

2/8/1977

MINUTES OF THE MEETING OF
HOUSE AGRICULTURE, LIVESTOCK AND IRRIGATION COMMITTEE
MONTANA HOUSE OF REPRESENTATIVES

February 8, 1977
3:30 p.m.
Rm. 434
State Capitol Bldg.

The meeting was called to order by Chairman Day, with all members present except, Representatives Bengtson and Smith, excused and arriving later.

Representative Johnston, chief sponsor of HB 234, explained that this bill was a request from the Department of Agriculture. Most of the changes made in the bill were to clarify the language. One major change in the bill is on page 5, where the new material inserted includes each truck or tractor-trailer unit where or in which grain is merchandised, where a separate license is required other than for each place of business.

Representative Johnston closed with a do pass recommendation.

Representative Gunderson, chief sponsor of HB 344, explained that HB 344, was the Family Farm Act of 1977. He stated that this act was more necessary than before when introduced by Wallace Edland in 1973. The Family Farm Act was subject to controversy in the past but this one piece of legislation is necessary to the family farm unit for survival in Montana. Attached is a prepared statement by Representative Gunderson explaining each section of the bill and what it would do. Also, attached are answers to some of the common questions and complaints raised by opponents of the Family Farm Act.

Senator Jergeson, proponent to HB 344, explained the attached table concerning the corporate control of some food items (1970), and the 1974 sales of the Del Monte Corporation and where they came from. Also he read the attached menu to explain where agricultural products are going to. The Senator continued, that corporations could decrease the value of farm lands because of their power to hold their prices for a longer period of time than the small farmer and rancher can. Similar Family Farm Acts have been passed in surrounding states and the values of the lands have increased. The following are some figures presented, of the increases in these states;

	past year	past five years
Kansas	15%	132%
Iowa	33%	207%
Minnesota	24%	165%

Montana rating on this scale 14% to 119%, North Dakota, compared 14% for the past year. North Dakota's law is more restricted than the proposed HB 344. Montana's law would be more like the other states. He concluded by stating without the passage of this bill these large corporations could take over. They would not be likely to buy their farm machinery and other farm supplies from the surrounding communities, therefore what would happen to the

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Montana farmer.

Gail Stoltz, director of the Department of Cooperatives for the Montana Farmers Union, was present as a proponent to HB 344. She stated that they believed this legislation was necessary not only to prevent economic injustice, but also to preserve the social benefits of rural life. The following states have enacted laws limiting corporation farming since 1971; Iowa, Minnesota, Missouri, Nebraska, Oklahoma, South Dakota, and Wisconsin, and it's time that this great agricultural state of Montana provided similar protection for its family farms and ranches. (prepared statement attached)

Mr. Ed Iverson, Montana family farmer, proponent to HB 344, stated this bill was necessary to hold up the family farmers and ranchers in Montana. The large corporations can afford to interject large amounts of money into agricultural lands, and can agree to take a loss for a longer period of time. While the small operator can't afford one or two more years of such a loss. Therefore the large corporations are able to run the independent out of business and control the prices.

The NFO is an organization of 3 million farmers and ranchers in Montana. It would be easy for 8 or 10 major corporations to take over and control the prices which would bring the prices down and the little man would have to sell out to survive.

One point the opponents may make is the fact that these large corporations will have to pay the same taxes as the farmer, but he will not be patronizing the community as the small farmer does, which is what is making our agricultural state strong.

Wallace Edland, Representating the NFO and himself, was present as a proponent to HB 344. The reason for the Family Farm Act is agriculture is getting further ahead and we will agree that it is the number one industry in Montana. We have to protect our land and keep it in the hands of those making a living in agriculture. If the corporations can hold 30% they will be able to control the prices. The best place for them to get this control is in the land. Who ever controls the land will control the prices, and who ever controls the prices controls the people. This has not been a threat to Montana yet but by the passage of HB 344, we will have the problem under control before it gets out of hand.

Michael Pichette, Montana Democratic Party, went on record as being in favor of the Montana Family Farm Act of 1977.

Opponents:

Ward Shanahan, representing Dryer Brothers Incorporated, opponent to HB 344, explained that the Burlington Northern purchased two ranches in Montana for the purpose of obtaining the surface rights for coal on the land. It is not the intent of the company to engage in agriculture. We have many environmental requirements to withhold and if we are prevented by HB 344 and these requirements

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we will not be able to do anything when being prevented from both sides.

Representative Audrey Roth, wife of a rancher at Big Sandy, opponent to HB 344, stated that she felt the Family Farm Act would intrude on the private operators right to sell if he wished to whom he wished. Most generally the private owner sells out to a neighbor or the ground is divided into sections and sold. The force in agriculture is the right to grow larger. I fear that if this bill is made law it will come back at a later date to haunt agriculture forever.

Mons Teigen, Montana Woolgrowers and Montana Stockgrowers, opponent to HB 344, stated that the Family Farm Act bill had been around for a long time and had seen its death, and we hope it will see its death again.

Cliff Christian, Montana Association of Realtors, opponent to HB 344, stated that he felt this bill would prohibit the building of recreational areas such as Big Sky. He recommended a do not pass.

Representative Robert Sivertsen, opponent to HB 344, felt that if this state passed the Family Farm Act, agriculture would go out of business. We do not have a problem today with corporations and I feel we should be able to get at corporations through loopholes instead of passing an act such as this.

Mr. Jim Mockler, Montana Coal Council, opponent, stated this bill would literally drivemining out. We are forced to buy lands now that we don't want for the mining rights. This bill would force us to stop most mining in Montana completely.

Mr. Zack Stevens, Farm Bureau, opponent, stated this bill would be an infringement on free enterprize. Recommending a do not pass.

Mr. Bill Asher, Montana Preservation Association, opponent, introduced Mr. Vernon Westlake, who testified for the Montana Preservation Association of Gallatin County, as opposed to HB 344. He stated that this bill would take away the historic rights of free private enterprise in that it would regulate who can purchase agricultural land in Montana. Our association had two lawyers examine the bill, each is from a different area in the state, and they both reached the same conclusion, the bill is not a good bill for the agricultural industry of the state of Montana. We don't feel you have the right to limit the size of agriculture to the individual. (prepared statement attached)

Mr. Tom Winsor, Montana Chamber of Commerce, opponent, stated you can't have private enterprise with the government controlling the farm lands.

Mr. Norman C. Wheeler, private consultant and appraiser, opponent, stated that his act would restrict lenders of money, when repossessing lands to settle for less because they have to get rid of the land.

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Miss leading farm and ranchers to adequate credit for their farm operation.

Representative Gunderson closed by turning questions and comments over to Senator Jergeson. The senator pointed out that this bill would not omit the coal companies from their surface rights, only from engaging in agricultural production. This bill will not stop the growth of agriculture in Montana. You will still be able to buy agricultural lands for the purpose of recreation this bill does not prevent that. He concluded his comments by stating his father had attended a farm bureau convention and nothing of this act was mentioned but a representative from there is here opposing the bill. The Senator urged the support of the committee to do pass HB 344.

Questions were raised such as does this bill infringe on the personal property rights of the individual? Reply; No, It only limits your sales to a corporation with 5 million dollars in assests other than agriculture. Could sell to your neighbor or others who engage in agriculture for any price.

Would this bill lower the land value and force the farmer to take less than he wishes? No, U.S. News and World Report shows that other states don't have lower land value because of the Family Farm Act.

The hearing on HB 344 was closed and the committee went into executive session.

Representative Johnston moved HB 234, do pass. It was seconded by Representative Staigmilller. The motion was passed unanimously.

Representative Dassinger moved HB 246, be taken off the table. It was seconded by Representative Severson. The motion was passed unanimously.

Representative Dassinger moved HB 246, do pass. It was seconded by Representative Gunderson. The motion was passed 8 to 5.

Representative Dassinger moved HB 252, be amended as proposed. It was seconded by Representative Staigmilller. The motion was passed unanimously. (amendments attached)

Representative Dassinger moved HB 252, do pass as amended. It was seconded by Representative Gunderson.

A substitute motion was made by Representative Ellerd and seconded by Representative Johnston that HB 252, do not pass as amended.

Representative Dassinger moved all motions pending HB 252, be tabled. The motion failed 9 to 4.

The substitute motion to do not pass as amended was voted on and passed 9 to 4.

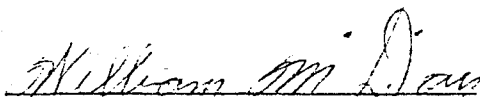
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A motion was made and seconded to adjourn.

Adjourned at 6:00 p.m.


William M. Day, Chairman

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