

gressional mandate that sets forth the most realistic measurement that we could possibly have to reflect how well farmers are doing.

And I hope someday we'll get that situation turned around.'

The Department of Agriculture could devote more of its energy to reporting on the relationship between price that the farmers receive and the price that they pay, and they could do a much better job than they do of reporting on what that parity ratio is, which is calculated on the basis of movement of these indexes. That's the first area of our concern.

The second area I'd mention is the area of supply and demand. In our Farmers Union News Service, we provide our States through a TWX operation, which is the Western Union Wire Service, information regarding supply-crop projected supplies. Hopefully, we're getting information to our editors in the country that they can use effectively to give some guidance, at least, to members in terms of the "market forces relating to supply and demand.

The third area that I'd like to mention that we constantly are looking at, and need information with regard to, are the marketing margins. We do have a sincere interest in our organization in seeing that consumers get a fair break. We therefore need to have more information in terms of economic concentration in the processing and rail-
ing establishments> and just what marketing margins mean in terms of the interest not only by farmers, but consumers also.

The fourth area that I'd like to refer to relates to the crop reporting, crop and livestock reporting information of the Department. I know that there have been criticisms made of inaccuracies in the Department, and yet I think when we really get down to it, we've got the best, system of livestock and crop reporting of any nation in the world. It "is a forecasting system, and you can't always come out right on target.

Incidentally, let me say I do support the views of those who indicated that there should be some attempt in the Government to resolve differences when they occur, just as they hammer out differences in the crop reporting board before they make their forecast.

I believe that that kind of interaction—it may take time—but that kind of interaction would be useful in terms of getting the numbers that are more reliable. Where there are differences and there is some procedure here to resolve them, we're going to get more accurate projections. I'm glad to be here. That's all I've got to say.

We have a lot of concerns with Secretary Butz and his policies, but this is not the kind of hearing where we should air those concerns. You are here examining the informational processes, and I'm saying that they function well. There are obviously some areas that we would like to see stressed against others, and these I've mentioned.

I'd be happy to respond to your questions, I look forward to my two illustrious colleagues and their comments.

Mr. CORDARO. Thank you.

Why don't we go on to Mr. Frazier?

STATEMENT OF CHARLES L. FRAZIER, DIRECTOR, WASHINGTON STAFF, NATIONAL FARMERS ORGANIZATION

Mr. FRAZIER. Mr. Cordaro, I'd like to comment briefly on three areas of interest, and I should preface those remarks by pointing out that

our commodity departments in Corning, Iowa, of course, have daily interest in the products of the various reports that you have under consideration.

From another standpoint we are interested in the effect of these various Government reports and projections on markets that seemingly at-times have nothing to do with the facts.

In other words, I believe there are two aspects of this whole area of concern that are very significant to farm people. Now, thinking of the facts I want to join others in expressing a sense of admiration for Dr. West, Mr. Hume, and Dr. Paarlberg, the men from the Department who must struggle with these things year in and year out. Those of us who have been close to that Department for a number of years know that it's most difficult to resolve variations in reports, reach compromises, and come to some conclusions for a public statement. We appreciate their difficulties.

In all of their fine work they may have difficulty today in assembling timely information on the consumer end of the market. In other words, I wonder whether they have an opportunity to get current data on consumer preferences, trends, and changes that will be reflected months or a year later in the type of government analysis that is always so safe to make on an after-the-fact basis.

One can well imagine that they may need if not new methods, at least some new access to data of this type. By the same token those of us working with legislation are all too well aware, as Mr. Johnson just pointed out, that the data available in the Department with respect to the cost of farm inputs may also be rather outdated by the time it can be worked into parity price reports, cost of production indexes and similar data that are rather important in the decision process, both in the Department and here in the Congress.

I have in mind things which relate more to the ability to gather and assemble this data in a timely manner. I rather suspect that their major sources are the industries, they may, be well worked out and quite honest in the final analysis, but it's a matter of timeliness and availability of the data that is of concern to some of us.

In the second subject area, I do support the thoughts of Mr. Harkness and others that spoke of a world crop reporting board. I quite frankly am a little skeptical of what might be done in a formal board. The data, of course, would be only as valuable as the capabilities and the honesty of the people, assembling and submitting it for the various areas of the world. Nevertheless we do like the idea if it can be developed.

That one leads me to the third point, and this is even a little more difficult to express. I like to think of it this way: I wish we had in this (government perhaps at subcabinet level, the willingness to be a little more daring in the use of such statistics as are available.

In other words, all of us understand quite well that in each of these commodity areas in USDA, for example, there will be one, two, or three persons that are well recognized as specialists in their field. They know the overall picture with respect to a given commodity area, whether it be feed grains, or hogs, or cattle, oils, or what have you.

Now, I'm only asking that your group consider that the fine formal USDA reports that are made available to us generally under the three categories: Situation reports, crop reports, and supply and de-

mand situations are outdated by the time they are released. I do not mean to suggest skullduggery or illicit action of any type but we must realize there are a few people who can afford the type of intelligence needed to make good market decisions. Most of them are the international trading corporations.

I don't think that it's necessary for a government officer to be absolutely safe in his backup data, and have all the charts perfectly drawn, to make a commodity statement reflecting estimates of market probabilities based on intelligence reports from attaches and others.

We have a number of people both in the trading world and in our farm organizations who must make their best guesses in sales and bargaining programs. Individual farmers must take whatever they may have and make decisions. They are sufficiently mature to understand very well that an projections representing crop conditions, markets or foreign demand in 15 or 20 countries scattered around the world is a speculative matter. They do not expect the Government officials to have it in the form of a final accounting report but they would like to be advised of what is available from time to time.

So I just want to make a little plea for some type of action that would draw together the intelligence not now available to farmers; I don't care if it's from the Department, CIA, the attaches, trade sources for that matter, if somebody is willing to get them in and pull them together, and willing to take a risk by putting out their best estimates of world demand and market conditions.

Mr. DADDARIO. You are really asking that there be a way to regularize the informal information that is brought together which some people are using to good advantage, but are using it for their specific interests.

Mr. FRAZIER. Yes, sir.

Mr. DADDARIO. It works quite well wherever it's worked, but if you try to regulate it, it might become so perfect it's not useful. Is that your point?

Mr. FRAZIER. By the time it's a perfect figure you can see it's already too late. Well, I'm doing a poor job of articulating my point of view perhaps. I'm only asking for such intelligence as we have in this Government from week to week, as month to month, relating to supply and demand situations be summarized and put out. Let the people have them, and let the little commodity division traders that must be working in cooperatives and in my organization understand them and argue about them. I think we'd all be better off—I think Congress, and for that matter, the Secretary of Agriculture, would be safe-guarded against criticism at later dates if this data could be made available in more timely manner.

Mr. DADDARIO. Understood for that purpose?

Mr. FRAZIER. Yes, they can put at the top and bottom of every page that this is a projection—this is an estimate, and safeguard themselves carefully.

Mr. CORDARO. Mr. Johnson, Mr. Hamilton, would you care to comment on that?