

2½ million yearly that are crowding into our already glutted urban areas by virtue of natural population increase. And the migrants are leaving behind a decaying countryside of dwindling economic and human resources." End of quotation.

Senator George McGovern, in an address on the Senate floor in February, declared, and I quote, "We are more and more accepting technology, unquestioningly, as an irresistible force and optimum mechanical efficiency as the goal of existence. It is time to take a look at what is being done to people. It is time that we took a look to see if the change is either inevitable or desirable, and whether the new society toward which we are heading, a sort of corporate collectivism, is what we really want." End of quotation.

Our farms in rural America have been disappearing not because the farmer has not been working hard and efficiently. In most cases his productivity exceeds that of his city cousin. But while our farmers have been producing more and better food, they have been continually asked to produce it at lower wages for themselves.

The South Dakota Farmers Union conducted a survey, with the assistance of county assessors and the state ASCS office, and I would like to quote a portion of their survey. The survey revealed that there are 452 corporations owning agricultural land in South Dakota, totaling 1,633,529 acres, or the equivalent of five medium-sized South Dakota counties. Corporations now own one out of every 27 acres of farmland in this state.

Equally alarming was that there are 56 corporations listing an out-of-state address owning nearly a third of a million acres (312,589).

Some of the larger holdings by these out-of-state firms include and I quote:

Western Cattle Company of New York—70,948 acres in two counties.

Homestake Mining Company of California—42,282 acres in two counties.

Shur-Gro Irrigation Company, Clovis, New Mexico—36,688 acres in four counties.

Hickman & Jordan, a Texas firm, with 28,327 acres in one county.

Norris Grain Company of Illinois, 41,874 acres in two counties.

Sen. McGovern declared at a Farmers Union meeting in Huron, and I quote "These non-farmers are avoiding \$200 to \$400 million in federal income taxes by going into farming, claiming farm losses as an offset to other income, and later recapturing the income as a capital gain subject to a much lower tax rate." End of quotation.

So gentlemen, you are looking at a major tax loophole as well as a system of unfair competition which puts bona fide farmers out of farming, and closes the stores down, the churches, the schools and the rural communities which the family farmers have built and supported over the years.

The problem is a serious one, and one that will require concerted action on both the state and federal levels of government if the family farm is to survive. Some remedies that the federal government could use would be reduce the spread between existing corporation income tax rates and the capital gains tax rate of 25 percent, and thereby minimize the incentive to use capital gains as a method of reducing tax liability.

A proposal similar to the Metcalf Bill, S. 2613, should be adopted so as to limit the use of losses on farm operations by persons who are not bona fide farmers to reduce their income tax liability on income earned in other pursuits.

The federal farm programs should be extended, added to or improved in such a way as to make the family farm economically rewarding in comparison to similar businesses requiring comparable outlays of capital, effort, management and labor.

We hope that the Senators and Representatives in Congress who are from the agricultural states involved, will continue and expand their efforts to show the Senators and Representatives from the urban areas that large scale corporation farming will *not* result in lower food costs for the consumers, but will instead continue and speed up the migration from farm to city, thereby compounding the numerous problems of the inner-city and metropolitan areas.

Furthermore, the federal government could cooperate with the states in their efforts aimed at this problem. The states, by their own action, could enact or improve anti-corporation farm laws, which particularly exempt family farm corporations operated by bona fide farmers.

A state like Minnesota should increase the homestead exemption for farm real estate used as the home by a family farmer. This, coupled with a proper