

land is being bid up by nonresidents, so to speak, to where it is becoming an increasing problem for those who are residing on the land as family farmers.

Senator NELSON. Does the fact that they pay much higher prices affect the assessment of similar land around?

Mr. DuBois. I don't believe that there has been a noticeable effect upon the assessed value of the land as such. Certainly the land that they acquire develops a new assessed valuation when the purchase price is disclosed. I don't know that it basically is disturbing the general tax base though at this time.

Senator NELSON. Has the Independent Bankers Association made any studies of its own on the effects upon smalltown businesses including banks where corporate farm operations have moved in?

Mr. DuBois. We have not specifically dealt with the effect of the corporate farming upon the smalltown bank. We have been preparing an ongoing study of the effects of low agricultural prices on the rural community and its businesses and which, necessarily, involves the bank to a great degree. And we see also that the poor price structure has caused the migration from the rural sector which is taking our people and which also takes, in many cases, wealth with them.

Senator NELSON. We thank you very much for your statement.

Do you have anything to add, Mr. Kirchner?

Mr. KIRCHNER. No, Mr. Chairman.

Senator NELSON. We appreciate it very much. Your statement has been most valuable to the record, and we thank you for taking the time to come here and appear at these hearings today.

We will recess for lunch for 45 minutes.

(Whereupon, at 12:50 p.m. the subcommittee was recessed, to reconvene at 1:50 p.m. of the same day.)

AFTERNOON SESSION

Senator NELSON. The monopoly subcommittee will resume its hearings.

Our first witness will be Mr. Howard Bertsch, the Administrator of the Farmers Home Administration. Mr. Bertsch, the committee is pleased to have you here, and your statement will be printed in full in the record. You may present it in any fashion you desire. Please proceed.

STATEMENT OF HOWARD BERTSCH, ADMINISTRATOR, FARMERS HOME ADMINISTRATION, WASHINGTON, D.C.

Mr. BERTSCH. Mr. Chairman, members of the committee, I deeply appreciate being asked to appear before this committee to give my personal viewpoint as an observer of the current trends in agriculture and particularly of the effects of corporation farming on small business and rural America as a whole.

I am a part of the school that believes that the family farm, the smalltown merchant, and the small rural community are threatened by the existence of large-scale, nonfarmer owned, corporation farms. I am even concerned about the threat to the family farm system that is inherent in the growth of supersized family farms.