rations could not be trusted with our basic natural resources—soil and water. I raised the same question in my opening statement. This aspect of the management of the resource concerns me because the individual farm owner has a personal, immediate, direct interest in his resource and is concerned about its management. It is his; he makes his livelihood out of it, and he has been the beneficiary of over 100 years of educational training through the land-grant colleges. Now, if a corporation gets into corporate farming and starts, for example, vast irrigation projects and is only concerned about the immediate profit for the next 5 or 10 years or anticipates that they may just develop the land into a community, may they not simply destroy the soil and deplete the water table and then walk off and leave it?

Mr. DeChant. I think this is true. It has already happened in many areas and this seems to be the pattern.

Senator Nelson. I conducted some hearings that I think you are familiar with on the Central Valley, Calif., project where we now have a Federal reclamation project costing $500 million. There were vast corporate landholders. One of the railroads is holding 55,000 acres, who have punched wells down 600 feet and drained the water table down to what's called the corcoran clay. They soon were out of water, so they punched through the corcoran clay some 300 feet and drained the water table down there. It is down 1,200 feet and they're beginning to get brackish water in all parts of that Central Valley. So now we're engaged in a reclamation project, part of the objective of which is to spend some taxpayers' money to restore the water table and bring it above the corcoran clay again. Now, isn't this the kind of problem that we could run into with uncontrolled exploitation and use of the land by irrigation and otherwise.

Mr. DeChant. I certainly think so, Mr. Chairman, and this is why we in the National Farmers Union are so much concerned about what is happening in all of these Midwestern States.

Senator Nelson. Go ahead, Mr. DeChant.

Mr. DeChant. One of the most serious aspects of the entry of the corporation into farming is its ability to interfere with and manipulate the market. One kind of corporation that does this is the so-called "integrated" corporation. It is often large enough to be a key factor in establishing local prices for products. These prices may be entirely fictitious—with the corporation making up for losses in other aspects of its operation. Poultry corporations can make up for losses at the farm be receiving a high price for feed or by setting the price it sells dressed chickens for at the supermarket. Indeed, it might be said that the only meaningful price in the entire operation is at the grocery counter, whether the product is meat or vegetables or frozen orange juice. In other words they can manipulate beyond that market at two or three parts.

The National Commission on Food Marketing, a Presidential Commission, warned in 1966 that "powerful buyers" are interfering with the free market.

As an example, I'd like to quote from the National Observer on January 29, 1968: "The rugged, proudly independent western cattleman may soon become as much of a relic of American history as the Plains Indian and the buffalo," said the Observer. It continued