tions 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 their 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 American consumers.

The 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 the 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 Tenth Federal Reserve District. The major purpose of corporate farm loans in that district was for purchase of feeder livestock, with $56 million in corporation farm loans, an astounding 66% of the total.

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 farm family corporations, which have a definite place in the farm economy.

We believe that the menace of 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 had a law on the books controlling the scope of corporate farming for many decades. This law was well drafted and has met the constitutional attacks by it's opponents at both the state and national judicial levels. A fair and workable law of this type, aimed at the take-over of the farm economy by absentee ownership, is needed more than ever today. We believe the federal as well as the state governments should act to protect the rural economy of America by reasonable controls over corporation farming.

Senator Nelson. Our next witness is Mr. Arnold Onstad, Minnesota Corporation Farm Task Force, Spring Grove, Minn.

Mr. Onstad, the committee is pleased to have you here today and appreciate your taking the time to come over from Minnesota to testify.

STATEMENT OF ARNOLD ONSTAD, CHAIRMAN, FARMERS UNION TASK FORCE ON CORPORATION FARMING, SPRING GROVE, MINN.

Mr. Onstad. Thank you, Senator.

My name is Arnold Onstad. I am a farmer in Houston County in the extreme southeastern tip of Minnesota.

I am a past president of the Minnesota Association of Soil and Water Conservation Districts and am currently a member of the State board of that organization. I have also served as a Minnesota State councilman for the national association. I am a member of the USDA Public Advisory Committee on Soil and Water Conservation.

I am here today as chairman of the Minnesota Task Force on Corporation Farming, which is a citizens' group appointed last December by President Christianson of the Minnesota Farmers Union. Our task force has seven members and includes farmers, cooperative officials, rural businessmen, legislators, and a rural clergyman.

We have working with us a staff of research consultants, including a legal counsel, a cooperative specialist, a marketing economist, and a noted land economist from the University of Minnesota who you already heard this morning, Dr. Philip M. Raup.