

Farmers are seriously and increasingly interested in finding ways to develop greater market power through strengthening their bargaining power.

There are two ways to organize farmers to obtain greater bargaining power—voluntary and involuntary—only two ways. Farm Bureau believes the voluntary method of organization offers greater opportunity for success. Truly effective power comes through the willing cooperation of informed, conscious, loyal, and active members; and this type of power far exceeds that which flows from compulsory grouping.

The only power which can compel farmers to bargain together nationally is the Federal Government, and its authority must come from an act of Congress. The Congress, as well as the executive branch of our Government, must be concerned with justice and equity for all citizens—not farmers alone. Since 94 percent of the voters are consumers, not farmers, Congress and the administration necessarily must be more interested in low food prices than high farm income. Any Federal Government direction or enforcement of farmer bargaining most certainly would include rules or devices to “protect consumers” or the authority to issue cease-and-desist orders any time prices threaten to go higher than some Washington bureaucrat thinks they should. Obviously, farmers do not want Government as a “partner” in their bargaining efforts.

Farmers are painfully trying to crawl out of the cheap food trap created by existing Government-supply-management programs. It would be a tragedy if their current interest in bargaining were to lead them into a similar Government-price-management trap. Government supervised marketing is not the way to get better income for farmers.

There is, however, a proper role for Government in improving the marketing of farm products. Legislation currently before Congress would prohibit unfair trade practices designed to discourage farmer participation in voluntary marketing programs. Congress can play its proper role in this matter by guaranteeing farmers the right to voluntarily join a marketing association without fear of reprisal.

Thank you very much, Mr. Chairman.

(The balance of Mr. Shuman's prepared statement follows:)

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Let us examine these considerations point by point.

(1) The idea that the maintenance of a government-held stockpile is a good idea for consumers developed, at least in part, out of a desire to justify the existence of the large stocks already accumulated under price support programs.

Now that surpluses of some commodities have been reduced by increased exports and domestic utilization, the alleged need for government-held stocks is being used to justify the continuation of government intervention in the production and pricing of farm products.

In the absence of government reserves, the willingness of farmers and agricultural industries to carry stocks constitutes a reliable defense against shortages of consumer goods. In addition, our agricultural economy contains many other built-in safeguards against shortages.

The consumers' real assurance of adequate supplies of farm products is in the productive capacity of American agriculture, the geographic dispersal of major areas of farm production, the fact that we have a livestock economy, and the capabilities of our processing and transportation industries.

The United States has never experienced a famine—even in the years before the government began carrying large inventories as a by-product of efforts to support farm prices.

It is difficult to understand why we have so much public discussion about consumers' need for government-held stockpiles of commodities produced in great