various agricultural commodities. The responsibility to collect this data rests with the various county auditor offices. We recognize the fact that most States do not have such an abundance of information available on a yearly basis, but few States can compare with Iowa in crop and livestock production. Perhaps some of this information can be utilized in States that have an annual State farm census as we have in Iowa.

One of the major complaints voiced by farmers to our office reveals a strong feeling that there could be a dramatic reduction of the responsibility burden on farmers. This could be achieved by eliminating duplicity and by changing sampling techniques. These changes could most easily and economically be realized by moving this statistical responsibility from the U.S. Department of Commerce to the U.S. Department of Agriculture.

The 1974 Census of Agriculture contained 38 sections of which data for 16 of these sections had been collected previously by the U.S. Department of Agriculture. Additionally, 8 other sections display partial duplication. This leaves only 14 sections of the entire questionnaire which pertains to new information. The sections that are duplicated deal with crops and livestock.

The second major area of complaint concerns harassment. Many farmers were told that if they failed to complete the census form they would be held culpable and that could result in a heavy fine or jail sentence. Much of this type of coercion was via telephone. This forceful approach is not acceptable.

Let's consider a survey, of perhaps one of every five farmers, on strictly a voluntary basis. Positive participation could be expanded by stimulating those chosen with a small monetary payment and by employing a system of participant rotation.

My appearance here today is part of a continuing effort on our part to gain the changes mentioned herein. Last June, Secretary Lounsberry offered a resolution pertaining hereto at the annual summer meeting of the Midwest Association of State Departments of Agriculture at Springfield, Ill. The resolution was unanimously adopted. Subsequent to that time, in November, at the fall meeting of the National Association of State Departments of Agriculture at Phoenix, Ariz., a similar resolution was presented by Secretary Lounsberry and, again, it was unanimously adopted. Needless to say we will continue to take a strong stance to attain our goal of improving this situation.

In closing I will reiterate the need for accurate and timely statistical figures; and feel that end can best be realized by lessening the respondent burden and utilizing scientific sampling techniques. These are important ingredients of a viable collection gathering system regardless of where the final responsibility of collection rests; but we favor the collection by the U.S. Department of Agriculture.

Mr. LEACH. Thank you. I would like to pursue your last point. As you I am sure know, Congressman Neal Smith has a bill before the committee which would transfer the census to the Department of Agriculture. All of the major farmer organizations have testified

against it and have argued basically two things: One, the Bureau of the Census performs the survey, it will serve as a check on what the USDA has done before; and two, there was some apprehension that census information within the USDA might be released at varying time periods for potential users and the farm organizations felt it was better protected within the Bureau of the Census. Would you comment on this?

Mr. JOHNSON. I would have no fear in this regard at all as far as the release of the information regarding the census. This information, as I understand, hasn't been released yet from the 1974 census and if this type—this responsibility were transferred to the USDA, hopefully of course I basically take the approach I would not like to see a census and a census in my mind I guess is an every person type of thing which I think is going a little further than need be.

But just the same, regarding the use of the USDA by these figures, I think the inference is in an improper way. I don't feel an accusation like that is justifiable because I feel there are many, many security precautions taken as these figures are gathered. They are not let out in a program manner and I feel that the agricultural community has been very well protected the way they have been released. I just don't see how that would pose any threat by transferring it to the USDA.

Mr. LEACH. Well, I appreciate your judgment. One of the arguments that Congressman Smith also made was that no census could have been done worse than the last one the Bureau of Census did. You can't help but improve it, he argued and you might as well give it to the Department of Labor. In any respect, the Bureau of Census does a whole series of different censuses in this country and, as far as priorities are concerned, they appear to give last priority to agriculture which is clearly evidenced by the fact that the last census is yet to be published. In fact, it won't be for another month or two and that's a very strong argument for change.

Mr. JOHNSON. I would really concur with that and I think it's rather evident that that's the approach they take. They evidently have too many responsibilities in the area of census taking and perhaps this is one that they shouldn't have, and when you consider the tremendous importance of this census to the agricultural community, it should be given a really high priority and I am confident that the USDA would do that.

Mr. LEACH. We are considering on the committee whether it should be given to the Agriculture Department or not, and whether to mandate a time period for which the results must be published. In fact, one of the ideas under consideration is that information must be published by the end of the year of which the initial questions are sent out.

The Bureau of Census has argued that's putting an unreasonable restraint on them. Would you like to comment on that? Do you think that's a feasible thing?

Mr. JOHNSON. I would certainly think so and it just stands to reason, after all, these figures, even though they are not available say in the current cases to 2 or 3 or 4 years down the road, they are still helpful and serve a purpose, a benchmark type of thing.

Nevertheless, the sooner it's available to the public and to the agricultural community, the more helpful in our planning because we will use those, farmers will use those as planning tools and farm organizations will use them and whatever. So certainly the time element is extremely significant.

Mr. LEACH. Thank you very much.

Mr. JOHNSON. Thank you for being here.

Mr. LEACH. The next witness is Mr. Duane Skow, statistician in charge, Iowa State office statistical reporting service for the USDA. Good morning; welcome.

STATEMENT OF DUANE M. SKOW, STATISTICIAN IN CHARGE, IOWA STATE OFFICE, STATISTICAL REPORTING SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. SKOW. Good morning, Congressman Leach, it's especially a privilege to be here after some much needed rain we received last night.

Mr. LEACH. I wish I could claim responsibility. This is a day of good news with beans up the limit and rain coming down.

Mr. SKOW. We need a little bit on pork and beef and we will be real happy.

My name is Duane Skow. I serve as statistician in charge of the Iowa State statistical office, statistical reporting Service, USDA.

Statistical Reporting Service is regarded as the statistical arm of the U.S. Department of Agriculture, and prepares estimates of crops, livestock, poultry, dairy, prices, and related agricultural topics, and issues some 550 national reports. Approximately 200 of these reports which are of particular interest to Iowa residents are released by the Iowa SSO. The remainder concern minor items or items not produced in the State, such as flax production, goat inventory, and so forth. The estimates are the basis on which farm programs are made but the primary responsibility is to farmers and farm industry.

The SRS agency is composed of the national office in Washington, D.C. and 44 field offices, one of which is the Iowa State Statistical Office. The original purpose of SRS as stated over 100 years ago remains today, being to provide producer and agribusiness accurate, timely estimates so that all sectors of the agriculture industry would be equally informed.

Information for the timely estimates is gathered from agricultural producers, agribusiness, and other available or published data from regulatory agencies in an effort to reduce respondent burden and maximize use of collected data. Of course, these same sources are extensive users of the SRS estimates. Their cooperation is absolutely essential in formulating a workable and usable program. The attached Crop Reporting Board calendar¹ shows the date each report is released nationally; you may note that the frequency of a report will vary from weekly to annually, depending upon the item for which estimates are compiled.

¹ Retained in the subcommittee files.

The SRS estimates are based upon information gathered from a small sample of respondents with a very short timespan from survey date to release date. The estimate refers to a particular date such as the first of the year, first of the month et cetera. There are several ways of gathering data including sampling and complete enumeration, census. Sampling reduces the number of people contacted and results in a reduction of data gathered and summarized. Along with this, a measure of statistical accuracy is possible. The accuracy can approximate each other depending on methodology used.

Data from the two sources, U.S. Dept. of Commerce and U.S. Dept. of Agriculture, serve different purposes in that the USDA-SRS estimates pertain to a current particular date and are used in planning current production and marketing operations, whereas the U.S. Dept. of Agriculture census of agriculture pertains primarily to enumeration of all farms in much greater detail, such as production by size groups, type of operator, production, inputs, costs, et cetera. Thus, identical information is obtained for all counties and States across the Nation. The U.S. Dept. of Agriculture census of agriculture results are utilized in a historic evaluation and include changes that have occurred over time and details of operation not available from other sources. The USDA-SRS also uses this information in evaluating the estimates that had been prepared on a current basis.

It is for these reasons that the Statistical Reporting Service has cooperated with the Department of Commerce, Bureau of Census, in preparing for the 5-year census of agriculture as well as in the evaluation of the tabulated results.

That concludes my prepared statement.

Mr. LEACH. Thank you. I might ask how wide a sampling do you take when you say you sample? Is it one-tenth?

Mr. SKOW. No, generally—well, we have several types of data gathering samples, and one is a probability sample and nonprobability. For instance, on crops we use both types, but in our random nonprobable sample we will contact roughly about 15 percent of the farmers. Of course, we don't get returns from all of those. The probable sample where we select the sample and have a response from all, this is only about 1 in 80.

Mr. LEACH. You mentioned that you could come up with a sample and release the information in a fairly short time frame. What is that time frame?

Mr. SKOW. Well, it depends on the size of the sample and the accuracy which you designed the sample for. In order to cut variance in half, you have to increase the sample size by four. So the cost and the time is in direct relation to the accuracy demanded. Where we say now on a State level for hogs, for instance, the State estimate is within 3 percent accuracy, regionally within 2, and nationally within 1 percent. We start gathering the data on about the 24th of the month and it will be released by the 20th of the next month.

Mr. LEACH. That's very impressive. From your background in farming, do you think there is any reason that the Bureau of Census couldn't produce a result in a year?

Mr. SKOW. Well, I believe the census has used sampling in the past on a number of items.

Mr. LEACH. Yes, they have.

Mr. SKOW. For example, a one-fourth sample, a census, within a year, that would be a big task because the data gathering, you get in 80 percent rather fast but it's the last 5 percent that really takes the effort in making a complete tally count, and I think there are ways of estimating for the last portion or sampling of that last portion. I think there would be avenues to use, but a complete tabulation census I think would be real hard pushed, from our experience.

Mr. LEACH. Do you provide incentives for people to respond?

Mr. SKOW. No, we do not.

Mr. LEACH. If census people were to design a system of incentives, would that make your job more difficult?

Mr. SKOW. Well, it's a difficult question to answer and these are my personal opinions only, and that is that you can offer somebody \$2 an hour to sit down and fill out a questionnaire which is minimum wage level and—

Mr. LEACH. Given the hours farmers put in, many make for as little as 80 cents an hour.

Mr. SKOW. And they would say thank you. The other person you ask for over \$2 an hour and it's an insult. Well, if my time isn't worth more than that, I don't want to be involved. Some jobs, the only pay that's adequate is thank you. That's the way I feel.

Mr. LEACH. Well, we have received testimony in Illinois at variance, but some people have proposed the concept of providing incentives to fill out a form. One of the problems, though, is that when the Federal Government institutes a new technique, especially one involving money, it ends up having a significant effect on State programs, and county programs where that type of advantageous approach is not available, and my concern is that with all of the volunteer efforts going on, does this create difficulty at other levels that might be an advantage solely to the census?

Mr. SKOW. My impression, all of them don't agree with the statement I am going to make, but I think one of the things that I have experienced on interviewing people and gotten refusal to give data, and all of our data is voluntary with us with several exceptions, where I have gotten a refusal, they didn't want to cooperate and then we will say that's entirely your right, you know, this is collected voluntarily. Then they say, oh, that makes a difference and I get the data.

Mr. LEACH. Yes. That's a profound observation with regard to the last census with the very firm mandatory penalty of \$100 which was so resented. I heard personally from a number of farmers who were most upset. The threat was there, and, even though it was unlikely to be used, it was still a threat and I think personally that the next census ought to be as voluntarily oriented as possible. I would bet a nickel that the response would be better. When you do your State sampling, do you have any threat of any nature?

Mr. SKOW. No, it's strictly voluntary and especially when we have enumerators going out and contacting respondents and we will tell them this.

Mr. LEACH. From the point of view of cooperation, do you think that a case can be made that the person taking the census would be more apt to cooperate with the USDA rather than the Department of Commerce and the Bureau of the Census? Might there be an argument for USDA administering the census rather than the Census Bureau?

Mr. SKOW. That's a difficult question, almost impossible for me to answer that. Of course, government opinion has greatly suffered the last few years and just mentioning that you are from the U.S. Government is almost to get refusal in some areas.

Mr. LEACH. Especially in 1974, of course?

Mr. SKOW. Right, but we have enjoyed a very strong volunteer cooperation. We have surveys where our refusal is about 2 percent, and other subjects we will have as high as 11, 12 percent, and a lot of the surveys where we have 10, 12 percent refusal won't be for the entire questionnaire, but for certain items within the questionnaire such as personal income and things like this.

Mr. LEACH. Yes, that's understood.

Mr. SKOW. But the general production items, we have very strong cooperation.

Mr. LEACH. One of the issues before the committee is what size farms one measures. Recently the USDA established a definition of a farm, as a place where over \$1,000 worth of agricultural products are sold, whereas the former definition was \$250. In the state of Iowa, the number of farms, is about 129,000, with a little over 3,000 being under \$1,000 in total goods. Do you have a position on whether you think that definition should be \$1,000 or should be more or less?

Mr. SKOW. No, I don't have a position there. We like to take the same definition as the census of agriculture does for obvious reasons so that the data can be compared and so that the detailed information published in the census of agriculture can be related to official estimates of production or counts that's being estimated on the State level, and this is the reason that I think the census and agriculture has always been the same definition.

Mr. LEACH. There has been concern indicated that if you skip smaller operations, perhaps less so here in the midwest than in the South, you will be overlooking a number of people who might describe themselves as farmers, and we have had testimony from southern representatives particularly, that this is a serious issue in their state. I'd like to get an indication for the record, from someone from Iowa, of your feeling of the consequence of leaving out of the census people that are very small by way of farm income. Do you think that's a very serious concern or would it not be overly important from this State's perspective?

Mr. SKOW. For total production, it's rather insignificant and you have to say that with tongue in cheek because to the person on the small farm, it is significant. So with due respect in that category,

most of the production is on the large farm and increasing on down. Iowa is quite uniform in the size of farm operation. In the absence of real large farms like in other States, we have a growing number of people that live in town and have a small acreage and have a cow and a couple pigs. These are not commercial farms, especially as we refer to them here in Iowa and these are the hard ones to get onto the list that we use for sampling purposes.

The assessor doesn't refer to them as farms and this is one source of names for our sampling. In Iowa, the total production of corn, soybeans are major bread for the State and would be insignificant from 250 to \$1,000, the definition change.

Mr. LEACH. Thank you, Mr. Skow.

Mr. LEACH. The next witness is Maynard Long who will be representing the Iowa Dairy Association and the Poweshiek County Farm Bureau. Welcome, Maynard.

STATEMENT OF MAYNARD LANG, REPRESENTING THE IOWA DAIRY ASSOCIATION AND THE POWESHIEK COUNTY FARM BUREAU

Mr. LANG. Hello. Well, I received a call from the Iowa State Dairy Association in Midland to come and represent them, and I asked for some guidelines and they said that since they were not particularly involved in legislature and haven't developed any opinion on the census that I was on my own, and then the County Farm Bureau president asked me to take Poweshiek County's point of view and come out and I asked what the view was, and he says you are on your own, and I was flanked back here by two persons who might have some official stand with respect to the farm bureau.

The first thing I would say that the census—I am sure you heard this every hearing—was very cumbersome, long, boring, very personal in its nature, and it was a duplication of a lot of information that we are asked to give periodically from agricultural statisticians, private polling groups, private information groups.

Now, number one, it would seem to me that somehow, some way in the day of IBM machines and calculators that instead of making the forms and the information more cumbersome on the census, and I didn't have time to go through it, but I think it was a couple years ago that I filled that out but it seems to me we would go from one page to the next in a repetition of the same information almost. It seems to me that somehow somebody can simplify that thing and, if we could pick up a form that was two or three pages long rather than a book that had to be gone through, that we would be more inclined to fill it out voluntarily.

The question came up here a while ago with regard to some remuneration for filling it out. I think that at \$10, \$20, \$100, as far as the farmer is concerned, it's kind of like spitting in the wind. You eat that up in inflation in a little while. I really don't think it would help. I think it's got to be the honesty and integrity system. I think this was so long that a person was inclined to get somewhat careless by the time he got to the last page.

You just threw something in and got rid of it as quick as you could and my wife keeps all of the books and she has got to keep after me to fill that sort of thing out, and after so long, you know, you get through a few pages one night and then your income tax records and your inventory records and you try to get the thing accurate, and the next thing you are just throwing figures inaccurate within 5, 10 percent.

So it's not totally accurate especially in a large livestock operation where numbers vary, bushels of corn in a crib in storage, bushels sold can vary from month to month by several thousand bushels. So, No. 1, I would say simplify it any way possible.

The second thing is, isn't there some way we can stop the duplication of information going to the Federal Government? I realize that the census comes out only periodically and some of these others want a more constant update, but I feel that the people that are asked to fill them out are the ones who have the least to gain by the information. I, as a farmer, have very little to gain by the information that comes out on that as against certain business organizations and certain people who are suppliers of agricultural products.

So, in essence, I would say that on both standpoints, simplify it, try to attempt to reduce duplication and, to me, any kind of pay or threats both fall on deaf ears. I can remember when I was a little boy there was this corn sealing that first came up and the Roosevelt administration, they gave you a seal to put on there, and said under threat of penalty, and in the day of 10-cent corn my father told me don't you touch that because this was the first experience of this kind that we had been confronted with and I always remembered it, and I just come off and I realized there must be some sort of hold. I just finished up a year on a zoning commission in zoning our county and on land use and we had some people who wanted to take out the penalty and I realize it's got to be there because otherwise what have you got to hold people in line.

I would like to add one more thing, you asked the definition of a farm. I don't think \$1,000 is practical in 1976. In our county, for the purpose of keeping urban people from scattering all over the county like we have seen in some counties in Iowa, Indiana, and others, we indicated unless they build on the land they must own 75 acres and actively operate that land. The reason 75 acres was determined is because there are few 80 acres because of highways and if you want to get down to technicalities, the average 80-acre farm, even when you buy it, is 77-point something or other. I think it's impractical, the definition of a farm.

Of course, I will have to say that with regard to the south, I am not very knowledgeable as to some of the small operations or share-crop operations that might still exist down there. I think that concludes my statement.

Mr. LEACH. Thank you. We received a lot of testimony from husbands who have indicated that their wives filled out the census forms. You indicated that you couldn't necessarily speak for Farm Bureau. Can you speak for your wife?

Mr. LANG. She wouldn't fill it out for me. She does my income tax.

Mr. LEACH. I am impressed with your statement that pay or threats fall on deaf ears, and I think that's a pretty good reflection of the attitude in Iowa, and hopefully in the country, but I think we're terribly lucky in this State. The issue of simplification is the major issue, I think, for this next census. It's my strong opinion that people open the census form with every good intention, and just scratch their head; and then they put it at the bottom of the file. I think we can do much better in designing the next census. I hope the people who design the next census consult with those both in the private and other parts of the public sector, who get better results than the Census Bureau does.

Mr. LANG. One way I could see to simplify it is that the average farmer now, as I sat back here in the light, I know some on one side, there is a fellow quite large in cash grain and hogs and another fellow might be big in cattle feeding and dairy, and most farmers are in one of the two categories. I wonder if this couldn't be simplified that rather than going through this whole thing and thumbing through page after page of fruits and vegetables if you can't get some indication, pages this and this pertain to cash grain and dairy or beef, livestock, and save you going through the whole form and then coming back to the back page and there is a half dozen more little things you could have just as well put on the pages pertaining to your farming operation.

And another thing, if this is an agricultural census, we can build a very strong case for the person realizing a \$1,000 a year. It does not represent agriculture in this day and age. I definitely think it ought to be upgraded. If anything, I think it ought to come up to \$10,000 to be practical because, even that, by the time you take out your profit, you are eligible for food stamps so why fool around with \$1,000? It's not sensible. I think a very strong case could be built for upgrading that and getting it to the people who are actually farmers.

Mr. LEACH. Thank you. The next witness will be Marlyn Jorgensen.

STATEMENT OF MARLYN JORGENSEN, BOARD MEMBER, REPRESENTING THE IOWA FARM BUREAU FEDERATION

Mr. JORGENSEN. Thank you, Congressman Leach. I give you greetings from our president, Dean Grettler, who regrets he could not be here this morning for the testimony on behalf of the Iowa Farm Bureau Federation.

We appreciate this opportunity to present the views of the Iowa Farm Bureau Federation in regard to making the agricultural census more acceptable to farmers and more meaningful to everyone who uses them. You are to be commended for coming out into rural areas to seek opinions and for your efforts to improve the process in advance of taking the next agricultural census.

Undoubtedly the Census Bureau realizes there are farmers who are not enthusiastic about cooperating in providing census information. In fact, many look upon this process as an invasion of their privacy. Consequently, there is a real need for the Census Bureau to

conduct an educational program to explain the value of gathering the census information and to make certain every farmer realizes that information he provides is kept in confidence. If farmers are convinced the information is of vital importance, cooperation will improve.

Some are asking if other businesses are subject to similar inquiries. If so, this should be made known. Most of us are naturally reluctant to review our economic status beyond what is required to complete our income tax form. In other words, assurance must be given as to the confidentiality of census records and why it is valuable for others to have this data.

Still another concern of farmers is the tremendous amount of information that is requested. Answering the questions is time consuming. Many require considerable checking before they can be answered accurately. Could some questions be eliminated by the use of more sampling techniques and by the use of satellites? It is our understanding that the use of satellites has become much more sophisticated in recording such items as crop acreages even though they may not be as suitable in checking on crop yields and livestock numbers. We appreciate the fact that it is more difficult to develop reliable county data and information on characteristics of different types of farms than it is to develop State and national estimates of crop production. But we urge use of new techniques to reduce the need to answer long questionnaires.

We doubt if legislation should mandate a certain percent of reduction in questions to be asked by the Census Bureau. Even though this is a worthy goal, it may not be practical to accomplish. When simplifying the forms, care should be taken not to predict they will be simpler if in reality they do not turn out that way as has been the case with our Federal income tax forms.

The credibility of the Census Bureau could also be improved if the results of the census were printed and released as early as possible. Data is just now being published for the 1974 census. We realize the amount of information that is assembled is tremendous as it includes so many items such as farm size, operator's age, crop acres, livestock numbers, et cetera. Perhaps if fewer questions were asked, the results could be printed sooner.

We understand it is proposed that the agricultural census responsibility be shifted from the Secretary of Commerce to the Secretary of Agriculture. At first glance this may seem logical, but we aren't convinced this would be the best procedure.

Perhaps there is merit in keeping all census gathering responsibilities in one agency where it can concentrate on improvements, where results can be coordinated with other economic census, and where the material can be used in an objective way in checking the accuracy of the USDA's statistics.

We are in favor of the new definition of a "farm" which was adopted for use in the 1974 Census of Agriculture. The new definition is "any place from which \$1,000 or more agricultural products were sold, or normally would have been sold during the census year." It appears to us this is a substantial improvement over the

previous definition which included some units as low as \$50 per year. Inflation and technical changes, such as mechanization of agriculture, have outdated the old definition.

We thank you again for inviting us to present the Iowa Farm Bureau Federation's views on the agricultural census.

Mr. LEACH. Thank you. You speak of confidentiality. Would you have objection to the principle in the next census, whoever takes it, Agriculture or the Bureau of Census, of using IRS statistics to get the names of farmers?

Mr. JORGENSEN. That's really, really a tough question because it borders on the whole process of what is confidential when you return IRS statements, and I guess in my best judgment I, personally, not as a farm bureau member, but I, personally, would have some real concerns about going to IRS forms.

Mr. LEACH. I would as well, and that's a very difficult issue because one of the problems with the last census was that they had a difficult time in defining who they should send the forms out to. Many people were hit several times; many people were left out of the census. Part of the hope for improvement in the next census is that the Census Bureau can use USDA's current list rather than the old list from 1974. I, personally, would be hopeful that they wouldn't go to the IRS. We will be considering legislation in that regard.

Mr. FARRELL. Mr. Jorgensen, we heard you amplify the need for the census to conduct an education program. I am wondering if you could tell the subcommittee what efforts you have done, what the federation has done to encourage participation in the agriculture census and have you been contacted in regard to the upcoming census as well?

Mr. JORGENSEN. Currently, we are looking as a State federation, we are looking at what we might do. Frankly, today, the efforts that we make in educating the farmer is going to be directly related to what happens to the census—is it going to be simplified, is it going to have confidentiality, that type of thing. We think if some of these things are done—in other words, one area that I frankly refused to answer on the last one was how much of my production is produced under contract. You see, that's, to me, a gross invasion of my privacy. Is General Motors asked, the executives from General Motors asked that, Congressman Leach? Being in former business, was that asked in the census? We are talking about census and we are needing to compare the agricultural census and other censuses as a uniform basis. If some of these things can be done so we can assure our people of their confidentiality so we can get them to a point where we have some confidence in them, then I think you might see some more effort.

Mr. FARRELL. With regard to the 1974 census though, was there any major effort conducted by the federation?

Mr. JORGENSEN. No, not that I am aware of.

Mr. FARRELL. Thank you.

Mr. LEACH. Is there any feeling on the confidentiality issue that perhaps the census information is not used for the benefit of farmers?

Mr. JORGENSEN. I think Maynard hit it very well, very well, in the fact that we wonder, frankly, a lot of times who this information

is going to benefit, the farmer or somebody else down the road. Is it going to benefit somebody that is going to be able to predict with more knowledge and more expertise and who have available access to computers and so on what our production is going to be 10 years from now, thereby determining what some company concerned ought to do in the area of building storage and production plants and that type of thing and, if that is done, will that affect our market in some way, affect our prices?

Mr. LEACH. On types of things that might be used to cut back the census, do farmers find any benefit whatsoever in questions, for example, relating to the amount of chemicals used?

Mr. JORGENSEN. We absolutely see no need for those kinds of figures because it's relatively easy for anybody to go to the Iowa Chemical Association, the Iowa Fertilizer Association, the National Associations and these groups and find out the total amount of chemicals used, you know, of certain chemicals used in the last year and they have a far better, it seems to me, a more accurate record of the amount of chemicals and counts used in agriculture.

I am sure that most farmers that fill out the census do it the same way, the amount of fertilizer, for example, that I use on my farm, I total the dollars I spent and divide it by the average price per ton and say that's what I use, you know, because for me to go back through 12 months and 150 invoices from my fertilizer company and to add up, you know, the odd pounds and tonnage on everything that I use would take my wife 2 weeks.

Mr. FERRELL. We heard yesterday, and also in other hearings, that the questions asked in the census forms are very difficult for the farmer to extract that information from other forms, income tax forms or other forms that he may fill out. Do you find that true in this situation?

Mr. JORGENSEN. Very definitely. Very definitely. In fact, we had a bookkeeping service. Ours is on a computer and thereby we know or have some of these figures more readily available than some farmers and, even with that, we have to go back and manually break out dollars and pounds and tons and split it off because we have a total purchase price. To do that with the service company is not necessary like fertilizer, it could be chemicals, could be for LP gas or several other things and that actually means manually going back through every invoice we have got in order to provide perfect data and, after all, if the data is not going to be statistically significant, it's not worthwhile to gather it and it could be gathered more readily and accurately elsewhere.

Mr. FERRELL. Do you feel as a result of its being complicated to gather, that there is a lot of guestimating?

Mr. JORGENSEN. Absolutely, absolutely.

Mr. LEACH. Would the more accurate information be through the associations?

Mr. JORGENSEN. Yeah.

Mr. LEACH. One of the arguments in favor of the census is that it covers such a wide number of people that you're apt to be more accurate; but I wonder if farmers start making guesstimates the sum

total becomes a guesstimate and the people that might better have the precise figures might be the associations anyway?

Mr. JORGENSEN. In my opinion, that's absolutely correct because I think that the estimates that farmers start with, plus or minus the error involved there and the fact that you multiply that over a large number, see, if everybody was 3 percent, 4 percent light, multiply it by the total farmer and you might be well over the mark of what the industry record shows was actually used.

Mr. FISHER. Do you recall how long it took you to fill out the 1974 form? Just take a guess. We heard testimony, for instance, from some of the witnesses who said it took them 3 hours, 6 hours, 9 hours.

Mr. JORGENSEN. I could give you an answer. I sat down and started on it one evening about 7:30 after eating the evening meal and I worked until about 9:30 and decided that it was absolutely ridiculous, put the census in my desk and left it there for a matter of 3 or 4 months until I got several phone calls. Even then I refused to send it in, and finally gave the answers to a lady who requested them over the telephone and I would guess she had about a 45-minute phone call with me to get the answer, and the 2½ hours that I did spend went about halfway through the form.

Mr. FISHER. Thank you.

Mr. LEACH. I just have one final question, how many unproductive hours of cursing did you—

Mr. JORGENSEN. There was a rather strained relationship between my wife and I for some period of time because she thought we were going to be in tremendous trouble with the Federal Government.

Mr. LEACH. Thank you, sir.

Mr. JORGENSEN. Thank you.

Mr. LEACH. The next witness is Mr. Ingwer Carstensen representing the Iowa Cattleman's Association.

STATEMENT OF INGWER CARSTENSEN, REPRESENTING THE IOWA CATTLEMEN'S ASSOCIATION

Mr. CARSTENSEN. I am Ingwer Carstensen, I am secretary of the Iowa Cattleman's Association. I feel for Mr. Lang and I am sure he feels for me because we got this call a couple days ago to appear here and, not having a staff of people to get this information ready, contrary to Mr. Lang, I brought my wife Dorothy here with me.

Mr. LEACH. Dorothy, would you like to appear as well?

Mrs. CARSTENSEN. No, I will just listen, thank you.

Mr. CARSTENSEN. I am sure she can relate to the feelings of Mr. Jorgensen as to how he became entangled with filling out this form. So with that, I will proceed. Mr. Jim Leach and fellow farmers, I am Ingwer Carstensen, secretary of the Iowa Cattleman's Association. I am from Jackson County and I am here as a liaison man with the Iowa Cattleman's Association.

I am here also to represent my fellow farmer friends who are here to protest these long census reports we are expected to fill out. Somehow I believe these reports go too much in depth. I was sort of caught

off base when the State office called me to appear on behalf of the association. I told Ray Papoon, our executive secretary, that I would call my county extension director and get some information and complaints. I couldn't get a copy of one of these reports to familiarize myself with. I couldn't even find out how often these reports were required. I couldn't get this information from Jim's assistant, but I could very quickly get my wife's knowledge of how long the report was, how inquisitive it was and the statement if it wasn't filled out properly and accurately we could be subjected to a \$10,000 fine and sent to prison. I am real sure that knowing farmers and ranchers that are of the rank and file category, not 1 in 50 could give this detailed information. Then once this information is obtained, I am quite sure it would take 2 years for it to be completely evaluated.

How much of this census report is a complete duplication of other monthly reports and how many jobs are we trying to create.

We have filled a monthly cattle and crop reports now for 15-20 years I guess, suddenly we have a man driving up to our door as of January 1 and asking us this same information. How much duplication of reporting is necessary? This concludes my testimony.

Mr. LEACH. Well, thank you very much, sir. I must say that one thing which would surely wake the census people up would be if they get a report from a cattleman showing a negative income.

Mr. CARSTENSEN. Well, I guess we can go back 3 years to show that.

Mr. LEACH. Yes. I might ask, do those farmers you know who filled out the report within their family, do they go to a local banker or could they go to their accountant?

Mr. CARSTENSEN. Well, in my case, we keep a detailed record report but you go through this, and Mr. Jorgensen pointed out that after a while, you just take some of these figures from the top of your head and round them off and keep a going because they hardly pertain to your business. I mean, after all, we feed cattle mostly. We have lots of cattle on hand and something like 300 hogs on hand all the time. We put in 200 acres of corn and so we can't have just all these figures broken down consistently. You can understand that, I am sure. Unless you have some complete breakdown of all these figures, you wouldn't be able to come up with a very accurate answer but, after a while, you know that there is no pay for doing this job so you sit down and you go through it and you take these figures off, you round them out to the monthly figure and try to get it done and get on to the next question.

Mr. LEACH. Would there be greater sympathy in filling out the report if the form were substantially shorter?

Mr. CARSTENSEN. Well, of course after listening to the testimony this morning, I feel that like many in Iowa, maybe we are blessed with a lot better reporting system than other States.

Mr. LEACH. Yes, we are.

Mr. CARSTENSEN. And like in my case, we fill these reports out monthly for the Iowa crop reporting service, and consequently we do this and then here comes this census report and I haven't found out yet, is it every 5 years?

Mr. LEACH. Yes; initially we had 20 censuses. They started in 1840 and were taken every 10 years. Then there was the general feeling in the agricultural community that because of the rapid change in agriculture we should go to every 5 years. Now, we have had some testimony saying we ought to boost it back up to every 10 years. Would you care to comment on that?

Mr. CARSTENSEN. Well, I am sure that I feel the same as Mr. Jorgensen who previously stated that who gets the benefit of this? Does the farmer get the benefit or does somebody else get the benefit of of what we do, and here we are going through all the effort and, as he stated there, I can sympathize with him. I mean, I had the same problems in filling it out.

My wife brought it out for me to fill out. I sat down and worked on it awhile then I filed it like he did and then we got continuous calls and such and letters and then we went back to it.

Mr. LEACH. Let me ask you on the accuracy of the survey, do you feel that crop figures are apt to be more accurate than livestock? We received some testimony yesterday that if anything, a farmer might be inclined to underestimate his livestock.

Mr. CARSTENSEN. Oh, I am sure of that. Livestock, basically he has probably got the figures at hand on livestock, numbers and dollars, cents, but as Mr. Lang pointed out, we don't know how many bushels of corn is in that crib. I mean, I have got say 30,000 bushels of storage on hand, corn storage. Well, for me to say today how many thousand bushel of corn I have got on hand when that one bin holds 1,000, a couple others hold five and another one holds one, then you have got a cone in there, so consequently maybe we have got 15,000 or maybe I have got 18,000 bushel of corn on hand. So we aren't very close on the amount of bushels on the crop reports, I don't think.

Mr. LEACH. Thank you very much, I appreciate it. The next witness is Lambert Elwood who is a member of the Iowa County Board of Supervisors and representing the Iowa County NFO. Welcome, sir.

STATEMENT OF LAMBERT ELWOOD, MEMBER, IOWA COUNTY BOARD OF SUPERVISORS AND REPRESENTING THE IOWA COUNTY N.F.O.

Mr. ELWOOD. Thank you. I want to welcome you, Jim, on behalf of the board of supervisors for the county and extend our appreciation for your efforts here.

Mr. LEACH. We are honored to be here.

Mr. ELWOOD. I, too, got ahold of this kind of late. In fact, I don't have what you call a prepared statement. I did do some calling around to some of the people I know on the farm and asked them what they felt about the census. I can give you my personal impression of it when I filled it out and what they felt about it and what some of the things they suggested are.

My personal impression was that it is a long form which may be necessary for the continental United States, but I don't raise that

many apples, pears, cherry trees, that sort of thing. I don't get involved in cotton, tobacco and that sort of thing. This sort of thing was very confusing about the form. I did fill it out. I don't remember how long it was, but it was over a period of a week or so and I think roughly it might have been 5 to 7 hours or somewhere in there.

I remember I had to go back and erase it and start over a couple of times because we were supposed to go to the next page and, if you didn't do something, you would see it three or four pages later. The farmers I called, one of their comments wasn't so much the form as it was what they thought the information on the form was being used for. This is what I felt was one of their greatest concerns and it is one of mine.

I will quote you what one gentleman said, he said,

"When they find out the number of hogs and they are taken and announced, when the amounts are announced the markets react and they go down or up. If they go down, 6 months later what actually happened is announced as far as the number are concerned and then they say well, if we had announced the right numbers, well, the market would have been better, fellows, but sorry about that.

But this is kind of the feeling I got from most of the fellows I talked to. They felt that the numbers are being made available not to the people that are producing the commodities. They are the ones that are buying and trading and selling and whatever else they do with them. On the statistical reports, I fill one of those out every week or month or whenever they come around and it had been an observation of mine and some of the people I talked to that planning intentions normally come out around March 15 to 25, somewhere in that area. Sometimes they come out between April 15 and the 25. It seems to depend a lot more on whether the major grain buyers have bought long or short than whether the farmers need to know the information or not.

The farmers don't get the information back that fast. The real planning intentions or what is actually being put in the ground seems to come out every year about somewhere between May 15 and May 25. Again, it doesn't seem to have too much to do—the timing on it doesn't have too much to do with anything that will benefit the farmers because most of those people have grain pretty well sold off that are going to sell and the actuals usually come out somewhere between May 25 and June 25 of what they estimated was actually put in the ground.

Again, it doesn't seem to have too much to do with how much is actually there as it does have to do with whether the traders are long or short on their buying, and so I am sure that there is no one farmer who can jump up and prove all of this, but I think it's something your committee should look into. That type of thing does not benefit farmers out here and the end run on this thing is I am sure that the traders and the commodity people have people in Washington that do study these things and are able to understand them, and I don't know how many farmers have someone in there collecting all of this out and I would like to make a suggestion concerning the possible way of gathering this census, if it comes up and can be shown that the farmers are not being jeopardized by it, I don't think

it would be that much of a problem finding out what they are raising, the fertilizer they are using, and this sort of thing.

I think it's a shock to bureaucrats, but there is a thing called a plain sheet of paper and a lot of us can still write on one and we can fill it out and send it in to our local ASC office where people can be trained to put it on these forms and everybody would be perfectly happy if everybody would like to give the information to the census in the first place.

So it's a suggestion and it's one that I didn't think of, but it came to me and I think that would be roughly the sum of my comments now.

Mr. LEACH. Well, perhaps we should pursue the distinction between a 5-year census as opposed to the USDA's yearly crop estimate type surveys. Many, many farmers have indicated to me real concern with the timing on the release of the information when other people might have had a day or two or a week advantage in securing the information. There is another issue here with regard to the 5 year survey of how confidentiality is protected, not only for respondents, but for the ultimate recipient, of whether there is greater protection in maintaining the survey within the Bureau of the Census or whether it should be transferred to Agriculture. Do you have any feeling on that?

Mr. ELWOOD. No, I don't. I really don't. I mean, I don't know either department well enough to make an intelligent answer to that.

Mr. LEACH. Well, thank you, I have no further questions. The next witness would be Ed Augustine of the Washington County Farm Bureau, but he is not here so we will pass on then to Stan Geikew of the Benton County Farm Bureau.

STATEMENT OF STAN GEIKEW OF THE BENTON COUNTY FARM BUREAU

Mr. GEIKEN. I am representing primarily myself and maybe my wife, too. I am the president of the Benton County Farm Bureau, however there has been no official position taken by that group that I am specifically representing, so these are primarily my own feelings and indications as I derived them from other farmers and neighbors, and I did spend part of this week on the telephone and at different places as I would talk to people getting their reactions.

I would also like to thank you for taking the effort to come here to try at least to establish some kind of a common basis which we have some input on.

As an aside or not specifically with this meeting, I would recommend that congressional hearings and so on in general try to establish the times that do not conflict with farmers particularly those issues which directly affect us. Even at this date it's rather marginal in this area whether or not we would be in the field, had it been—

Mr. LEACH. That's a good point.

Mr. GEIKEN. Had it been nice the last few days. We had rain or we would have fewer people than we have today.

Mr. LEACH. Yes. In fact, one of the reasons why we hurried this date up, is that we thought it might be the last possible date. We would have liked to have been here several weeks earlier.

Mr. GEIKEN. I am not criticizing this one, but both at the county level and otherwise, at times I question whether or not it's planned or just accidental. Who knows? Well, to proceed, I was sort of interested in Maynard's comment after he started filling out his form that he began to get a little careless, and Jorgy said the same thing, not estimating these figures quite as accurately, getting careless, and I think you could probably insert the word "aggravated." This is on my sheet, you are burdened down and a little aggravated at doing the whole thing. People in general—excuse me. People in general on the farm mistrust what's going on with this census. I don't really think it has anything to do with where it's coming from. Now, this is personal observation.

I think that they either don't want to fill it out, they don't fill it out accurately, or in some cases I have had several individuals since I contacted them individually just tell me as a point of fact that they lied and I don't know how wide spread this is. I know I contacted people that I knew, you know, who were sort of upset with the thing so I think probably that tendency would be greater then with the people I talked to.

However, I think it's just a general feeling of mistrust, who uses these figures and how they are used, and I would raise a question, not knowing, just simply asking a question of whether or not even though it says this information is confidential, if individuals can be pinpointed from this information to follow-up at a later date, in other words not use this specific information but saying hey, there is maybe something that could be checked.

Mr. LEACH. That is specifically prohibited by the law and I think even firmer prohibitions can be enacted. It's also specifically prohibited to use these for regulatory purposes. Frankly, some of the information asked for in total can be used by regulatory agents. For example, one might reach a conclusion based on the fact that so much herbicide of a given nature is used, or whatever, and question whether we shouldn't try to regulate that. That's why there has been a number of indications of concern that the general information might have an effect on other agencies of the government that it wasn't originally designed to have.

Mr. GEIKEN. This would be just a question. I think one of the other points that I would speak on that several of the other people have given testimony this morning would be the search involved to do an accurate job. Almost without fail, a number of these items require a conversion from your own records to some other form, a dollars per acre figure, tonnage, pounds to tons, and if you really got to do a good job, you need to sit down and go through these figures so I think what happens is you do get to this good old thumb rule and quesstimates, which immediately detracts from the usefulness and accuracy of the material.

Now, in some of my statistic courses over a large sampling, some of these things tend to average out and I think that is true, but I think that is a problem we do run into. One thing that I can't validate, however, it was told to me and this was told to me by an extension director, that at the time the census went out he began

receiving calls, you know, just after this time period and this is where he couldn't pinpoint who or what office and so on requesting information on specific individuals. They wanted numbers of heads of livestock, this type of thing. Now, I assume it could have been his next-door neighbor calling, I can't pinpoint this, but it seems a little ironic to me that this would occur at the same time the census was going out.

I know individuals I talked to, and some have already testified this morning, they were called repeated times, repeated letters went out to try and get this information over the phone if possible or however they could get it, and I wonder if these tactics were used even going to some other area.

Mr. LEACH. I would like to pursue this a minute. You mean it's one thing to be called yourself about your farm, but are you saying you might have been called about your neighbor's farm?

Mr. GEIKEN. I am not saying that I know of any farmers who were.

Mr. LEACH. But you heard reports to that effect?

Mr. GEIKEN. I heard reports to that effect and I know in point of fact that at least one extension director was called, but I don't know who called him. See, I can't isolate it off. It could have been anyone calling in. I don't know that. I am saying this might exist and it's something that could be checked to see how they are trying to derive this information.

One other thing I would echo the use or lack of use of threats or money, bribes or whatever you might want to call it. I don't think this is going to add to any type of information. I think it's just a good way to get people involved without really affecting the validity of what they are saying.

The threats of penalties, fines, and so on, I think realistically never will be enforced and so I think it's an idle threat and I think I could name, if I wanted to, you know, several handfuls of people I talked to within the last week who still have that form laying in a drawer or who have thrown it in a trash can.

I had one wife tell me, as a matter of fact, she got the seventh notice the other day and threw that in the trash can, too. I think it's sort of an idle threat.

One other question, I would like to know specifically what the law requires of an agricultural census. Now, I know the law requires that one be taken, but I would like to know what the real intent of that law is trying to find out. As I go through it, I have got some specific examples here.

I got a form from the agricultural teacher in the local school just to find out several things that I went through, and by no means are these the only things I would question even having in the report because I do feel that others have stated a number of these things already reported in other governmental agencies and there is no point in duplication. If they really want that information, they can go to the USDA or some other branch and get it from there and not bother us one more time. These are things that I feel have no business in a census report, and in section 28, for instance, storage

in total bushels on your farm, I don't personally see how this is related to agricultural production and so on. I think that's a figure someone wants to know how much is stored on farms whether or not you use futures in those commodities you used them on. I don't feel other people are asked this and that market is open to anyone.

Section 33, total indebtedness in amounts, and what type of debt this would be. In other words, who is the loaner, I don't see that this is, you know, pertinent to that particular information and that could be secured I am sure through other means. I don't know the exact accounting procedures for banks and loan companies, but I am sure this is reported somewhere else, the total amount of outstanding farm loans and this type of thing.

I don't remember the section, but they asked operators rates. This doesn't have anything to do with the farm question, but I find it interesting in our governmental procedures anymore that this is worked on with such a great deal of—I don't know, I can't think of a word I want to use to describe it, but wanting to know your rates here and it's becoming almost illegal to put this on forms and so on.

For instance, applications for jobs and so on, I find that incongruent in the system. Section 35, I am curious why they need dollar amounts of products. I think we have already given them the total bushels, total number of acres and their guesstimate on average price is probably as accurate as anything else you might derive. I don't think you need this on an individual farm basis. If they wanted it, they could derive it.

Section 36, I don't remember specifically the question, but I wondered at that time why they didn't just use yes or no answers. Do you, or don't you? Oh, here, I have it, dollar amounts, custom work, regional facilities, and so on. If they are concerned if people do that, why might this not be a yes or no type of question rather than a dollar type amount question, these are some of the specifics and by no means are they all of them, but I think in general.

I would conclude by saying that people must trust who is using this regardless of who might take it or we tend to get inaccurate information because you end up guesstimating and then sometimes just not telling them or lying about it rather than giving them accurate figures. This would conclude my testimony.

Mr. LEACH. Thank you. Stan, do you think there might be greater willingness to fill out the census form if in as many areas as possible questions involved yes or no responses or there were multiple choice type boxes that would indicate estimates rather than something very specific?

Mr. GEIKEN. I think this would probably help as much as anything just because the total form would be shortened. I don't recall how much time I took specifically. I am sure I didn't take enough time to do it accurately just because I refused to do that, so I took some best guesstimates. Yes and no questions, I am sure, multiple choice questions, unless they are really well thought out, have a tendency not to fit your situation. All four answers or whatever it is, you know, A, B, A and B, all of the above types of things, I don't know. If it is well defined, possibly that would work.

Mr. FERRELL. I have two questions. Mr. Geiken, how long did it take you to fill out the form?

Mr. GEIKEN. I don't specifically recall. I would say no more than a couple hours just because I didn't take the time, realizing if I really wanted to give an accurate report it was going to require a lot of time and I began guesstimating right from the start.

Mr. FERRELL. My second question, you talked about many questions that you feel the information could be found from other sources and we have had a lot of talk about that and that might be one way to reduce the duplication, but by the same token, and like your reaction to this, would you be willing to allow the Census Bureau to extract that information from other sources? For instance, you mentioned indebtedness, that might be found in a bank report or maybe an income tax form. Do you think there would be any adverse reaction to that if we could insure that confidentiality would be protected. Consequently, we might reduce the form and, by the same token, we could get that information from other sources?

Mr. GEIKEN. It's sort of a double-edged question. By the very fact that you are allowing someone to look at these other types of information, not only are you leaving out at least one or two other steps of finding information as a crosscheck, you are reducing or increasing the access anyway to that information and therefore reducing the confidentiality of that information, but by the same token, if—and this is a big if—I think in your question you said if the confidentiality could be maintained, if that could be maintained, I think this would provide in my own mind anyway at least as accurate an information and not requiring a bunch of extra forms and time not only on the part of the farmers, but the total governmental time in the Census Bureau.

Mr. FERRELL. I might mention that in the history of the Census Bureau confidentiality is a basic problem not only for this one, but for the 1980 census, and the economic census as well. The Census Bureau has a pretty good record in that regard and I think in its history it has had only one instance of where an employee attempted some years back, attempted to breach that confidentiality. So I think on the information, they have a proven record of keeping things within themselves.

Mr. GEIKEN. I wouldn't question that at all, as far as we know; however, I think this underlies, as I see it, the primary concerns of farmers and people in general in this day and age the total confidentiality of all information, who gets it, who uses it, how it is used.

Mr. LEACH. Plus I think we can add here that we have developed new systems no one in history has ever developed with computers, and all sorts of advanced information retrieval technologies. Every time we develop a new sophisticated system we ought to have a system of checks and balances. Putting up barriers to transfers of knowledge is something which I think always has a purpose. I think it's to the credit of the Bureau of the Census that in general there hasn't been severe problems. However, the fact that's been the general history doesn't mean you don't always worry about it and devise protections to insure against potential abuse. Thank you. The next witness is Don Gingerich. Welcome.

STATEMENT OF DON GINGERICH, DIRECTOR OF DISTRICT 7, IOWA PORK GROWERS

Mr. GINGERICH. Congressman Leach, we are real happy you are here today to give us this opportunity to testify in front of you some of the opinions that we have. I am representing Iowa Pork Producers. I am a director from district 7 which involves Iowa County, Benton County, Poweshiek, Tama, Jasper, Black Hawk, Grundy, and Hardin Counties. I am here because Paul Quick called me and asked me to be here. We are a volunteer organization. I am sure I don't have to tell Jim about the Iowa Pork Producers because he knows most of the information we have in our organization. We are voluntary and we only hire one field man and this is why Paul has called me and asked me to come because I live in Iowa County and I am on the Legislative Committee for the Iowa Legislature, and Paul himself said that he has never filled out an agricultural census and so I have done some calling around to find out and get some opinions, and we thank you for this opportunity.

We are also glad you are in office and we are supporting you, as I see it, and that this census being agricultural, which will help you legislators enact and pass laws and whatever is necessary, and I see this as a long-term process where you can, you know, look way ahead and see what is happening in our business of agriculture.

I have called people the last few days but I haven't had time to research this like I would have liked to, and I made an effort to get a copy of it and because of the weather and the bad roads and everything, it got lost and I got it 5 minutes ago so I can't be very specific about some of these things, but one thing that I have found has been unanimous, as I talked to Mr. Quick, he has talked to producers and called them and I also called some Iowa State University people to find out their opinions.

I think we are all aware of what the purpose is of this and we are all in sympathy towards its purpose, but everyone seems to think that it is too long a form, too complicated a form to fill out which undoubtedly you have already heard this morning, and there is probably some questions in it that are unnecessary.

I wish I could be more specific as to which ones, but I felt that way as I filled it out. It took me about 2 hours to fill out my last census and I think I possibly could have taken 4 or 5 hours if I would have done it very accurately, if I would have referred to the bookkeeping system, and I think we have a pretty good one so that it would match the questionnaire that we had.

Farmers, in general, don't feel as though the information is confidential. I suppose here is where I would disagree with most of them, I assume if you say that it is, that it probably is, but I wish there was some way that you could assure us and assure the farmers that these things are very confidential. I thought maybe some of the newer equipment that you have like computers and so on, that this would help, but I have also been informed that that's also an easier way to pick out an individual.

So if we could just get more assurance, this would make the farmers more at ease. Also the item of threats have just tended to make a

few farmers rebel. Your last speaker spoke about some of the things which I also have had some people tell me they just didn't fill it out just because there was a threat of fine or imprisonment, and so on, and they didn't do it because they knew it was an idle threat and this isn't really very ethical, I think. This isn't the way the system of our country should be on.

If it is this important, it should be enforced and, since it isn't, it probably shouldn't be there at all. I would like to ask you two questions so that I can be sure this next point is valid, how long does it usually take after a census is filled out before you get a report back?

Mr. LEACH. That is a good question. The 1974 census will be published hopefully in the next month or two and that gives you a pretty good idea of the time period for the last one. We are very hopeful that the next census can be published close to within a year after the initial forms are sent out and we have received a lot of testimony indicating that the longer the time period, the less useful it is, particularly for farmers. Back to your question of who uses it, it's of some help to legislators; but an agricultural census that first and foremost is not a benefit to the people that fill it out is the type of census that should not be taken; and if it's to benefit farmers, it's got to be timely. It might be a benefit to historians or sociologists for years later, but it's not a benefit to farmers. There should be great pressure put upon the next census taking body, whether it be the USDA or the Bureau of Census, to get it out quickly, recognizing that because it is so comprehensive it can never come out as quickly as the USDA crop projections and the shorter censuses that the State of Iowa does. But certainly if it's not out by the following winter, it's of no benefit to farmers in making their decisions about what they might be planning for the next crop year. In addition, decisions on cattle and hogs and other livestock demand information on a timely basis. Statistics that are two or three years old are useless.

Mr. GINGERICH. I guess this is why we feel we can't use it effectively that way. Projections like the USDA crop report is much more—

Mr. LEACH. Yes, much more useful.

Mr. GINGERICH. And this has always been told me by the people of Iowa State who make these projections, they feel this is much too late for their benefit. I can see that there is a large amount of figures to be compiled and this is why, this is why it takes so long and then what I think I would like to urge you is to simplify the form and maybe this would also be able to make it easier to have this information back quicker.

If you reach your goal of getting it back in a year like you just suggested, that would be a considerable improvement. In the first place, I see where you could simplify it. By simplifying it, you could have it back within a year and also possibly reduce the cost and so I would make those points, to simplify it, not to ask questions that aren't necessary, and that you would prove to us in every way possible that it is confidential. These are the things that people have asked.

Mr. FISHER. To follow-up with one question, would you be in favor of trying to specify legislation that this information would have to be made available at a time certain, of a specific time when they would have to complete this? Would you be in favor of this?

Mr. GINGERICH. Yes; I think we need deadlines in things like this so it doesn't keep getting pushed to the bottom of the pile. Frankly, I don't think much of people who don't fill it out. I think their excuses are invalid. If you send it out, give us a time when it should be back and I think it's our responsibility to get it to you at that time. This of course would help you get the report back on time, too.

Mr. LEACH. Thank you very much.

Mr. GINGERICH. Thank you.

Mr. LEACH. Our next witness is Milver Hora, president of the Johnson County Farm Bureau.

STATEMENT OF MILVER HORA, PRESIDENT, JOHNSON COUNTY FARM BUREAU

Mr. HORA. I don't think we need to take a good amount of time again because of the good job the previous witnesses did.

Mr. LEACH. It's difficult to be towards the end of the list. The first person gets to make all of the points.

Mr. HORA. But Stan had some things here about filling it out and everything and it's been quite a concern in our county.

It takes too long to complete the census and get the information out to where it belongs. I know that it is a tremendous task to gather and compile all of the information in this day and age of quick decisions and fluctuating markets. It is outdated before the final reports are out and makes a distorted picture. That's one of the things we are having pretty strong emphasis on down in our country. We have several agricultural colleges that are able to compile this information and more up-to-date. You can get it out and it can be—it doesn't do us any good if we get it 3 or 4 years later. I mean, it isn't even worth reading and the forms are too long, complicated, and some questions are contradictory to others asked and I doubt their accuracy because some people fill it out in part and don't understand the question, and some people leave it all out. I feel that when the final report is out and shows a big increase or decrease in production of a commodity, it always has a bad effect on the market and times when it comes out late, probably that time is gone already but it's confusing to people. There are other criticisms mentioned to me but of less importance. There are some good things about it, I guess, but it is gratifying to know and encouraging to know that you are doing something about it and maybe it will be better and everybody will like it a little better.

Mr. LEACH. Thank you. I might just ask you a couple of questions. That is why it is misunderstood in Washington and that's not totally unnatural because most people don't represent agricultural areas. But when you think of this census, there are very few census in America that have as dramatic an effect on the market as an agricultural census does. Farmers know this very clearly but census

people don't appreciate its comparative importance. Otherwise they'd be more sensitive to farm concerns and publish it on a more timely basis.

I might comment on one of the things that is brand new in terms of technology in America today—our satellites. One thing that satellites are now doing, to some extent, is monitoring crop developments around the world. Particularly they are playing an important role in making crop projections abroad, especially in the Soviet Union and China. Do you sense any feeling among farmers that satellite observations are an intrusion on their privacy? For example, today, satellites can very quickly tell you what crops have been planted, and to some degree, the various stages of development. They can within various degrees of accuracy predict what the likely yields will be. Has this been a subject of conversation among farmers?

Mr. HORA. It has to a certain degree in the part that I heard most about is that if some country reports their crop wrong and all of a sudden they really have to import a lot, probably some people feel a depressed price before and where it had been accurate, the farmers here would have to know what more to expect. I feel that's the thing, if it's accurate, it's all right; and if it isn't accurate—

Mr. LEACH. It's a very dangerous thing.

Mr. HORA. Right.

Mr. LEACH. One thing bothers me a little bit. I can understand the importance of observing other countries, but I have a problem with attempting to assess and observe our own, when it comes to satellites taking pictures of Johnson County, for example, and then releasing the information about it. I am not sure what the citizen reaction in Johnson County would be. Is this something that would disturb you or would it be of no particular consequence one way or the other?

Mr. HORA. Well, they know too much about you already, let alone being able to take a picture and know everything.

Mr. LEACH. You know, I recently attended a classified hearing given by the Department of Defense and it was about monitoring Soviet missile siloes, and the development of the Soviet missile capability. The information given was classified, but they gave a couple of examples of pictures in which they were able to observe, from the sky, individuals working on construction, in this case missile siloes, and it was truly an incredible experience to look right down and visualize yourself, working on construction, and to have a photograph of yourself being taken from a distance of hundreds and hundreds of miles without your knowledge. This is something that may have military security implications, but I think with regard to crop reporting in this country, it may not be of great validity.

Mr. HORA. I don't think so.

Mr. LEACH. And we of course, Milver, will be taking these pictures and handing them out to your wife, to let her know if you are working on a Sunday afternoon or not.

Mr. HORA. She is no satellite, but she knows quite a bit.

[A brief recess was taken.]

Mr. LEACH. The subcommittee will reconvene. The next witness is Mr. John Rockwell representing the Iowa Farmers Union. Welcome.

STATEMENT OF JOHN ROCKWELL, REPRESENTING THE IOWA FARMERS UNION

Mr. ROCKWELL. The Honorable Mr. Leach and other prominent persons: Congressman Leach, this convenient opportunity to discuss the agricultural census question is appreciated. I shall speak briefly on several aspects of concern to me as a Henry County farmer and to the Iowa Farmers Union of which I am a member.

First, I may say it is felt that the customary type of census with voluntary responses from all farmers should be continued but not to the same extent as in 1974. That last census was made needlessly confusing by putting all commodity question blocks in a single form, some of which in almost every farmer's case were not applicable. There were explicit instructions to skip over such blocks, but by the time they had worked through some 20 pages of the form, a good many respondees simply gave up.

Unfortunately, the confidence climate at the time was not very good for obtaining replies on so many details of one's farming operations. Doubts arose as to whether any information thus furnished would be kept confidential. There had been a Presidential order in early 1973 to make Federal income tax returns available to the U.S. Department of Agriculture. This order caused considerable concern because the USDA security regulations were not thought to be as strict as those of the Census Bureau. The terms of that order were not carried out.

It appears that the census people learned something from that 1974 experience. Word has now come that the 1978 forms may be only about six pages long. There is talk of requiring from an individual farmer only such information as relates to his county level. More broadly based information will be obtained through selective sampling methods.

In the past, there has been some talk of turning the agricultural census job over to USDA. We are not inclined to favor this. Agriculture should be included along with all the other major segments of the American economy in a single coordinated statistical operation. The facilities of USDA's Agricultural Stabilization and Conservation Service could, however, be quite helpful on the sampling phase and should so be considered. It would help, too, if the Census Bureau made well known in advance approximately what kind of reference file to keep in readiness on receipts, volume of marketings and so on. Now, Mr. Chairman, I didn't look when I started but I don't think I took over 5 minutes.

Mr. LEACH. No, you may continue, please.

Mr. ROCKWELL. I have two pages of individual opinions I would like to express.

Mr. LEACH. You may express them.

Mr. ROCKWELL. Thank you.

The Iowa Farmers Union is in favor of the replacement of Lock and Dam 26 at Alton, Ill. It is a bottleneck on river barge traffic. Right now it takes 10 hours to get a tow through.

The shipping of grain for the export market has been a great benefit to farmers all up and down the Mississippi River Valley. It

is also of great benefit to oil, coal, fertilizer and many other industrial businesses. It benefits the farmers of central Iowa as well as those in the eastern third of the State because the grain exported out of the State is gone forever, increasing the value of the corn that is left. It does not harm the environment; nor does it hurt the railroads. They never have enough cars to haul a bumper crop anyway. Corn, at the river brings 10 to 20 cents more a bushel. I am opposed to the imposition of a user's fee on barge traffic. The barge companies wouldn't have to pay it, the farmer and other shippers would.

A few other obvious facts. We farmers are now paying John Deere workers \$12 per hour. Other companies wages per hour probably comparable but unknown. We farmers probably are paying most of the wages of these companies also: Hudson Auger, they make augers; Oliver or White, New Holland, Ford Tractor, Allis-Chalmers, New Idea, Massey-Ferguson, Minneapolis-Moline, Mayrath, J. I. Case.

Other companies where we pay part of the employees: Firestone—I have a note here these tires cost at least \$50 to \$600 per tire on bigger ones and probably more—Goodyear, Caterpillar, U.S. Steel, Bethlehem Steel, Wheeling Steel, Swift, Armour, Morell, Rath, Massey-Harris, Conrad Grain Bins, Behlen-Bins-Steel Buildings, General Motor (all automobiles), International Harvester, Dow Chemical, Monsanto, Farmland Industries, Detroit Diesel Allison, Chevy Trucks, Ford Trucks, Dodge Trucks, Ag-Rain, Inc. (irrigation), Weyhauser Lumber Co., Ciba-Geigy, Eaton, Lubbock Mfg. Co., and GMC Trucks.

Okay, we farmers also pay part of the dividends of these companies. Tractors and combines now cost \$50,000, plus, each. We pay taxes on more acres than any group in the United States. We also buy everything the average worker and homeowner does.

Steel is a basic industry. We 2,500,000 farmers use 40 times as much steel as the average homeowner. Equal to that used by 100 million homeowners. Our implements are so big we cannot cross many of our bridges because of weight or size. If you are consumer oriented you will keep the farmer healthy financially or millions of consumers will be unemployed.

We resent USDA grain reports that always seem to come at a time when prices are starting to rise and most always depress the grain markets causing us to lose millions of dollars on the cash and futures markets in net worth. Because of the weather, no report can be accurate until September and then 10 to 20 percent of the corn crop could be lost because of a wet fall.

Times have changed. Most farmers can now store most of their grain on the farm and do. We will sell it when the price is right. We are opposed to embargoes on grain exports. How long has it been since we had a famine in these United States? Fear of a short crop causing starvation in this country is absurd and unrealistic.

We have as much right to have a 27-percent depletion allowance as the oil companies because farming is a high risk business. We gamble our financial future on every crop year. We have to, because

the weather is uncertain. We are the only business that cannot set a price on our products or wages. I am about through. I have a five point modern farm program: (1) no Government embargoes; (2) a minimum price on corn, \$3 per bushel net at farm; wheat, \$3.50 per bushel net at farm; soybeans, \$7 per bushel net at farm; (3) it shall be established by law; (4) a floating Government subsidy on exports to bring export grain prices in line with world prices, so our price will be competitive with other nations, payable to the exporter; and (5) no Government storage or reserve.

This will not lose our foreign markets. The farmer will not get a grain subsidy. It will help our balance of trade. It might be cheaper than other farm programs. Looking to the future and at inflation, it might not be long before the world price hits \$3.25 per bushel. At \$3 per bushel on the world market, the cost to our Government would be minimal. That's the extent of my statement.

Mr. LEACH. Thank you, Mr. Rockwell. I would just like to make one comment. You are so completely right that farming, more than any occupation I know of, is a gamble and when the U.S. Government enters into the picture with statistics, the only way the farmer can best be protected is that those statistics be absolutely accurate because if you add on top of a very risky enterprise statistics that themselves are inaccurate and risky, you do nothing but jeopardize the marketing mechanism. The U.S. Census Bureau and the USDA very probably have a greater obligation than other Government statistical agencies to do their level best to provide as timely and accurate statistics as possible. Thank you very much.

Mr. ROCKWELL. Thank you very much, Congressman.

Mr. LEACH. The next witness is Mr. Dave Kozishek representing the Iowa National Farmers Organization. Apparently Mr. Kozishek is not here so why don't I, first, take a minute to see if he arrives. Let me just open it up to any comments or questions that other people might want to make and maybe Lowell, would like to come and make some observation especially regarding the extension service. Lowell is with Iowa County Extension Service.

STATEMENT OF LOWELL McKEAN, REPRESENTING THE IOWA COUNTY EXTENSION SERVICE

Mr. McKEAN. Thank you, Mr. Leach, for this opportunity to jot down a few notes here. I am really not organized. I didn't come with the thought of speaking at the hearing or expressing any views, but I thought there are a few questions that came up during the hearing and references were made to the extension service and I would like to make this clear that I am expressing more of my own thoughts, but I thought a few thoughts should be interjected into the record as far as the farm census was concerned.

Now, many of them made mention that inquiries were made to the county office and when the inquiries were made, I could show them the books. I could show them the 1969 books, the 1970 book, and the 1974 books were not out. I could show them the form. Now, I work closely with many departments and many organizations. I

talk to many farmers and I value their counsel and I hope they value my judgment, and I also would like to say I think we are blessed in the State of Iowa with an educational system and a statistical system second to none in the Nation as far as getting agricultural information out to the local farmer.

Currently the demands and use made on our service of statistics usually comes from the Iowa Crop and Livestock Marketing Service or the statistical department because they come out with yearly reports that are current and usually by the time we receive the census report, usually as far as current use or current value to the county, I would say it's almost nil.

Now, as far as the benchmark, I think it's very good. We have to have some references to recheck the projections that are made in our outlook information. I think from a long-range standpoint, they are very valuable.

One other thing I wanted to add, I do not recall receiving any calls from any census taker during the period of trying to receive any individual information. If they had, I am sure they would not have received it because I do not feel that I am in a position to give even a guesstimate of what any constituents that I work with in the county would have.

Now, one other thing that I did want to just touch on is that I am sure that this enumeration was not done or we did not have any statistics, that I am sure with my experience in industry, that big industry, big companies would gather this data if it was out available. It might not be as accurate, but at least from my experience they would gather it some way and I am also sure that the information that would be gathered would not be released for public dissemination and I am also sure that if we had no information available, we would return to the days when, sure, we might not have the market fluctuations that we have on the release of some information, but we also may return to the days when no information was available to the supplier or the farmer and he was more at the mercy of the user or the buyer.

So I think we need to kind of put this into perspective in this area. Now, as I said, I am currently in the fields of information and education and I would like to keep informed what is going on in the county. One thing that we do have is a very good working relationship with Mr. Skow who was on the program earlier and he has appeared before us as a State group, also an area group, to inform us of how he gathers his information, how he takes his sampling, and he also sent us a copy of the form that they are using and informs us so that when farmers call us he says, well, we obtain a letter and say we are going to take the pig and crop report and this is the general format, so when the farmers call us and ask is this a valid report, we can say "yes, it is," and we have had first-hand knowledge of what it is all about and we can answer some questions.

To my knowledge, since I have been in the office, I do not remember ever receiving a long form of the agricultural census to see it or have had anyone come out from the national office to explain to us what it is all about. We could answer some questions, we could

assist some farmers in the education field if we had some prior knowledge to this and I think it would be a great assist in getting this information back first-hand in a voluntary manner, and I think it would somewhat get away from this thing that we have heard of the complaints that we have heard earlier, that of harassment and also the implications that if it is not sent back that you are going to be punished.

One last thing, the other thing I think that's been brought up, and this is something many of the farmers have expressed concern about, is the confidentiality, and so I won't go into this but I think I would like to reiterate it is necessary to safeguard this information, especially with the computer banks that are out that I think we need to review. It only takes about one or two individuals in the present system to be able to pull out any information if those present safeguards are not built into the law, so this is about all that I have. I thank you again for the opportunity to speak.

Mr. LEACH. Thank you very much. Mike has a question.

Mr. FERRELL. Mr. McKean, I take it it's a monthly crop report that the State conducts and then they send you a form?

Mr. McKEAN. Well, this is something different as far as the crop reports, we have a weekly report that we send in from the county, but I think as far as the State reports, they are done periodically and whenever they are conducted, we are informed or sent a copy of the form and also Mr. Skow has met with us or one of his representatives has met with us periodically or maybe yearly or whenever big changes are made and he keeps the directors informed of what's going on and we appreciate that very much.

Mr. FERRELL. You mentioned that you answered questions over the phone that farmers might have about the State questionnaire. Do you also serve to help fill them out, if necessary? Do you serve as an assistance center?

Mr. McKEAN. I have never been asked to do this. I think most of the forms they would prefer to go on their own, but if they have some specific questions, I guess maybe even in the area of guesstimates, what rule of thumb would you use for finding corn in the crib?

Mr. FERRELL. The reason I bring it up, in the 1980 census there are assistance centers in specific areas and I was wondering if that was—

Mr. McKEAN. I would be glad to work with anyone if they came in, but I think most of them prefer to fill it out. I think they consider it a private matter and I treat all of my clients this way, that it's of a confidential nature and it never leaves the office as far as I am concerned.

Mr. LEACH. Thank you very much.

Mr. GINGERICH. If I may, may I bring up some other issue on behalf of Iowa pork producers? We have a new disease problem in Iowa and in the midwest and it's sort of exploding in this area, and that is the pseudorabies problem.

Mr. LEACH. I tell you what, Don, since it's a different subject, why don't I talk to you later. We are very much on top of the

pseudorabies problem and, in fact, I recently testified in Washington on it. We are working very hard to get an immediate emergency appropriation for research as well as an ongoing one. This is possibly the biggest problem right now here in Iowa agriculturally, but because this committee is dealing with the census, why don't we just hit this afterwards, if that's all right with you?

Mr. GINGERICH. That's fine.

Mr. LEACH. But please stay.

Mr. GINGERICH. OK.

Mr. LEACH. All right, are there any other comments? If not, I would just like to say that I want to thank everyone here for coming. The testimony we have received here is very different from that received in Washington. Quite frequently, with regard to Government, the outputs of Washington are very different from the inputs of people that are most affected. I, for one, would like to see this process reversed and I am very, very grateful to all of you for coming. If you have any followup, please feel free to call me in Washington. If any of you come to Washington, you are most welcome to come to our office on this or any other issue. We have three district offices, one in Iowa City, one in Davenport and one in Burlington, so feel free to drop by with any views that you might have. For the several people that didn't make it, we will keep the hearing records open and allow them the opportunity to submit statements for the record. Is there anything further, Mr. Counsel?

Mr. FERRELL. Not a thing, Mr. Chairman.

Mr. LEACH. Well, thank you then. This will conclude the meeting of this subcommittee. Thank you again.

[Thereupon the hearing was adjourned.]

[The communications which follow were received for inclusion in the record:]

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., April 25, 1975.

To: House Committee on Agriculture, att: Carol Forbes.

From: A. Barry Carr, specialist, Food and Agriculture, ENRPD.

Subject: Use of census definition of a farm.

Last spring you asked me to survey USDA and other cabinet department programs for situations where the farm population as determined by the Census Bureau was used to allocate funds or administer programs. Since that time I have spent considerable time in reviewing the authorizing legislation for various programs and in talking by phone with program managers. The attached list contains the only programs for which I was able to determine a use of farm population based upon Census definitions.

Enclosure.

FEDERAL PROGRAMS USING CENSUS DATA ON FARM POPULATION

7 U.S.C. 361c

Provides that 26 percent of the Hatch Act funds for Agricultural Experiment Stations be allocated among the States in the same ratio as the farm population of each state bears to the total farm population of all the states as determined by the last preceding decennial census.

7 U.S.C. 390(c)

Provides that one-third of the funds for financing research facilities at State Agricultural Experiment Stations be allocated among the States in the same ratio as the farm population of each State bears to the total farm population of all the States as determined by the last preceding decennial census.

PUBLIC LAW 92-419, SECTION 503(B) (4)

Provides that one-third of the funds for rural development and small farm research and extension programs be allocated among the States in the same ratio as the farm population of each State bears to the total farm population of all the States as determined by the last preceding decennial census.

PUBLIC LAW 92-419, SECTION 503(B) (4)

Provides that one-third of the funds for rural development and small farm research and extension programs be allocated among the States in the same ratio as the farm population of each State bears to the total farm population of all the states as determined by the last preceding decennial census.

7 U.S.C. 903 (c) AND 913

Provides that 25 percent of certain rural electrification loan funds be allocated among the States in the same proportion which the number of farms not receiving central electric service bears to the total number of farms of the United States not receiving such service. The term farm shall be deemed to mean a farm as defined in the publications of the Bureau of the Census.

7 U.S.C. 1988(E)

Provides that 25 percent of the sums authorized for direct loans to individuals for agricultural real estate loans (FmHA) be allocated equitably among the States on the basis of farm population and the prevalence of tenancy as determined by the Secretary of Agriculture.

42 U.S.C. 1471(B) (1)

Authorizes the Secretary of Agriculture to extend financial assistance through FmHA to owners of farms to enable them to provide decent, safe and sanitary housing for themselves, their tenants, lessees, sharecroppers and laborers. Defines farm as an agricultural unit which produces or is capable of producing for sale and home use commodities with a gross annual value of not less than the equivalent value of \$400 in 1944 as determined by the Secretary of Agriculture. The Secretary of Agriculture shall determine what constitutes a farm for the purposes of this program and his determination shall be conclusive.

Note—This definition is not tied to the Bureau of Census definition of a farm.

DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, D.C., April 22, 1977.

HON. WILLIAM LEHMAN,
Chairman, Subcommittee on Census and Population, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In your recent hearings in Marengo, Iowa, on April 2, Dean Quirin, a member of my staff reported that one farmer raised a question regarding telephone calls having been made to county extension agents early in 1975. These calls requested information about individual farmers' agricultural activities. The Bureau of the Census first became aware of telephone calls such as these with the mailing of our March 14, 1975, follow-up letter. A number of respondents advised us at this time that they had already provided information regarding their farm activities over the telephone.

The Bureau's telephone data-collection program was not scheduled to start until mid-April 1975. Mr. Quirin, at that time, attempted to trace the source of the telephone calls referred to by these farmers. He found that farmers had been contacted in at least four states: Iowa, Illinois, Oklahoma, and Texas.

One farmer in Texas reported that he had declined to furnish the information by phone but had stated that he would consider filling out a report form if one were mailed to him. This farmer was the chairman of an "Agricultural Stabilization & Conservation Services County Committee." He stated that the written material received by him indicated that it was a private firm located in Alabama doing a special nationwide agricultural survey. This firm stated in their telephone contact that they were doing a census of agriculture but also in questioning, they pointed out to this farmer that it was not the U.S. Census of Agriculture.

Mr. Quirin also determined that if a farmer failed to provide the information requested, calls were then placed to the county agricultural agent by the firm to obtain information.

We hope that this information will be of assistance to you. If we can be of further assistance, please contact us.

Sincerely,

(Signed)
Robert L. Hagan
ROBERT L. HAGAN,
Acting Director.

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The Bureau's telephone data-collected program was not scheduled to start until mid-July 1973. Mr. DeLoach, at that time, stated that he would consider this as a report on the telephone calls referred to by these farmers. The report and farmers had been contacted in at least four states: Iowa, Illinois, Oklahoma, and Texas.

The farmer in Texas reported that he had declined to furnish the information by phone but had stated that he would consider this as a report. It was stated to him that this farmer was the chairman of the "Anti-Communist Association of Cooperator 807" and a "Country Club". He stated that the Western National reported by him indicated that it was a restaurant located in Oklahoma using a special nationwide restaurant survey. The firm stated in their telephone contact that they were doing a census of restaurants but also in questioning they related out to this farmer that it was not the U.S. Census of Agriculture.

Mr. DeLoach also indicated that if a farmer failed to provide the information requested, there were then placed to the county agricultural agent for the firm to obtain information.

It was noted that this information will be of assistance to them if we can be of further assistance, please contact us.

Sincerely,

(Signed)
Robert L. Hagan
Robert L. Hagan
Deputy Director