

REDUCTION OF \$1.5 BILLION SEEN BY BUTZ

As President Signs New Legislation

By James Risser

(Of The Register's Washington Bureau)

WASHINGTON, D.C. — New farm legislation was signed into law by President Nixon Friday, with Agriculture Secretary Earl Butz predicting that the cost of federal farm programs will drop by some \$1.5 billion next year.



Butz told newsmen that prices farmers receive for

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corn, wheat, soybeans and other crops in the next two years are expected to stay above the "target prices" established by the bill.

No Payment

That means the federal government will have to make no subsidy payments to those farmers. The total cost of the agricultural legislation should be less than \$500 million in 1974 — one-fourth the estimated \$2-billion cost this year, said Butz.

The Agriculture Secretary met with newsmen at the White House, shortly after President Nixon had approved the measure at his Camp David, Md., retreat.

The President said in a statement that the new four-year farm package was "a realistic compromise between the Congress and the administration on a number of important economic issues."

"Though it falls short of the high standards I have set for reforming farm legislation and eventually moving the government out of agriculture, it does provide a constructive framework for encouraging the expansion of farm production," said Mr. Nixon.

The new "target price" concept amounts to "a new system of price guarantees for American farmers." It means farmers can expand production without fear of falling prices, he said.

\$1.38 for Corn

Target prices for the major crops are \$1.38 per bushel for corn, \$2.05 a bushel for wheat, and 38 cents a pound for cotton.

The target would stay constant for 1974 and 1975 but would be adjusted in 1976 and 1977 by a formula reflecting farm costs and crop yields.

If subsidies are paid next year, the maximum amount allowable per person will be \$20,000 compared to \$55,000 under the 1970 act.

The President said he was approving the bill despite misgivings about the food stamp section, which he said opens the way for "great abuse" and "high administrative costs."

"While it is generally agreed that people should not lose ben-

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