and the right to bargain for their products in the same way that labor bargains for its labor.

I mention finally, Mr. Metcalf, in regard to the tax situation on farms. Senator Metcalf has introduced S. 2613, which would close one of these tax loopholes by prohibiting those who gain most of their income off farms from taking tax losses. The farmer himself would not be affected. The farmer who is a working farmer or who derives his income from agriculture, from the farm, would be exempt under this bill.

But it would, we hope, check this vast invasion of agriculture which is going on at the present time, due to other segments of the economy apparently have so much money they do not know what to do about it.

The profits, as Mr. Graham pointed out, are at an all-time high, and I think it was around $25 billion instead of $20 billion, as you said, which industrial corporations had left over after they paid their taxes, distributed their dividends, and so forth.

My point is that agriculture should be allowed to deal with those to whom it sells its products in the same way that other organizations and unions, and others, in the same way that the gigantic food chains get together and work together at getting the prices down.

If the farmer had some kind of countervailing power backed up by legislation, such as the NLRB Act—and I am not comparing this proposal with the Labor Relations Act, it has certain similarities, but there are certain other parts of it which are quite, quite different, as agriculture is different.

One final point, Mr. Chairman, with regard to Mr. Graham's statement. We are completely in accord with the importance of farm exports. I believe, in cash, there were over $5 billion last year, $7 billion if you count the soft currency and the giveaways and so forth.

The gold situation about which everyone seems to be worried, would be worsened if the protectionists were able to keep out other products.

We are not in favor, of course, of the substitute products for cheese and various gimmicks that have been used to let down the bars and let vast quantities of all kinds of dairy products and other products come into this country, and we were instrumental in, at least we presented our views to the Tariff Commission and to the President in regard to that, and we stand firmly behind the President, in reducing to some extent the amount of these products which were coming in.

But we believe that the last round, the Kennedy Round, was greatly successful. Our National President was in Geneva, and he reports great progress was made, which would benefit not only the American farmer but the American people as a whole.

I think, Mr. Chairman, I have just about used up my time.

(The prepared statement of Mr. McDonald follows:)

PREPARED STATEMENT OF ANGUS McDONALD

Mr. Chairman and Members of the Committee, we appreciate very much the opportunity to present our views on the Economic Report of the President and the Annual Report of the Council of Economic Advisers. We have appeared here over a long period of years along with representatives of other farm organizations. Our organization is particularly interested in the functioning of the Employment Act of 1946.

Our interest was manifested in the period 1944–1946 when our then National President, James G. Patton, participated actively in the formulation of legislation. One of the by-products of this activity was a book by Stephen Kemp