

surrounding community have moved away and town officials are concerned about the economic future of these areas. Already reassessments of real property have resulted, largely from the changes in the farm units acquired by the corporations engaged in farming the area.

You understand what they do, they move into the township, buy it up, remove all the buildings, leaving those towns with no real assets on which to base any tax and therefore leaving the community almost destitute as far as a real assessment base.

A veteran newspaper publisher in Wisconsin in his personal column has been expressing concern for a number of years over the tendency toward mergers of corporations in the country which has resulted in great conglomerate concentrations of economic power. Time after time he has called attention to the many acquisitions and mergers as reported each week in the Wall Street Journal. There has been increasing alarm throughout the country over this trend. Only recently there have been indications that the conglomerates are moving into the farming industry. For this reason we are pleased to note that you, Senator Nelson, and your committee, are giving attention to these problems.

Anyone who reads the financial journals knows that the main objective of the conglomerate corporations is to make the maximum profit for distribution to the stockholders in the form of dividends and capital gains. It appears inevitable, therefore, that the entry of the giant corporations into the farming industry would bring about increased costs of food for the American consumers.

We are very pleased the testimony given this morning by Professor Raup, which largely substantiates the testimony we are making here, in a passing reference in that the tax situation allows corporate investment into agriculture and for this reason we think that inefficiencies are going to creep into our economy rather than efficiencies. Statistics on the strides which the corporations are taking into the farming industry continue to pile up. A recent article by Gene L. Swackhamer, agricultural economist for the Federal Reserve Bank of Kansas City in a monthly review published by the bank shows that from 1956 to 1966 corporate farm loans increased 288 percent, compared with an increase of 176 percent for all of the 10th Federal Reserve District. Just think of that. The major purpose of the corporate farm loans in the district was for the purpose of purchasing feeder livestock with 56 million in corporation farm loans, an astounding 66 percent of this. In other words, it looks like we are going to see the beef industry go the route of the turkey and broiler.

We want to make it clear that our concern is over the invasion of the farming industry by the giant conglomerate farm corporations as contrasted to the closely held family farm corporations which have a definite place in our farm economy.

We believe that the menace of the giant corporate farms to the farm economy and rural America merits and will need the attention of both Federal and State Governments. Although it is presently under fire from large corporate interests, North Dakota has a law on the books controlling the scope of corporate farming for many decades. This law was well drafted and has met all the constitutional attacks by its opponents at both the State and National judicial levels. A fair and workable law of this type, aimed at the takeover of the farm economy