

unworkable and unsuccessful control and payment programs might be a helpful thing. It could provide a transition program while farmers were adjusting to the market system again for these crops that are under controls.

I was glad to see Mr. Shafer point out that the parity ratio is the lowest it has been since 1937, and I emphasize that what we need are less Government programs.

Every time we have had a Government program in the last 30 years, the cost of farming has gone up, and the net income of farmers has gone down as a result of these programs.

During this last period of time, in the last several years, we have had the most expensive and the most extensive Government controls and subsidies in agriculture's history in effect, and we have an administration in charge of them that is pledged to make them work, and yet we are now near the depression level as far as farming is concerned. So we do not favor a land retirement program except in connection with ending the program we now have.

As far as additional credit facilities are concerned, we have got facilities running out of our ears. One of our biggest problems in agriculture is that farmers' indebtedness is going up. The total farm indebtedness in the last few years, particularly in the last 5 or 6 years, has skyrocketed, and so I do not, we do not, believe that we need new facilities.

We need to check inflation, which Mr. McDonald mentions as increasing interest rates. Well, the cause of increased interest rates is primarily inflation, and that is caused by the policies of this administration, which have been to spend more than we take in; and there is only one way to correct that, and that is to balance the budget and do it as quickly as we can.

So we do not favor additional Federal action in the credit field.

As far as expansion of the food-for-peace program, the Farm Bureau originated the Public Law 480 idea. We think it served a purpose, but we think it has largely served that purpose, and that it ought to be phased out as rapidly as possible. We want to sell for dollars and not to be in the business of export dumping, and so that is why we suggest that the needs for food for peace be met by purchases in the market.

I am not too familiar with the Metcalf bill, but we would not favor any bill which would cause farmers to lose any of their tax rights. We are not opposed to looking for loopholes which may be used by some to take unfair advantage of losses on farm operations. But we are very suspicious that any attempt to close these loopholes would take away some rightful privileges which farmers have under the tax laws.

That pretty well covers it.

Chairman PROXMIRE. Thank you very much, Mr. Shuman.

Mr. Shafer?

Mr. SHAFER. In regard to your first question on the Mondale proposal, which I have not seen as yet, but I think Mr. Graham pretty well stated the position that we would support on this proposal. We are in favor of any additional legislation which would enhance our bargaining position.