Personal property tax income diminishes; and the financial support and, for that matter, the need for such things as schools, churches, recreation and health facilities in rural communities diminish. Corporation farming does not buy its large purchases through local retail dealers, but rather has the economic leverage to deal on a wholesale basis or even direct from the factory.

North Dakota has barred corporation farming since the middle 1930's. During those depression years, land foreclosures placed so many farms in the hands of the corporation lender, that there was grave danger of the majority of our state's farm land being in the hands of corporations. A law was passed in the 1930's which required corporations to dispose of their farming interests within 10 years.

I grew up in the shadow of the corporation farm in North Dakota. My father was the manager of one of the original bonanza farms that were formed in the late 1880's in the Red River Valley. It was not a creature which sprang up from depression foreclosures, but rather was a business enterprise formed by eastern investors who traded Northern Pacific Railroad stock for land granted to the railroad by the federal government.

This corporation owned its own grain marketing facilities in several adjacent towns. It bought its machinery direct from the Minneapolis-Moline farm equipment manufacturing company. It formed a cooperative gasoline and oil company which granted credit and gave service to the farm tenants of the corporation. The retail gasoline dealer was forced out of business. At one time, this corporation owned every building in the corporation town. Businesses were run on a concession basis.

It might be argued that this could never come to pass again, but I believe that it could.

If we in this nation are interested in population distribution or in balance of opportunity between rural and urban areas, we need to be concerned about the economic trends that take place.

Historically, we have encouraged private ownership of reasonably-sized commercial farms. This is evidenced in the homestead laws of a century ago and in the regulations of the Bureau of Reclamation which limit the amount of irrigated acres that one owner may have in a federal irrigation project. We have a program to stimulate our small businesses.

Certainly, to ignore the trend of large corporation farming or to regard it as a necessary development in our economic system is to court the social and economic problems that come from a de-populated countryside and dried-up rural community.

I am strongly opposed to corporations taking over the farming industry.

Thank you for receiving my testimony.

Sincerely yours,

WILLIAM L. GUY, *Governor*.

Senator NELSON. We have a group of distinguished witnesses who have come to testify at this initial hearing. In order to give all of them an opportunity to present their complete statements, we will have an additional hearing tomorrow morning starting at 9 a.m. in this courtroom.

We had hoped that Mr. Howard Bertsch, the Administrator of Farmers Home Administration, would be our first witness today. However, Mr. Bertsch will not arrive until later this afternoon. Therefore, our first witness will be Mr. Tony DeChant, president of the National Farmers Union, who will be accompanied by the State presidents of the Nebraska, Iowa, and South Dakota Farmers Union. We will then have Mr. Pat DuBois, past president of the Independent Bankers Association of America from Sauk Centre, Minn.; Mr. Amer Lehman, former Colorado State director of the Farmers Home Administration of Denver, Colo.; Mr. Philip Doyle, former Kansas State senator, Beloit, Kans.; Msgr. John George Weber, executive secretary of the National Catholic Rural Life Conference, Des Moines, Iowa; Prof. Glen Vollmar and Prof. Everett Peterson, Department