

STATEMENT OF EDWIN CHRISTIANSON, VICE PRESIDENT, NATIONAL FARMERS UNION

We wish to commend you, Senator Nelson, and the Subcommittee on Monopoly for having scheduled these hearings, and we are grateful for the opportunity to submit our views.

We regard it particularly appropriate that the hearing is being held by the monopoly subcommittee because we believe that monopoly is and should be the central issue in the whole controversy about the kind of agriculture we should have in this nation.

The competitive race between family farms and corporation farms is not a clash of two equally efficient and productive types of agricultural organization, capable of providing the food and fiber needs of the nation with equal assurance of abundance and comparable costs.

Rather, it is a question of whether an extremely efficient family farm system of agriculture which has provided ample supplies for American consumers and industries over many years is now to be displaced by another form of agriculture, which provides no assurance that abundance and reasonable costs of food and raw materials are its principal goals for existence.

We, in Farmers Union, believe that there is no economic need or justification in terms of the national interest for the take-over of agriculture by corporations.

Our nation's family farms have a productive capacity more than capable of meeting all possible needs and demands. We have a productive capacity 10 to 12% in excess of existing demands. We have had to place part of this productive capacity on a stand-by basis for many years, for some time under the soil-bank and currently under voluntary acreage diversion programs associated with the major field crops. Some 50 million acres were held out of production during the past year under these programs.

The productive capacity of our present agricultural system not only meets national needs, but provides vast supplies which move into world trade and improve our international balance of trade, plus making a major contribution to the effort to eradicate famine and hunger in the world.

We have all of this plus an over-capacity of 10 to 12% and besides new technology is increasing this capacity year by year. It hardly appears that vast new corporate farm operations are needed to avoid shortages.

Neither is production by the corporation farms needed to provide lower cost food and raw materials for there is no evidence that the corporation farms can produce at a lower unit cost or that they would pass on the benefits of such lower costs if indeed they were possible to achieve.

Further, we are not convinced that farm production by corporation farms is needed to assure dependable supplies of given specifications and uniform quality. Family farms are capable of providing what is needed, at the time that it is needed and in the grades and quality that are desired.

If the family farm system is truly superior, as we maintain, and if the corporation farms are not capable of providing a better economic service to the nation, it might well be asked what the motivations of the corporations might be and why they do pose a threat to the economic well-being of rural America.

The truth is that despite the marvelous efficiency of family farm agriculture, despite the major gains in productivity which overshadow any other major industry, despite the rapidity with which farms have adapted new advances in technology, the family farm is vulnerable on several points, through conditions which at least up to this time, have been beyond the control of farmers.

American farmers, unfortunately for themselves, have never developed a market power comparable to their productive power. Historically, farmers have been price-takers, rather than price-makers.

Farmers have helped themselves to an extent over the years through farm marketing and supply co-operatives, through the federal farm programs, through state and federal marketing agreements and orders. But despite the fact that these measures have improved their situation in a major way over the conditions which would prevail in a free market, agriculture is still short of the ability to command a return which represents a fair cost of production and living.

Farmers, today, are extremely vulnerable on the credit side. Farming today requires vast amounts of capital and the needs for capital are rapidly growing. Use of borrowed capital has doubled in the past 20 years and it is predicted by credit specialists that it will double again within another five years.

The amount of capital needed on most farms has long since outrun the amount that can be generated on the farm or set aside in a lifetime of farming.