stantially limit or eliminate using farm losses to offset income from other sources in computing income taxes.

Mr. Graham?

Mr. GRAHAM. Mr. Chairman, in regard to the Mondale bill, we would support the second part in preference to the first.

I should tell you that there have been a number of meetings between most of the farm organizations, and there is pretty general agreement among them on this point. This group includes the Grange, the Farmers Union, the NFO, the Missouri Mid-Conference Farmers Association, and the National Council of Farmer Cooperatives.

The approach generally of the second section of the Mondale bill—as I understand it has been introduced—is something that we would all support.

Chairman PROXMIRE. Your position, Mr. Graham, is that you would not support the first part; you would support the second part?

Mr. GRAHAM. Basically; yes. I think this is basically the position of most of us.

The second one on land retirement programs, if we were to believe what we hear or what we read, that we have a continued capacity for overproduction that is substantial, and according to Iowa State studies that it is going to continue for the foreseeable future, we cannot see any alternative except to continue some type of land retirement program.

If we would bring out 7 or 9 million acres out of a CAP program during the next couple of years, and they are going to come out unless something is done about it, and throw that on top of the surplus lands we have at the present time in terms of effective demand for the products, we are going to be in real trouble. I do not see any way around that one.

For additional credit, I think, generally, we have enough credit facilities if we just have enough cash to go into them. But, they are bidding against everybody else, including the Government, for a limited amount of available cash, and, so, the problem is not necessarily the amount so much as it is the cost at the present time. This is one of the reasons why we think there ought to be a tax increase that would take the money for the Federal Government out of taxes rather than bidding in the marketplace against all the private needs.

On expansion of Public Law 480, we favor very definitely an expansion of that. The Metcalf bill which you have asked about, and which Angus talked about is well within our policy, and we will support that also.

Chairman PROXMIRE. Mr. McDonald?

Mr. MCDONALD. Mr. Chairman, we will support title II, the marketing order part, as I understand it. I have not had time to read the bill as introduced. We are in favor, in other words, of keeping the working programs and building on them. This is an extension.

Chairman PROXMIRE. It means you will not support title I, that is the National Agricultural Relations Board.

Mr. MCDONALD. We will support title I also.

Chairman PROXMIRE. You will support both?

Mr. MCDONALD. Yes, sir. We will support both titles of the bill. I would not say in every detail, but in principle, we will support the