

disagree philosophically but the facts stand for themselves and if I do not have these facts correct that I am going to present, then you should speak up and tell me so, otherwise we should take a look at at our current situation, in my opinion, in regard to the agricultural policy of the United States. Now if you read the resolution, what it basically says, "We have embarked upon a new course in agricultural policy..." and it simply calls upon our Congressional delegation to have a hearing or a series of hearings, whatever they interpret it to be in the State of Nebraska with real Nebraskans testifying, is my concept, as to the effects of this agricultural policy on the State of Nebraska, the individuals within the state. As you know we are looking at revenue shortfalls that were not predicted. As a matter of fact there are some people that have said that we are going to have increasing revenues that support the current agricultural policy. So that's in a nutshell what the resolution addresses and proposes. If you will look at some of the material, it deals with the ideas of what is going on with a number of farmers, what is going on with exports, what is going on with our surplus and you can take time to read that at a later point, as I mentioned, but I would like you to just a moment pick up the sheet of paper that talks about Nebraska Land Values. Now let me summarize just for a moment, and those of you who were very involved in the trip to Washington last year will recall the free market system concept. The free market system concept put in a very brief description is that you let the prices go to the level where the demand will increase. I was opposed to that concept in that it did not prove out historically. If you will look at this chart it goes all the way back to 1910, and you see the boost in the farmland corresponding on the right hand side with the Nebraska farm prices, corresponds with the First World War and the demands for our grains world wide. After the First World War we were embarked upon a course of feeding the world. Then when they got back on their feet and their production was able to supply their own needs, as some of the other material I've handed to you indicates other countries have done, including China, you will see that the demand for our product, as the price fell, went down and correspondingly our land values dropped dramatically. If you will notice on the price of corn the high on the price of corn was 1920, a \$1.56 a bushel. As the price of corn dropped, the facts show that the demand did not increase because there is an economic theory, this is not only history but is part of a theory that says, that there is a marginal propensity to consume, and that is, certain items and products if you have enough, you have enough. If you have more of a perishable