The 1966 pencil parity just stole 27 points of parity from the farmer and as of today the farmer is only receiving 73% of the pencil parity or another 27 points lost. The two 27 point losses or 54 points leaves the farmer operating at 46% of true parity as compared to the rest of the economy.

The exact truth is that the farmer has a 1952 market and operating with 1968 expenses. No other business nor any corporation could or would be willing to operate under such odds. The result is failing farmers where not even moonlighting can fill the gaps. This adds grist to the mill for the corporations C.E.D. arm to declare that the family farm is financially incapable of being efficient. Their most recent goal is the removal of 1½ million more farmers. I'm sure the public is unaware of how low the percent of population that is still farming—latest published figures indicate 6%. The latest real statistics available are from Dec. 31, 1966, (18 months past), given as 4,206,000 farm people of a US population of over 200,000,000, that means 2.1% and from looking at the 1967 exodus and the first half of 1968, my guess would be that 1.5% is very close. This is a drop from near 20% some fifteen years ago. How near to the bottom are we going, to sift out that last inefficient farmer?

The results of the above problems are just beginning to get public attention, but without understanding the problems everyone is in a quandry for a solution. Solutions will have to be taken by a process of elimination. Legislation is a weak and slow step. The rural vote is limited and no Senator or Congressman can muster strength behind an unpopular bill nor can he take an unpopular stand very often and expect to hold his office.

More financing is not an aid to the farmer who is under paid for his present production to a point he cannot pay off past financing.

If there needs to be incentives to bring the people back to the farm or keep the remaining ones there a fair price for their labor and wealth produced would be a first step. I believe the farmers could do it with their organizations with only a little restraint from the government on the powers that favor the status-quo. The disarmament of C.E.D., cut their sources down through USDA, the university economic departments and extension service, and above all stop the government or justice department from causing an anti-trust action against farmers attempt to survive where no legal laws have been broken or evaded.

The first argument against a fair price is surpluses. If we look at war economics where the farmer was subsidized to produce and produce there never was a surplus. Money was started out at the vortex of the pyramid and spread through the gross of the population and every one ate and paid enough taxes to support a world wide war with considerably less national borrowing than today.

We now know what surpluses are and a production quota could be set, based on previous production based on bushel or pound delivered—not acreage.

So goes agriculture, so goes the rest of the economy and the hour is late.

Senator NELSON. Our first witness will be Mr. Gilbert Rohde, president of the Wisconsin Farmers Union, followed by Mr. Edwin Christianson, president of the Minnesota Farmers Union, and Mr. Edwin Smith, president of the North Dakota Farmers Union.

Mr. Rohde, please identify yourself and your associates for the reporter.

STATEMENT OF GILBERT C. ROHDE, PRESIDENT, WISCONSIN FARMERS UNION, CHIPPEWA FALLS, WIS.

Mr. ROHDE. Mr. Chairman, I am Gilbert C. Rohde, appearing before the committee as president of the Wisconsin Farmers Union. However, before I begin I should like to commend the Senator for choosing Eau Claire, Wis., as a place for a major hearing on a very important issue.

Secondly, I am delighted that you chose Wisconsin as a place to hold the hearing because it permits me to be host to a couple of very close friends who are important officials of our national organization. Joining me is the national vice president of the Farmers Union and the chairman of the executive board, Mr. Ed Smith of North Dakota.