

ity Ratio Was 73." The article went on to detail a 1 percent decline in the overall index of prices received by farmers and pointed out that the index of prices paid by farmers was up 4 percent from June 1967. I know of no other industry or business activity other than farming where the prices are lower today than they were 20 years ago and this is in the face of rising production costs of about 40 percent.

The Department of Agriculture documents the predicament of farm and ranch operators in another way. For a good many years now the Department has been conducting annual studies of the costs and returns of various types of commercial farms and ranches throughout the United States. This report is published annually and is entitled "Farm Costs and Returns" (Department of Agriculture Bulletin No. 230), by the Economic Research Service of the U.S. Department of Agriculture. It includes production costs and returns on cattle ranches—Northern Plains; cattle ranches—Intermountain region; and cattle ranches—Southwest region. Every economic detail is provided in these cost and return studies including land in the ranches, crops harvested, livestock on hand, labor, ranch capital, cash receipts, equipment inventory, and other such pertinent matters. Data is provided showing that the production unit per hour of man labor is increasing, but despite this, the studies at cattle ranches on the Northern Plains show that after a charge for capital at current interest rates are made, the return per hour's labor for the operator and his family was 59 cents an hour during the last year reported. The studies on ranches in the Intermountain region are slightly more favorable. In this area the rate per hour for the operator and his family was \$1.11 an hour. In the Southwest region the rate per hour for the operator and his family's labor was minus \$1.67 an hour.

In other words, the returns from the ranching operations were not sufficient to pay current interest rates and the minimum wage for the operator's labor. I would like to emphasize that these studies are not for marginal operations. They are substantial operations. The Northern Plains ranches studied averaged 4,510 acres, 182 head of cattle with total ranch capital invested of \$100,470; the cattle ranches in the Intermountain region studied averaged 1,780 acres with 306 head of cattle and total ranch capital invested averaged \$100,630; the Southwest ranches studied averaged 11,600 acres, with an average of 231 head of cattle and ranch capital invested \$205,420. In all cases these ranches were operated with a very minimal amount of labor, a very modest investment of equipment and time, the production indexes indicated a rising efficiency. Despite this, the ranch operator and his family did not even earn the minimum wage set by law.

The question, of course, arises as to how these establishments stay in business. Statistics maintained by the Department of Agriculture indicate that the farm debt has risen tremendously in the last few years. In other words, there is a great deal of borrowing against the value of the land and there is an excessive depreciation of equipment and assets. It should be made clear that the spokesmen of the beef cattle industry are not seeking Government subsidies or price supports.

The legislation under consideration would make a modest revision in the beef import quota legislation enacted in 1964. Specifically, it would accomplish the following purposes:

1. Eliminate the 10 percent override on quotas.