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**Conference Report to Accompany
Agricultural Act of 1956
H.R. Rep. No. 84-2197 (1956)**

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AGRICULTURAL ACT OF 1956

MAY 22, 1956.—Ordered to be printed

Mr. COOLEY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 10875]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10875) to enact the Agricultural Act of 1956, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 5, 11, 36, 46, and 48.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39, 40, 41, 42, 43, 44, 45, 50, and 51; and agree to the same.

Amendment numbered 47:

That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows:

On page 8, line 10, of the Senate engrossed amendments strike out "April 15" and insert in lieu thereof *May 1*; and the Senate agree to the same.

Amendment numbered 49:

That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

STUDY OF PRICE TRENDS FOR FOREST PRODUCTS

SEC. 402. *The Secretary of Agriculture shall make a study of price trends and relationships for basic forest products such as sawlogs and pulpwood and within one year from the date of enactment of this Act shall submit a report thereon to the Congress*

And the Senate agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,

Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
JAMES O. EASTLAND,
GEORGE D. AIKEN,
MILTON R. YOUNG,
EDWARD J. THYE,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses to the amendments of the Senate to the bill (H. R. 10875) to enact the Agricultural Act of 1946, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The Senate made 51 amendments to the House bill. Of these, two-thirds were merely clarifying or technical in nature and were generally accepted by the committee of conference. Following are the substantive differences between the bill passed by the House and that agreed to by the conferees and reported herewith:

THE SOIL-BANK PROGRAM

Deleted from the bill are two provisions relating to the soil bank which were written into the bill on the House floor: The Albert amendment, requiring the Secretary to establish an acreage reserve program for grazing lands, and the McIntire amendment, requiring the establishment of an acreage reserve program for "other field crops." Also deleted is the provision requiring the Secretary to establish an acreage reserve program for grains and the extensive program worked out by the House committee for establishing a base acreage for feed grains and encouraging, by means of incentive price supports, a reduction of at least 15 percent in the production of feed grains. The total annual authorization for the acreage reserve program was reduced from \$800 million to \$750 million in conformity with the elimination of the programs just referred to.

In connection with the elimination of the feed grain part of the acreage reserve program, the House conferees agreed to the elimination of this provision chiefly because of a showing that data with respect to feed grain acreage and production on individual farms is not as available as data with respect to other crops included in the acreage reserve and that, therefore, it would have been difficult, if not impossible, at this late date, to set up an adequate acreage reserve program for feed grains for 1956. The action was taken, however, with the assurance that if the experience gained in operation of the soil bank during the coming year should appear to make it more practicable to establish an acreage reserve program for feed grains effective in 1957 or 1958, sympathetic consideration will be given to such legislation at both ends of the Capitol.

No other changes of consequence were made in the soil bank portion of the bill. A Senate amendment emphasizing that the grazing of conservation reserve land is a violation of contract appears merely to underline similar provisions already in both the acreage reserve and the conservation reserve portions of the bill.

A major provision, dealing with the start of the soil bank program, was resolved in favor of the House bill. The House bill directed that the soil bank be started with 1956 crops. The Senate bill directed only that the Secretary start the program with the 1956 crop "to the

extent he deems practicable." This language, together with the known position of the Secretary of Agriculture on this matter, led to the general assumption that under the Senate provision there would be no serious effort to get the soil bank program under way for 1956 crops.

The conferees accepted the House language with respect to this matter, agreeing to make the soil bank effective immediately, as provided in the House bill. It was recognized, however, that the larger part of this year's plantings have already taken place and it is not expected that any large part of the crop planted will be plowed up or otherwise removed from production as authorized by section 103. The committee recognizes that the Secretary cannot be expected to accomplish the impracticable or to secure any large part of the beneficial results hoped for the soil bank in 1956, but it also recognizes that certain farmers have heretofore planned to participate this year and it is felt that they should be assured of the opportunity to do so.

PRODUCTION ON GOVERNMENT-OWNED LANDS

As reported from the Committee on Agriculture, this section (sec. 125) directed the President to restrict insofar as practicable the leasing of Government lands for the production of price-supported crops in surplus supply. It was amended on the House floor to apply to "agricultural commodities" instead of "price-supported crops" and the Senate amendment, adopted by the conferees, returns to the original language of the House committee. The Senate also added an amendment making it clear that the section should not prevent programs designed to provide food for water fowl on wildlife refuges, and similar activities.

EXPORT SALES PROGRAM FOR COTTON

The conferees have accepted Senate amendment No. 26, adding section 203 to the bill. This section directs the CCC to use its existing powers and authorities to encourage the exportation of cotton by offering to make it available at prices based on sales under the so-called million-bale program (announced August 12, 1955), and even lower if necessary, in order to be competitive with foreign countries exporting cotton in substantial quantities. The principal difference in the program required by this provision as contrasted with the million-bale program and the program now in effect (announced on February 28, 1956) will be in the price level at which bids are accepted.

This provision directs that such quantities of cotton be offered and sold as will reestablish and maintain the fair historical share of the world market for United States cotton, the quantity to be determined by the Secretary of Agriculture. The Secretary has indicated that he considers 5 million bales to be the fair historical share based on the present level of world trade in cotton. This committee believes this to be reasonable in view of the history of United States exports.

It is hoped that the Secretary can regain the historical American share of the world market without unnecessarily lowering the level of world prices for cotton, and it is not intended that he shall be required to drastically reduce the price of cotton far below the level of prices received at the sale announced August 12, 1955. On the other hand it is intended that he shall have ample authority to reduce prices to whatever level he finds necessary to accomplish this result.

ACREAGE ALLOTMENTS FOR COTTON FOR 1957 AND 1958

Section 302 of the House bill provided that the national acreage allotment for cotton should not be smaller in 1957 and 1958 than it is for 1956. Amendment No. 37 of the Senate provides additionally that the State allotment for any State in 1957 and 1958 shall not be reduced more than 1 percent per year. Additional acreage allotment received by States for 1957 and 1958 under this section shall not be taken into account in establishing future State acreage allotments. In determining 1957 and 1958 State history of cotton plantings for purposes of future State allotments such acreage history could not exceed the State acreage allotment for such years less the acreage received by the State under sections 302 and 303 (a).

LOANS ON SPOTTED COTTON

In considering the cotton provisions of the bill, the committee discussed the matter of loans on spotted cotton. It is aware that the CCC has refused in the past to reflect in its loan programs the normal trade differential between light and heavy spotted cotton, although the Secretary has complete authority to establish such differentials in the loan program. The committee has proposed no legislation on this matter because it assumes that the CCC will exercise its existing authority in future cotton loan programs and establish a proper differential between light and heavy spotted cotton. It is the desire and intent of the committee that this be done.

MINIMUM ACREAGE ALLOTMENTS FOR RICE

Section 304 of the House bill provided that the State acreage allotments for rice for 1956 should not be less than 85 percent of the final State allotment for 1955. Amendment No. 44 of the Senate provides that the national acreage allotments of rice for 1957 and 1958 shall not be less than the final national allotment for 1956 and shall be apportioned among the States in the same manner as the 1956 final allotment.

PRICE SUPPORTS FOR FEED GRAINS

The House bill contained a provision (sec. 308 (b)) making an increased level of price support available to feed grain producers in return for a 15 percent reduction in feed grain acreage. The conference has accepted the Senate amendment which strikes out the House provision and substitutes a subsection containing the following provisions:

(a) Support of the 1956 crop of grain sorghums, barley, rye, and oats at 76 percent of parity as of May 1;

(b) Support (in any year in which base acreages are applicable for corn) for corn in the noncommercial area at 82½ percent of the level applicable in the commercial area; and

(c) Support for the 1957 crop of grain sorghums, barley, rye, oats, and corn outside the commercial area at not less than 70 percent of parity as of the beginning of the marketing year, if price support is made available to corn producers not complying with acreage and soil bank participation requirements. Support for feed grains would not be dependent in either 1956 or 1957 upon compliance with acreage or soil bank participation requirements, or upon whether there is an acreage reserve program for corn.

WHEAT

The conferees eliminated from the bill two major amendments of the Senate—amendment No. 36, authorizing the sale of not to exceed 100 million bushels of wheat annually for feeding purposes, and amendment No. 48, authorizing production without regard to quota of wheat to be used by the producer on his farm for feed or seed.

FOREST PRODUCTS; PRICE REPORTING; RESEARCH

The conferees accepted Senate amendment No. 49 with an amendment which eliminates from the section everything relating to price reporting and research and preserves only subsection (d) of the Senate amendment requiring the Secretary of Agriculture to make a study of price trends and relationships for basic forest products and submit a report thereon within 1 year from the date of enactment of this act.

CERTIFICATE PROGRAM FOR RICE

The conferees accepted the Senate amendment providing a certificate program for rice (amendment No. 50, title V of the conference bill). This program is identical with that which was included in the final version of H. R. 12 except that inauguration of the program is discretionary with the Secretary of Agriculture and will not be put into effect unless he "determines and proclaims that the initiation of a program under this subtitle is administratively feasible and in the best interests of rice producers in the United States." Included in this amendment is a new definition of "normal yield" for rice which is also identical with a similar provision in H. R. 12.

PRICE SUPPORT FOR COTTONSEED AND SOYBEANS

The conferees accepted a provision (amendment No. 51), identical with a similar provision in H. R. 12, which will require that whenever the price of either cottonseed or soybeans is supported, the price of the other shall be supported at a level which will cause them to compete on equal terms in the market.

TRANSITIONAL PARITY

The conferees accepted a provision (sec. 602) which will freeze "transitional parity" for the basic commodities for 1957. This will mean that the parity price of corn, wheat, and peanuts (the only three basic commodities currently affected by the transitional parity formula) will be 5 percent higher in 1957 than they would otherwise have been. The amendment also requires the Secretary of Agriculture to "make a thorough study of possible methods of improving the parity formula" and to report to Congress thereon not later than January 31, 1957, and include drafts of any legislation needed to carry out his recommendations.

HAROLD D. COOLEY,
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