

4. The Federal Government should strictly enforce existing laws limiting the use of public irrigation water to a specified number of acres per user. Moreover, appropriations for future water development projects should include similar limitation.

5. State Governments should seriously consider the enactment of graduated land taxes which would discourage very large holdings of land by individuals and corporations.

We feel that these steps are required by justice and would help preserve the family farm system which has contributed much to our Nation's welfare.

Senator NELSON. Our next witnesses are Profs. Everett Peterson and Glen Vollmar, Department of Agricultural Economics, University of Nebraska. We appreciate your taking time to come here today, gentlemen.

Professor PETERSON. I am Everett Peterson and I will read the statement that was prepared jointly by Professor Vollmar and myself. A copy of this has been submitted for the record.

Senator NELSON. The statement will be printed in full in the record. If at any time either of you wish to elaborate on your printed text, please do so.

**STATEMENT OF EVERETT E. PETERSON AND GLEN VOLLMAR,
PROFESSORS, DEPARTMENT OF AGRICULTURAL ECONOMICS,
UNIVERSITY OF NEBRASKA, LINCOLN, NEBR.**

Professor PETERSON. Farmers, businessmen, and other citizens earning their living in the rural areas of Nebraska and the other Great Plains States are greatly concerned over reports of land purchase and the formation of farm enterprises by large, conglomerate industrial corporations. This concern will be expressed repeatedly by spokesmen for agriculture during these hearings. As agricultural economists at a land-grant university, our purpose here is to raise questions for consideration in planning further study of this problem so that results will provide a meaningful basis for future policy decisions and program development—in other words to indicate the need for scientific research.

The first question: Do we know the extent of "factory farming" in the Great Plains and Corn Belt regions?

If Nebraska is typical of these important farming areas, all we have to go on at present are reports of land purchases or options to buy in a few communities and rumors of such activities in other areas.

Factual information is needed on: The growth of factory farming in the past 5 years; the financing, management, input purchasing, production and marketing practices of such enterprises; their horizontal and vertical relationships to other enterprises in the corporation; and tax advantages, if any. We think these corporations are going into farming primarily to make profits, rather than for offsetting losses for income tax purposes, realizing, of course, that such tax purposes do exist, and the need for consideration of opposing loopholes if they give corporations advantages that family farms do not enjoy.

The family farm is probably the most thoroughly studied producing unit in the national economy in the research programs of the U.S. Department of Agriculture and of the land-grant universities. It is doubtful that comparable information would be made available vol-