

PRESIDENT CALLS FOR PHASING OUT OF FARM SUBSIDY

BIDS CONGRESS ACT

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Also Proposes to End Acreage Allotments

— Battle Looms

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WASHINGTON, Feb. 15 —

President Nixon proposed today that Congress gradually eliminate direct payments to farmers to subsidize their crops, ending a system that has cost the Government more than \$48-billion under three Presidents.

The plan would also end a system, begun in the Depression in the Administration of Franklin D. Roosevelt, under which the Government has set limits on how much a farmer may grow and remain eligible for the subsidies.

A hope expressed in the President's message was that, by allowing increased supplies of farm products, food prices that have been rising could be held in check.

There was evidence that the President's plan might face stiff resistance in Congress. Reaction among Farm Bloc leaders and several farm groups ranged from mildly to strongly opposed.

Land Use Emphasized

An Agriculture Department aide said that the Administration had in mind a transition period of about three years for ending direct subsidies.

The farm plan was the chief new proposal in a message on the environment and natural resources submitted to Congress as the first of several "substantive policy discussions" that the President is treating as parts of his annual State of the Union Message.

Mr. Nixon also put major emphasis on proposals to prevent damage to the environment by ill-conceived or uncontrolled use of the nation's land and stressed several recommendations for legislation to control pollution.

Objectives of Proposal

Most of the bills involved in those areas were submitted to the previous Congress without legislative results. Aides said that many of them would be reintroduced in revised form.

Among the principal new proposals were plans for legislation to set Federal standards for the quality of drinking water, to extend the national wilderness system to a number of Eastern areas, to regulate commercial offshore fishing and to guard against dangers that might result from man's modification of the weather.

The President also announced plans under which 16 parcels of Federal land would be turned over to localities, including two in New York State. They are a house and one-acre lot on the West Point Military Reserva-

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tion and the 45-acre Marine Corps Training Center at Mattydale.

The aim of his farm plan, the President said in his message, is to reduce the farmer's dependence on Government payments for part of his income, to give him more freedom in planting decisions and to pave the way for increased crop exports.

"My Administration is not going to express its goal for farmers in confusing terms," the President said. "Our goal, instead, is very simple. The farmer wants, has earned, and deserves more freedom to make his own decisions. The nation wants and needs expanded supplies of reasonably priced goods and commodities."

'Drastically Outdated'

He said that he believed the system of acreage allotments to limit the farmer's production of major crops such as wheat, feed grains and cotton, and the system of dairy price supports were "drastically outdated." He said the present subsidy system should be changed "after a reasonable transition period."

Acreage allotments were instituted by Henry A. Wallace when he was Secretary of Agriculture under President Roosevelt. Direct payments to the farmer to supplement income from his crops began with President Kennedy's Secretary of Agriculture, Orville L. Freeman.

The payments have amounted to more than \$4-billion in some years, and this year they will account for \$2.5-billion of farmers' income.

Before the Kennedy Administration, farm income was bolstered by Federal supports that set minimum prices for major crops. Surpluses not absorbed by the market could be turned over to the Government at those prices.

There are still Federal price stabilization provisions but the support levels are not so high as they were under the old law.

Under Secretary of Agriculture J. Phil Campbell, in a briefing after the President's message was released, said that the proposal was to gradually eliminate the direct subsidies that supplement the prices received by farmers and substitute a system under which farmers could be paid for withholding land from cultivation if the Government felt the crop would be too large.

House Group Briefed

He declined to specify the transition period, saying only, "It would be a short period, not as short as 12 months, and I couldn't say specifically four or five years, but it would be in that range."

Earlier, in a briefing for the staff of the House Agriculture Committee, Assistant Secretary of Agriculture Carroll G. Brunt-haver gave more details.

He said that, except for whatever land might be held out of cultivation, there would be no controls on specific crops. In the past, a farmer's allocations were based on historical practices followed on his individual farm. If the Nixon plan is approved, the individual farmer would be free to plant whatever he pleased.