

with a report from Sturgis, S. Dak., telling how supermarkets that sell 85 percent of the red meat consumed in the United States pay producers artificially low prices while charging artificially high prices to consumers. The farmers were holding meetings about the situation. And through their organization—the Independent Stock Growers of America—they were instrumental in the filing of an antitrust suit in San Francisco charging the Nation's three largest supermarket chains with conspiring to fix meat prices. Named in the action were A. & P., Safeway, and Kroger.

Another market value that the corporation farms interfere with is land values. The Gates Rubber Co. has been buying land at a rapid rate in the Yuma County, Colo., area. The exact acreage is not known because some secrecy seems to surround the company's operations and motives. But Edgar J. Lengel, of Burlington, Colo., said in a letter to the Denver Post on December 31, 1967, that the result of the Gates buying activity was that land values had gone so high in the area that local farmers were unable to expand operations. And others, Mr. Lengel said, who want to gain a foothold in farming are being forced out of agriculture because "Gates has set land values so high in the area that the local farmers cannot afford it." In other words, there is little relationship to the earning power of land.

Senator NELSON. Is Gates using the land for agricultural purposes?

Mr. DECHANT. Yes. They're sinking wells. They acquire land where the flow of water is to their advantage, and they're in agriculture in a big way. They have some 175,000 acres of rangeland. They have an egg operation that produces some 325,000 eggs a day, and more recently they have moved to eastern Colorado to get into diversified farm areas because they can get water there. And we're concerned about the thing you just mentioned a few moments ago, Mr. Chairman, that of lowering the water table. In fact, another example that I have here in my statement refers to the Yuma County paper which indicates that a couple of individual farmers were denied the right to sink wells because of the pressure that has been put on by these larger operations. In other words, there is some concern about the availability of water.

Senator NELSON. On this question of water, I don't know what is happening to the water table, but we have some rather large vegetable irrigation projects going on in my State now. The problem that concerns me is that the underground aquifers hold a certain amount of water and they rejuvenate at a measurable pace in the water cycle. If you are going to extract water from the underground aquifers at a pace faster than the water cycle will return it, then you destroy the underground aquifer. Water comes in large aquifers from distant sources. Some of the water that is used in my State is Lake Superior water that travels 100 miles. Do you think that in view of these developing irrigation projects that there should be consideration of legislation, either at the National or State level, protecting the status of the table? That is, legislation that prohibits anyone from extracting water more rapidly than it will rejuvenate itself. Have you given consideration to that?