

As I said previously, we would oppose an increase in taxes until such time as the Congress is ready to make an equivalent cut in spending.

We think this cut can be at least \$5 billion. With a \$5 billion tax increase there would be a \$10 billion reduction in the deficit, and it could be much more, without any question.

As far as that goes, we believe the military expenses should be scrutinized, and probably some of them can be cut without endangering the defense effort.

As far as removing the gold cover: No; we are not in favor of removing the gold cover. We think that if the Congress and the administration recognize the gravity of the situation, and take appropriate action to reduce expenditures, it will not be necessary.

If appropriate action is not taken, very likely, before the year is up, we will be forced to do the same thing that Great Britain was forced to do. The situation is desperate, but it is not a time to start taking actions to remove the gold cover. It is time to meet and to treat the problem, not the symptoms.

As far as incentives for land retirement: We favor land retirement on a competitive bid basis and, as I said before, its use only as a means of transition while we are dismantling the control and direct subsidy programs.

Senator JORDAN. Thank you.

Mr. Shafer?

Mr. SHAFER. In answer to your first question, it has been our policy not to release our membership. We are a farm organization organized primarily for bargaining purposes, and it has been the belief of our membership, at least, that we should not release to those that we are trying to deal with the areas in which we are strong and the areas in which we may be weak or just exactly what our total membership is. In other words, we believe that this is a part of bargaining; because of this, our membership asks, that we do not release our membership totals.

Regarding the next question: Should Federal spending be cut? Again, let me say that we are a farm organization, and we try not to get involved too much in things that do not pertain to agriculture.

So far as agriculture is concerned, we do not see any way that you could successfully have the agricultural expenditures and still expect to accomplish as good a job as we are doing now.

We have taken no stand on the gold cover, as far as our organization is concerned, or on the need for more taxes.

My personal opinion, so far as taxes are concerned, I cannot see how we can continue forever to go into debt to take care of all of our problems. So, it appears to me, personally, that probably we do have a need for more taxes.

The land retirement question: We believe that whatever incentives are necessary to get whatever land is needed out of production should be used. I am hopeful that the present feed grain program will siphon off sufficient production to be of great help.

I would agree with Mr. McDonald in his statement that we do not favor the retirement of whole farms where communities could be drastically affected.