

has not yet been an in-depth, comprehensive investigation of this expanding trend in American agriculture and its implications.

There is mounting evidence supplied by private sources and reported by the public news media that more and more corporations are turning to agriculture as a means to diversify their corporate activities. Some have had no previous connection with agriculture while others are vertically integrating their operations to move a few steps closer to a final merger of the production, processing, and marketing of food.

Some observers say that the movement toward corporation farming is not yet a significant national phenomenon. However, the subcommittee believes that the time has come to begin this pioneering study concerning the specific and general implications of corporate ownership of the land and corporate control of the production of food and fiber. I suspect that if corporation farming becomes the wave of the future it not only spells the doom of small rural businesses and family farms but it raises other grave questions—questions whose answers hold as much importance for the citizens of our cities as for those in the countryside.

If corporation farming means fewer family farms and rural businesses then our already overcrowded cities will be the target for even more outmigration from the countryside. This further pileup of people in the cities will only compound the problems that have led to riots and civil disorder.

If corporation farming means placing the control of food production in the hands of a few giant food growing, processing, and marketing chains, then consumers, whether they shop in a city supermarket or a country store, will be faced with food prices established by cartels and not by competition.

The American family farm has proven itself year after year to be the most efficient and effective producer of food in the world. Compared with retail prices in other countries, food is still a bargain in the United States. Today, we only spend an average of 18 percent of our income for food, a smaller percentage than any other country and the lowest in the history of the world. By comparison, the British spend 29 percent of their income for food, the French 31 percent and the Russians 53 percent.

This advantage that American consumers enjoy today is bound to be eliminated if a few vertically integrated firms gain control of the country's food production and dictate food prices.

If corporation farming means continued abuse of our tax laws by operators who farm at a loss to gain tax writeoffs, then responsible citizens everywhere will be forced to carry more than their fair share of the tax burden.

Recent information released by the Internal Revenue Service shows that thousands of corporations and other absentee farm investors are using financial losses from farming to offset taxes on income earned from other nonfarm enterprises.

In 1965, there were 119 millionaires who were involved in some phase of farming. Of these 119, 104 reported a net loss on their farm operations for tax purposes.

This is unfair to the ordinary taxpayer and to the family farmer who has to live on what he earns and cannot enjoy the luxury of investing his already scarce capital in outside business ventures.