life have witnessed in the last few years apathy to a degree that has been serious.

Many of us today are confused by the complexities of life. We sometimes think that if we could get back to the simplicity of life as Jesus knew it in the quiet hill country and by the shores of Galilee, that life indeed would be easy, but I would remind you that life in Palestine 2,000 years ago was neither serene nor simple. Confusion and strife then, as now, was suffered by the people. Tyranny then, as now, existed.

Our Constitution in its wisdom specifically begins the Bill of Rights by saying "Congress shall make no laws respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances." There was a reason. The people had just fought a war for independence from one tyrannical government, and wanted no other from those among them who might wish to resort to tyranny. The Constitution also says that: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." And listen to the ninth amendment: "The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people."

Despite these statements, and over the protests of many citizens of this land, ever so gradually, but nevertheless surely, the power of Government has been and is being transferred to an oligarchy, controlled from Washington, the extent of which no one knows.

Woodrow Wilson pointed out many years ago that freedom never comes from the government, but rather from the subjects of government. It is a fact that as government grows larger, it grows away from the people. To preserve themselves in office, elective or appointive, some of our officials kneel down, bow their heads and do the will of those sections of our society which control the vote or have been organized by power-hungry individuals for their own aggrandizement.

Those of you who have studied the history of this Nation must be aware of the drift to socialism that began in the middle of the 19th century and is moving ever-more rapidly as each year passes. You say this isn't true? That there is no such thing as socialism in America? Consider, my friends and brethren: The Government operates the biggest business in the world. It is in competition—direct competition—with taxpaying electric companies. It owns the nuclear program. It owns farms and forests. The Government forces participation for most of the citizens in various insurance programs. Is there freedom of the individual if he is forced to take insurance that may not be wanted or needed? Is it freedom that we are forced to collect taxes from our fellow men so that the fuzzy minds may redistribute to less qualified but more expediently important voters, the rewards of our sweat?

My brethren, the great American experiment of 1787 has been almost lost because there are too few great American leaders like Washington and Randolph and Calhoun who will raise their voices to tell the truth that equalization is against all the laws of nature; leaders unfearful of the jibes and taunts of those who by political chicanery have reached positions of affluence; great leaders who put their intellectual integrity above the cries of those who seek and promise something for nothing. [Applause.]

Alexander Pope says, "Order is heaven's first law; and this confessed, some are and must be greater than the rest. More rich, more wise, but who infers from hence that such are happier shocks all common sense. Condition—circumstance, is not the thing; bliss is the same in subject or in king." There is no socialism in God's plan for life.

The answers to all of these conflicts in my opinion, is the application of the principles of Freemasonry so ably set forth by the junior U.S. Senator DIRKSEN, of Illinois a few moments ago. The fatherhood of God and the brotherhood of man is what is needed in the world today. Spiritual light is needed today behind the Iron Curtain and in our own Nation. We must by our conduct and example create a moral climate which will sustain free institutions.

We were very fortunate in the early days of our history when we had a small group of leaders whose like had not been seen before, and I regret to say, not enough of them have been seen since. We who love our country are justly thrilled by the courage of our Founding Fathers. They had granite in their character, and they had iron in their background. Individual enterprise, courage, daring, and incentive were the order of the day. Individual freedom and dignity of the individual were uppermost in their minds. Patrick Henry's declaration that "I know not what course others may take, but as for me, give me liberty or give me death" represented the atmosphere in which our way of life was born. And if we are to be worthy of our heritage, and if we are to continue to enjoy our liberties, we must recreate that atmosphere. You know, there is something greater than life—our fathers told us what it was—and that is liberty. If we are to save our country and make our contribution to the peace of the world, we must emulate St. Paul, who, finding that the days were evil, labored to improve them. We must not follow Hamlet, who cried that the days were evil and cursed them. Nor should we forget William Penn's assertion, when in his wisdom he said, "People who are not governed by God, will be ruled by tyrants." Penn's statement has been true from Herod to Hitler. Our way of life and our fraternity are held together by a spiritual thread the Communists would sever. I believe in the traditions of America established by Washington, the Master Mason. I believe that unless and until we return to the principles of Washington and those other great men who gave us our heritage, we will lose it and will be unable to perform our duty to pass it on to our children.

More than 2,000 years ago, Confucius said, "With righteousness in the heart, there will be beauty in the character. With beauty in the character, there will be harmony in the home. With harmony in the home, there will be order in the Nation. With order in the Nation, there will be peace in the world." [Applause.]

Every Shriner, whether he knows it or not, subscribes to that proverb. I submit there is no group of men in the world which is more interested in producing a righteous peace—a peace with honor—than the Free Masons and the Shriners. They are interested in freedom, justice, and happiness, for all men and women, regardless of color, race, or creed.

We cannot compromise with principle, for whenever we compromise with principle, we lose honor and liberty. Often the temptation to compromise is great, but the reward is always the same—heartaches and tears.

Alexander Pope, in his "Essay on Man," said these few meaningful words regarding compromise with principle—"What then is the reward of virtue—bread? What nothing earthly gives or can bestow, the soul's calm sunshine and the heartfelt joy—is virtue's prize."

I am sure if we keep faith with the vows we took in Masonry and in the Shrine, our conduct will be helpful in building a better world for all. "So mote it be." Thank you. [Applause.]

(The quartet of Crescent Temple sang "I Believe" as the benediction.)

Hon. ALBERT W. HAWKES. Gentlemen, I want to thank all of you for coming here. I hope that some good has come from this meeting. It is fine for me to be back here with so many of my friends and meet some new friends. I am going to try to bring together once a year as many of the Masons and Shriners in Congress and the executive and judicial branches of the Government as care to join together in the hope it may be beneficial for us all. "So mote it be." [Applause.]

(Adjournment at 10:40 p.m.)

SENATE

FRIDAY, MAY 22, 1959

The Senate met at 10 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God: Immersed and enmeshed as we are in the baffling perplexities which vex the world of human relationships, in this daily quiet moment when we blot out all but Thee, we face our greatest problem—ourselves. In the stillness, as all other voices are hushed, we would face the paramount question of Thy Holy Word—"For what shall it profit a man, if he shall gain the whole world"—much less the pitiably small part of it we commonly do gain—"and lose his own soul?"

Help us to see that either here or hereafter our souls are our best and our most abiding selves, and that we lose them in whatever makes us less or other than we should become.

Save us, we beseech Thee, from the supreme futility of grasping for the world and finding at last that powers rich in promise are dwarfed or blasted.

To Thy will may all our potentialities and passions be harnessed, as we give to the world the best we have, knowing that then the best will come back to us and, through us, will help heal earth's open sores.

We ask this in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 21, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT ON ACTIVITIES UNDER REORGANIZATION PLAN NO. 1 OF 1958—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

from the President of the United States, which, with the accompanying report, was referred to the Committee on Public Works:

To the Congress of the United States:

I have the honor to transmit herewith a report of activity under authority of Public Law 875, 81st Congress, as amended, and required by section 8 of such law.

Funds which have been appropriated to accomplish the Federal assistance determined eligible under this authority are specifically appropriated to the President for purposes of disaster relief.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 22, 1959.*

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Reorganization Subcommittee of the Committee on Government Operations, the Constitutional Rights Subcommittee of the Committee on the Judiciary, and the Foreign Relations Committee were authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to remind Senators of the unanimous-consent agreement which appears on the front of the calendar of business. A copy of the calendar of business is on the desk of each Senator. Under the unanimous-consent agreement, debate for not to exceed 3 hours is allowed on the Capehart amendment. I am not informed as to how much time the proponents of the amendment will use, although I hope they will not use the entire hour and a half at their disposal. The time in opposition to that amendment will be under the control of the majority leader. I hope that a considerable amount of that time can be yielded back. So I should like to have the Senate attachés on both sides of the aisle inform Senators that they should be prepared to vote before the 3 hours are consumed.

I am also of the opinion that the Senate will not use the entire 3 hours which are available, under the agreement, for debate on the question of the final passage of the bill. It is hoped that the Senate will be able to conclude its action on the wheat bill at least by late afternoon.

The PRESIDENT pro tempore. Morning business is in order.

JOINT RESOLUTION OF LEGISLATURE OF OREGON

Mr. MORSE. Mr. President, the 50th Legislative Assembly of the State of Oregon has recently adopted Senate Joint Memorial No. 2 memorializing the Congress of the United States to amend the Military Pay Act to allow members of the Armed Forces retired prior to June 1, 1958, to have their retired pay computed at the increased rate.

It is my pleasure to be a cosponsor of legislation introduced by my distinguished colleague from Arizona [Mr. GOLDWATER] for the purpose of correcting the inequities in the military pay law which affect retired personnel. I continue wholeheartedly supporting the effort to equalize retired military pay in the belief that such action would be in the best interest of all members of the Armed Forces, active and retired, who are serving or have served their country with honor.

Mr. President, I ask unanimous consent that this joint memorial of the Legislative Assembly of the State of Oregon be printed in the RECORD and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Armed Services, and, under the rule, ordered to be printed in the Record, as follows:

SENATE JOINT MEMORIAL 6

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the 85th session of Congress enacted a new military pay law, Public Law 85-422, concerning an increase in the basic and other pay of Armed Forces personnel; and

Whereas this law denies to those retired after June 1, 1958, including those retired because of disability incurred in line of duty, to have their retired pay computed at the increased rate; and

Whereas retired members of the Armed Forces of the United States reside in every portion of our country, and the State of Oregon is privileged to have many retired personnel who have served their country faithfully and with distinction; and

Whereas there appears to be no basis for this gross discrimination against retired personnel, who by reason of past meritorious services are equally entitled to benefits granted active duty members of the Armed Forces and survivors of military personnel; and

Whereas the circumstances of retirement should not penalize these members of our society, who must meet the present increased cost of living the same as active duty personnel and survivors: Now, therefore, be it

Resolved by the Senate of the State of Oregon, the House of Representatives jointly concurring therein, That the Congress of the United States be memorialized to amend Public Law 85-422, or any similar legislation, to include presently retired members of the Armed Forces within the provisions increasing the basic pay of members of the Armed Forces, so that their retirement benefits will be increased accordingly, and to enact this legislation in such amended form; and be it further

Resolved, That copies of this memorial be transmitted to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to all Members of the Oregon congressional delegation.

Adopted by senate April 17, 1959.

MEDA COLE,
Chief Clerk of Senate.
WALTER J. PEARSON,
President of Senate.

Adopted by house April 22, 1959.

ROBERT B. DUNCAN,
Speaker of House.

ONE HUNDRED AND SIXTY-EIGHTH ANNIVERSARY OF POLISH CONSTITUTION—RESOLUTION

Mr. FREAR. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted at a gathering of Americans of Polish descent, assembled at Modjeska Hall, Wilmington, Del., May 3, 1959, under the auspices of the Council of Polish Societies and Clubs in the State of Delaware, and of the Delaware division of the Polish American Congress, to commemorate the 168th anniversary of the adoption of the Polish Constitution, and to pay homage to the memory of Polish patriots who were responsible for its drafting and adoption.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

We, Americans of Polish descent assembled at Modjeska Hall, Wilmington, Del., this 3d day of May A.D. 1959, under the auspices of the Council of the Polish Societies and Clubs in the State of Delaware and of the Delaware division of the Polish American Congress, to commemorate on this 168th anniversary of the adoption of the Polish Constitution of May 3, to pay homage to the memory of Polish patriots who wrote the Polish Constitution of May 3 and who were responsible for its adoption; and

Whereas the world lives today under the threat of war for Berlin; and

Whereas in Europe the causes of unrest is on the one side the continuing enslavement of central Europe by Soviet Russia and the fear of revival of German territorial appetites; and

Whereas the enslavement of central European nations by Soviet Russia, perpetually fosters cold war paralyzing the will and strength of the Western nations; and

Whereas while the rights of nations are taken for granted, all over the world nations and empires collapse or are transformed, the West still accepts the subjection of the nations of central Europe; and

Whereas the lasting disengagements between East and West will only be achieved by bringing into being a wide wall of free central European nations between Germany and Russia; and

Whereas until the nations of central Europe are able to live their independent lives in accordance with their desires and traditions, the threat of war will hang over the world; and

Whereas no half measures reducing the forces in Germany or creating corridors on either side of Berlin will remove the main

sources of disturbance. On the contrary, they might increase them by creating artificial boundaries and new points of friction bringing about a very doubtful contribution to peace; and

Whereas the Soviets, who have broken every agreement and treaty they have ever made, who have violated their pledges for free elections in Poland and in other enslaved nations, their sole aim now being to get American recognition for the status quo of those enslaved nations: Therefore be it

Resolved, That we, assembled at this meeting commemorating the 168th anniversary of the adoption of the Polish Constitution of May 3, express that before the proposed conference of the Foreign Ministers of Great Britain, France, the Soviet Union, and the United States, the West must establish what it is going to require of Russia and not merely what it will defend, otherwise the negotiations will end at least in the maintenance of the status quo; and be it further

Resolved, That the question of Berlin should be considered only as a part of the wider question of the future of Germany and of European security as a whole, which is bound up with the liberation of central Europe; and be it further

Resolved, That the main real guarantee against Germany is the definite recognition by the Western Powers of her present eastern frontier on the Oder and western Neisse, depriving her of her assault gate to the east and averting the rebirth of Prussia, which drew its aggressive strength largely from lands taken from Poland over the centuries, regaining of this land is not regarded as a compensation for the loss of eastern Poland's territories, but as a return on the old part of Poland enabled by the defeat of Germany in World War II to which Germany launched the world in association with Russia in 1939; and be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, Department of State, Representative, and both Senators representing the State of Delaware in the U.S. Congress.

CHARLES L. PARUSZEWSKI,
Chairman.

Attest:

VINCENT J. KOWALEWSKI,
Secretary.

LETTER RELATING TO FARM PRICES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mr. and Mrs. Art C. Hefta, of Mayville, N. Dak., relating to farm prices.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAYVILLE, N. DAK., *April 27, 1959.*

Mr. WILLIAM LANGER,
Washington, D.C.

DEAR BILL: We greatly appreciate all you have done and are doing for we farmers, but our present prices with exception of beef cattle is hopeless.

We are not going to be able to withstand this for very much longer. It takes so much capital to get into beef cattle; but are trying to do so gradually.

Eggs are selling for 17 cents a dozen at present time and have been 17–20 cents per dozen for about a year.

Our wheat acreage is cut so horribly that not too much profit can be derived from that. Our overhead increases each year so tremendously. Repair parts are so extremely high and labor is high—$200 per month cash plus board and room and clothes washing.

Machinery goes up by leaps and bounds, try not to buy new, but parts being as they are, we are forced to.

Do appreciate your understanding the needs of the small farmer.

Never before have we had vacant farm buildings in our territory, but people are moving off the farms; living in towns and cities—both members of household working at jobs in town, besides putting in crop.

We enjoy maintaining a nice farm home—surroundings, lawn, etc., but find it hard to make ends meet even when we do all our own work with help of youngsters.

Nothing is nicer than to go for a ride in country and view nice farm places which are well kept—all this will soon be just a memory.

Do hope your wife is feeling much better.

Sincerely yours,

Mr. and Mrs. ART C. HEFTA.

P.S.: Our present prices would be okay if other items would be priced in accordance. Everything we must purchase is on the upgrade.

Our only salvation has been our heavy crops—one lean year and we are through.

Kindly mail bulletins we have checked.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, with an amendment:

S. 53. A bill to amend the acts approved April 16 and July 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont. (Rept. No. 311).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. Res. 121. Resolution appointing the chairman of the Committee on Interior and Insular Affairs, Mr. MURRAY, as an ex officio member of the Select Committee on National Water Resource (Rept. No. 310).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 1306. An act to provide for the sale of Columbia Basin project lands to the State of Washington, and for other purposes (Rept. No. 309).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY (for himself, Mr. MAGNUSON, Mr. MCNAMARA, Mr. MORSE, Mr. MURRAY, and Mr. PASTORE):

S. 2041. A bill to declare certain rights of all persons within the jurisdiction of the United States, and for the protection of such persons from lynching, and for other purposes; to the Committee on the Judiciary.

By Mr. SCHOEPPEL:

S. 2042. A bill relative to the distribution of automobiles in interstate commerce; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. SCHOEPPEL when he introduced the above bill, which appear under a separate heading.)

By Mr. CHAVEZ:

S. 2043. A bill to authorize the disposal of surplus equipment, materials, books, and supplies under section 203(j) of the Federal Property and Administrative Services Act of 1949 to the New Mexico Boys' Ranch; to the Committee on Government Operations.

By Mr. ERVIN:

S. 2044. A bill for the relief of Sallie B. Dickens; to the Committee on the Judiciary.

By Mr. MURRAY (by request):

S. 2045. A bill to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Indian Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DIRKSEN (by request):

S. 2046. A bill for the relief of Max Kotscha; to the Committee on the Judiciary.

(See the remarks of Mr. DIRKSEN when he introduced the above bill, which appear under a separate heading.)

By Mr. HRUSKA:

S. 2047. A bill relative to the distribution of automobiles in interstate commerce; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. HRUSKA when he introduced the above bill, which appear under a separate heading.)

DISTRIBUTION OF AUTOMOBILES IN INTERSTATE COMMERCE

Mr. SCHOEPPEL. Mr. President, on May 19 I made a statement on the floor of the Senate indicating my interest in problems affecting the marketing of automobiles.

At that time I indicated I was taking the matter under advisement, and in the very near future would make a recommendation to the Automobile Marketing Practices Subcommittee of the Interstate and Foreign Commerce Committee of which I am the senior minority member.

As of the present, my inquiry into this subject has led me to believe that there are several possible legislative approaches to the matter. One of these approaches has already found expression in S. 997, introduced by my distinguished colleague, the senior Senator from North Dakota [Mr. LANGER].

This bill has been referred to the Interstate and Foreign Commerce Committee. I am introducing at this time a bill addressing itself to this problem, which I request be referred to the Committee on Interstate and Foreign Commerce.

It is my hope and recommendation to the Automobile Marketing Practices Subcommittee that immediate hearings be held on the bill which I am now introducing, as well as on S. 997, and any other measure dealing with this subject which may be before this committee.

The purpose of the bill I am now introducing is to insure and preserve the availability of the dealer franchise method of distributing and servicing automobiles.

The bill provides, in substance, that when a franchise agreement expressly or specifically provides that a dealer or dealers undertake to develop the sale of automobiles of the manufacturer in a defined geographical area, it shall be lawful for the manufacturer and its dealers to agree, or for the manufacturer to sell on the expressed condition that, in the event the dealer makes sales which infringe territories where other dealers have similar obligations, the infringing dealer shall make certain required payments to or for the account of the dealers whose areas of responsibility

have been infringed. This system has been rather widely used.

Under some interpretations of existing law, manufacturers and dealers operating under the franchise system cannot lawfully effect a normal and reasonable control of the distribution and service of automobiles. This presents an anomalous situation since, if this view of the law is sustained, the manufacturer, responsible for its products by law and custom, can lawfully control every aspect of the distribution of its products provided it relies on its own distribution organization or agents but cannot do so if it relies on other independent business concerns. This bill clarifies the law and mitigates this inequity.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The bill will be received and appropriately referred.

The bill (S. 2042) relative to the distribution of automobiles in interstate commerce, introduced by Mr. SCHOEPPEL, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

MAX KOTSCHA

Mr. DIRKSEN. Mr. President, by request, I introduce, for appropriate refence, a bill for the relief of Max Kotscha.

During World War II, Max Kotscha, the beneficiary of this measure, and several other Germans, who were hiding from the Russians, stole some food. They were arrested and fined, which makes him inadmissible under existing law.

We obtained copies of the court records which show that the short sentence and fine were suspended and that his record was cleared on the basis that the food was stolen in order to exist.

Since that time he has a clear record, has married, and has two children. His mother and other members of the family came here as displaced persons.

We have character references, and other good supporting evidence.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2046) for the relief of Max Kotscha, introduced by Mr. DIRKSEN, by request, was received, read twice by its title, and referred to the Committee on the Judiciary.

DISTRIBUTION OF AUTOMOBILES IN INTERSTATE COMMERCE

Mr. HRUSKA. Mr. President, exactly 1 year ago, May 21, 1958, I had the privilege of cosponsoring with several of my colleagues in the Senate S. 3865, a bill relative to the distribution of automobiles in interstate commerce.

Hearings were held on this legislation later in the year, but the 85th Congress adjourned prior to the time full consideration could be given to this subject, and the needs of the automobile industry to which this legislation was directed.

On February 6, 1959, the distinguished senior Senator of North Dakota [Mr. LANGER] introduced S. 997 which is concerned with the same general subject in my bill of last year.

Today, the distinguished senior Senator of Kansas [Mr. SCHOEPPEL] introduced S. 2042 addressed to the general subject of the normal and reasonable administration of the distribution and service of new automobiles and trucks under the franchise dealer system.

My continuing interest in the subject has prompted me to introduce my bill again, today, and it is my hope this proposal will be referred to the Interstate and Foreign Commerce Committee for consideration along with S. 997 and S. 2042, and any other proposed legislation which may be pending on this general subject. It is my understanding that S. 997 and S. 2042, while having a common objective, approach the problem from somewhat different points of view. In my opinion, there is yet a third valid approach to this subject; namely, that adopted by the bill which I am introducing.

One of the features in the business relationship between automobile manufacturer and automobile retail dealer is a requirement that the automobile dealer maintain adequate facilities to perform the vital services necessary to the preparation of an automobile for sale, and for its maintenance in usable and safe operating condition throughout its usable lifetime. Confusion has crept into the law with respect to the nature of this business relationship. This bill is designed to clarify the situation. The bill is also intended to allow the manufacturer to make it economicaly possible for the dealer to perform these essential and indispensable services in the best interests of the public.

A further obligation assumed by automobile dealers is that of maintaining an adequate stock of parts and factory-trained mechanics and to purchase elaborate testing equipment required by the intricate modern automobile for maintenance purposes.

Although there is no statutory law nor judicial interpretation that prohibits such business arrangements as contemplated under this bill, there does linger in the minds of some the belief that business arrangements contemplated under this bill would be in conflict with presently existing law. If enacted, this bill would completely eliminate any question as to the legality of such arrangements.

Mr. President, I introduce the bill for appropriate reference and I ask unanimous consent that its text be printed at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2047) relative to the distribution of automobiles in interstate commerce, introduced by Mr. HRUSKA, was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no provision of law shall render unlawful (a) any provision of any contract or agreement between any manufacturer or distributor of automobiles and any franchised retail dealer in automobiles produced by such manufacturer or distributed by such distributor under which such manufacturer or distributor (1) establishes any system of incentive payments to compensate such dealer for the making of sales of such automobiles at retail within a specified geographical area designated as the area of sales and service responsibility of such dealer with respect to such automobiles, (2) requires such dealer to render with respect to such automobiles specified services and for that purpose to maintain specified facilities, or (3) makes provision for the compensation of such dealers for the rendition of such services or the maintenance of such facilities; or (b) any act taken to carry into effect any such provision.

TREASURY-POST OFFICE APPROPRIATION ACT, 1960—AMENDMENTS

Mr. CLARK submitted amendments, intended to be proposed by him, to the committee amendments to the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes, which were ordered to lie on the table and to be printed.

YOUTH CONSERVATION ACT OF 1959—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the junior Senator from Colorado [Mr. CARROLL] be added as a cosponsor of Senate bill 812, the Youth Conservation Act of 1959, which I introduced on January 29, 1959, on behalf of myself and several of my colleagues.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAYMENT IN LIEU OF TAXES—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the senior Senator from New York [Mr. JAVITS] be added as a cosponsor to Senate bill 910, the so-called payments-in-lieu-of-taxes bill, which I introduced on February 3, on behalf of myself and several of my colleagues.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles and so forth, were ordered to be printed in the RECORD, as follows:

By Mr. MAGNUSON:

Address delivered by Senator SALTONSTALL at the Propeller Club of the United States, Washington, D.C., May 21, 1959.

By Mr. SCOTT:

Statement by him, with tables, regarding domestic donations of surplus foods during first 9 months of fiscal year.

By Mr. DIRKSEN:

Address delivered by the Secretary of Agriculture, Hon. Ezra Taft Benson, at the annual farmer-businessmen dinner, at Cedar Rapids, Iowa, on May 21, 1959.

AMERICA AND FALLOUT: A CHALLENGING SERIES BY NAT S. FINNEY ON OUR PREPAREDNESS FOR AN ATOMIC ATTACK

Mr. KEATING. Mr. President, Nat S. Finney, the able and astute Washington correspondent of the Buffalo Evening News, recently completed an interesting and challenging series of articles on this Nation's readiness for an atomic attack. Particularly in the light of recent revived interest in the problems and dangers of fallout, this series deserves wide reading and careful study. I ask unanimous consent to have it printed in the RECORD following my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

AGENCY SNARL KEEPS A SIMPLE DETECTION DEVICE FROM PUBLIC—TEN MILLION COULD DIE OF RADIOACTIVITY IN AN ATOMIC ATTACK UNLESS DISPUTE IS RESOLVED

(By Nat S. Finney)

WASHINGTON, April 29.—If a full-scale atomic attack should hit America the day after tomorrow, 10 million Americans who might otherwise be saved could die miserably because two Federal agencies are snarled up about a simple gadget to detect fallout.

The gadget has been perfected, and Dr. Willard F. Libby, the scientific member of the Atomic Energy Commission, is making a hard try to get it accepted before he leaves the AEC and goes back to teaching.

But acceptance of the gadget, which wouldn't cost the Federal Government a dime, is blocked by a Gordian knot of policy-making and bureaucratic snafu as fantastic as anything Washington oldtimers have ever seen.

The risk of atomic war is real enough to justify spending $47 billion a year for national defense.

MILLIONS WOULD SURVIVE

The face of danger to the civilian population in the event of atomic attack is clearly seen. There is no longer any argument about it.

Lives—millions of them—could be saved if ordinary citizens possessed a simple, reliable device that would tell them whether they were caught in the unseeable, unfeelable but deadly radioactivity that would spread across many thousands of square miles downwind from the atomic explosions.

The device exists, but the Government won't let it be placed in the hands of its citizens.

To undertsand why it is essential for ordinary citizens to have some home gadget to detect radioactivity, it is necessary to look straight at the face of atomic war.

POWER SUPPLY WOULD GO

If waged at all, it would be waged with bombs and warheads that would make the nuclear weapons dropped on Hiroshima and Nagasaki seem like popguns. Few persons, civilian or military, caught in the target areas actually hit by these "megaton-range" explosions would survive.

America's intricate communications system and the grids and central stations that supply electric power would be disrupted if not destroyed. Wall-plug dial-telephone living would cease. Not much radio and no television could stay in operation.

The bombs or warheads that snuffed out life and spread devastation where they hit would be "dirty" bombs—dirty because they were made that way, and dirtier because they would explode in close contact with the earth.

FEW SAFE AREAS

Downwind from each explosion, the poisonous dust and essentially invisible radioactive atoms born of the explosion would spread across the countryside in patterns as chancy as the fickle breezes and the tilt and dips of the earth itself.

If the attack were all out—and that is the present probability—there would be few places on the surface of America that would be untainted by the radioactivity of fallout. The few clear places would be priceless ground.

Yet the pattern of intensity would be variable. At some spots a little caution would permit people to avoid radioactivity sickness or death. A hundred yards or more away might be extremely dangerous.

PROTECTIVE WALL NEEDED

Radioed reports about the intensity of radioactivity from fallout at some distant airport—if they came over the ether, which is doubtful—would be worthless or worse than worthless. They could cause panic.

If caught in fallout from atomic attack, the individual person or family would begin to live by feet and inches, by hours and minutes, not by miles or days.

The instant, compelling problem of survival would be to escape exposure to radioactivity as much as possible. The problem would be to get as much dirt, brick, cement or other substance as possible between the living body and the source of redioactivity, to find the spot that offered the most protection.

BAGS OF DIRT WOULD HELP

The problem of survival is "Root, hog, or die" because the damaging effects of exposure to radioactivity are cumulative—every addition to exposure adds up and every minute in which exposure is reduced or avoided betters the chance of survival.

A fine $4,000 underground shelter, well stocked and ventilated, could be survival de luxe, but a dozen gunny bags of dirt stacked on the living-room floor over a basement hideaway could also save lives. A Sunday stroll around a suburban neighborhood will disclose a lot of places where a human being could crawl under 3 or 4 feet of earth.

The difference between life and death needn't be comfortable or pretty.

But where is safe—or at least safer?

Without some simple gadget he can use himself, how can the stranded survivor of atomic attack know?

STIFF REQUIREMENTS BY UNITED STATES PUT DETECTOR OUT OF PUBLIC'S REACH—AEC STRESSES NEED FOR CHEAP FALLOUT DEVICE, BUT MANUFACTURERS CAN'T GET APPROVAL

(By Nat S. Finney)

WASHINGTON, April 30.—For the past 5 years Dr. Willard F. Libby, of the Atomic Energy Commission, has been ding-donging in speeches and in testimony before congressional committees on the need for a simple instrument with which ordinary citizens could know whether they were caught in fallout.

Dr. Libby has recommended at least 50 times that a way be found to build this simple radioactive detector into battery radios—which would probably be the ordinary citizen's only way of getting instructions if nuclear war broke out.

Dr. Libby was the originator of "atomic dating," which requires extremely sensitive measurements of radioactivity. He has worked at radioactivity detection all his professional life.

OCDM HAS AUTHORITY

He is one of the world's foremost experts on radioactivity, as well as the sole scientific member of the AEC.

But the power to do something about putting a simple radioactive detector in the hands of American citizens is held by the Office of Civil and Defense Mobilization—the OCDM.

Dr. Libby could recommend, and did, over and over again.

But the OCDM has never run out of reasons for doing nothing about these recommendations.

Last July 1, after a long and careful study, the National Academy of Science's Advisory Committee on Civil Defense handed the OCDM a report containing these words:

"The final effectiveness of shelters depends upon occupants of any small shelter having a simple, rugged and reliable dose-rate meter to measure the fallout dose rate outside the shelter.

MEASUREMENTS VITAL

"People will not remain in shelters on blind faith that someone in authority will eventually supply them with information on a danger which the individual cannot sense or personally measure.

"Systems for post-attack monitoring are essential, but they will rely upon the functioning of communcations. Therefore a simple instrument is needed for on-the-spot measurements of the dose rate by small groups and family units isolated by breakdowns in communications.

"There is no such instrument at present, nor is there a widespread program of education to provide the individual family with necessary skill to maintain and use the most complex instrument now available."

The OCDM's response to these recommendations from the country's highest scientific body has been to discourage every attempt to develop and produce the needed simple, rugged and durable device the National Academy recommended.

COMMITTEE APPOINTED

This is the judgment of industry people who have watched the whole rigamarole.

At last summer's Atoms for Peace Conference in Geneva, Switzerland, Dr. Libby made a special effort to interest American atomic instrument manufacturers in developing the device themselves.

The result—usually fatal to getting anything done—was to appoint an ad hoc committee to review the problem. The ad hoc committee had before it a survey by the Johns Hopkins operational research division on how much citizens would spend out of their own pockets for a gadget to detect fallout.

The survey showed that many Americans—not all, but many—would spend 10 percent to 15 percent more for a portable battery radio if it incorporated a radioactivity detector. This would be $4.50 to $7.

AT LEAST $75 RETAIL

The ad hoc committee included representatives of the OCDM, the AEC, and atomic instrument manufacturers. When it met, the representatives of the OCDM submitted a memorandum of requirements the gadget would have to meet to win OCDM's approval. This was OCDM's prerogative as the responsible Federal agency.

When the OCDM's requirements were examined it was apparent the device would have to cost a minimum of $75 retail, that it would belong to the complex instrument category described by the National Academy, and that no manufacturer would have any chance of selling the gadget to the public in any quantity.

"The OCDM chopped the project's head off right then and there," says a manufacturer's representative who was present.

The connection between cause and effect in the labyrinths of Federal Government is often obscure.

AEC MAKES DECISION

But, after this attempt to get OCDM going on a home radioactivity detector had failed, strange things began to happen at the AEC.

The AEC has no responsibility for civil defense except to advise the OCDM when the OCDM asks for advice. The directives are clear on this point.

But at Dr. Libby's recommendation, the atomic energy commissioners formally resolved that the AEC has civil defense responsibility for its own people and for the people of its laboratory towns (Hanford, Wash.; Los Alamos, N. Mex., and Oak Ridge, Tenn.) and for the people of some of its contractors.

The AEC decided that in discharging this responsibility it had an obligation to develop adequate equipment—including a device with which AEC personnel could tell whether they were caught in fallout after an atomic attack.

To a crass outsider it could appear this involved a vote of no confidence in the OCDM by the AEC. No one inside would voice such a horrid thought.

BANSHEE DEVICE EMITS SQUEALS IN PRESENCE OF DANGEROUS FALLOUT—TRIGGERING ACTION NEEDED FROM TOP TO GET IT CLEARED AND INTO PUBLIC'S HANDS

(By Nat S. Finney)

WASHINGTON, May 1.—What Atomic Energy Commissioner Willard F. Libby wanted in a home radioactivity detector was something that could be built into battery radios to automatically warn their users of the presence of dangerous fallouts.

He found the basic element in this gadget in some research work sponsored by the Office of Naval Research on the use of crystals as semiconductors. This research was closely related to the development of transistors, which have revolutionized electronic equipment.

The crystal that interested Dr. Libby is a cadmium sulfide crystal that will conduct electricity only when it is exposed to what the experts call ionizing radiation.

ASKED DEVICE BE DEVELOPED

The damage done by fallout is caused by ionizing radiation (radioactivity) thrown off by "hot" atoms split off by atomic fission.

On his own initiative and a teaspoonful of public money, Dr. Libby got Tracerlab, Inc., a Waltham, Mass., company that specializes in atomic instruments, to see if its experts could tie a cadmium sulfide crystal into battery radio circuits in a way that would produce a warning signal.

For Tracerlab, Inc., the job was essentially a favor to Dr. Libby. No patent rights could be involved. Tracerlab doesn't manufacture radios and doesn't intend to. It isn't even interested in manufacturing units to be incorporated in other manufacturers' radios.

IT IS A VERY SIMPLE GADGET

After 2 years of work, however, Tracerlab came up with a cadmium sulfide crystal unit it has christened the Banshee. It has manufactured sample models that pass all tests, and is now at work on two dozen prototype production models ordered—not by the OCDM but by the Atomic Energy Commission.

Leaving out the electronics jargon, Banshee is a very simple gadget. It is either plugged into existing radios or built into new ones with no knobs to turn or dials to read. If the radio is on, Banshee is on watch.

It uses no current and in no way interferes with the operation of the radio until dangerous radioactivity is present.

BEGINS TO SQUEAL

The setting for the level at which radioactivity is dangerous is built in at the factory and can't be changed.

When and if radioactivity reaches a danger level, the Banshee-equipped radio's loud speaker begins to put out an unmistakable squeal, low in tone and soft while the danger level is just reached, but higher in tone and louder as the level of radioactivity becomes more dangerous.

The ordinary citizen who would use Banshee in the event of atomic attack simply moves his portable radio around to find a spot where it stops squealing or, if he can't find such a place, to a spot where the squeal is lowest in tone and softest in intensity.

BATTERY RADIO BETTER

Banshee works as well in pitch dark as in bright light. It puts out a warning anyone can understand.

It could be—this is not to say it will be—built into portable tube or transistor radios on public sale, and these Banshee-equipped radios could be sold for $5 more than the same radio not equipped with Banshee.

Or, if the average American citizen preferred to buy an adapter, the Banshee gadget could be slipped into the radio he now owns. It would be better if that radio ran on batteries. But the adapter can be put into either radios or television sets running on wall-plug current.

It is Dr. Libby's fervent hope that radio manufacturers will offer Banshee-equipped radio sets to the public, and soon. He believes this is the best way to get radioactivity detectors into a lot of American households fairly soon.

BELIEVES OCDM WILL MOVE

The AEC's scientific member, soon to leave the Commission, strongly believes there is no more time to waste, if for no other reason than the peace of mind millions of Americans would feel if they knew they had not been caught in fallout after an atomic attack.

Dr. Libby has some confidence the OCDM and the electronic industry will move, now that a usable gadget has been perfected. He got the AEC to contract with Tracerlab for manufacturing prototypes to make doubly certain the OCDM and industry can move if they're willing to move.

It is fair to say Dr. Libby's confidence that the OCDM and the electronics industry will move is not widely shared in Washington. A real push will have to be put behind the Banshee gadget if anything is to happen.

TOP LEVEL PUSH NEEDED

The push will have to come from top level in the Federal Government—from Leo A. Hoegh, Director of the Office of Civil and Defense Mobilization, and probably from President Eisenhower personally.

It will have to come from the top because the electronics industry has not had good experience with the Federal civil defense agencies that have tried to develop a workable program during the past 10 years.

It will have to come from the top to surmount the bureaucratic snafu at which is sometimes called the working level of Government.

LIBBY HOPES TO FORCE OCDM INTO SHOWDOWN ON FALLOUT DETECTOR—SEC COMMISSIONER, LEAVING HIS POST SOON, FEARS THE BANSHEE MAY BE "IFFED" TO DEATH

(By Nat S. Finney)

WASHINGTON, May 2.—Leo A. Hoegh, the former Governor of Iowa who has headed Federal Civil Defense the past 2 years, says he will back Dr. Willard F. Libby's fallout warning gadget—if it passes tests for suitability and reliability.

OCDM Director Hoegh declares he'll order 5,000 Banshee-equipped sets—if they'll do the fallout warning job to the satisfaction of Civil Defense experts.

Mr. Hoegh says he has given Dr. Libby, the Atomic Energy Commission's sole scientific member, every encouragement in having the Banshee gadget developed by Tracerlab, Inc., even though the OCDM hasn't put any money into the Banshee gadget or even checked in at the Tracerlab plant in Waltham, Mass., to see how development was coming along.

HOEGH NOT A SCIENTIST

Somehow, the officers at Tracerlab who have stuck their necks out to help develop a device that can cause radios to sound an automatic warning in the presence of fallout have the impression that OCDM has given them every discouragement.

Mr. Hoegh, the top official at OCDM, is the man who reports back and forth from the White House. Like any other top official, Mr. Hoegh is flanked and backed by a lot of people at staff and working levels. Mr. Hoegh isn't a scientist.

He cheerfully agrees it will be his experts who will look after the "ifs" he attaches to his pledges of support for the gadget Dr. Libby has developed.

An inquiry to one of these experts about the Banshee uncovered a flock of objections to it.

DEVELOPERS NONPLUSSED

"You have to load it up with $10 worth of extra batteries," he said. "And besides, those cadmium sulfide crystals form irregularly and there's a big and expensive sorting job to do."

A long-distance check with Tracerlab found its officers nonplussed at this comment.

"No extra batteries are used," one said, "and we long since did the statistical check you always have to make for any transistor-like device. Around 75 percent of the crystals are usable, and we take full account of that in the cost."

Then, after a pause: "I wonder if he could be talking about an experimental model we had about 18 months ago? We did put some extra batteries on that."

OFF ON A DIFFERENT TRACK

Backcheck to the OCDM expert. No, he hadn't taken a further look at the Banshee gadget for about 18 months. This is by no means the only sample of the every encouragement Dr. Libby has been getting from OCDM.

The simple facts obtainable at working levels are that OCDM is off on a different track, and that this track never reaches the kind of device Dr. Libby and the National Academy of Sciences—and ostensibly Mr. Hoegh—believes is required.

OCDM has a big program for training radioactivity monitoring teams and supplying them with the complex instruments the National Academy's report says won't do for the individual family. A lot of Federal money is being spent on equipment for these postattack procedures teams.

DELAY IS DANGEROUS

They're needed. No one doubts that. But they won't tell the individual citizen huddling in his communications-isolated home a single thing about how much fallout is hitting him where he is and now.

By the time—if ever—they could reach that individual citizen he could have taken a lethal dose of radioactive fallout without knowing it. Or, worse, he might have fled in panic from a reasonably safe place to a hotspot where his chances for survival were small.

The OCDM stoutly claims to be working on a gadget of its own that could be helpful. (Meanwhile it has been leaving the Banshee development strictly up to Dr. Libby and the AEC.)

This "working on" turns out to be hypothetical. There are no progress reports. Nobody will guess when the OCDM's gadget might be ready.

SEEKS A SHOWDOWN

About the only thing that's certain is that the OCDM's gadget won't be ready until it

is triple certain the gadget couldn't be misread by mistake and bring a hoorah down on OCDM's head.

Dr. Libby says he is going to try to get a showdown on the Banshee gadget before he leaves the Government for teaching at the University of California at Los Angeles.

To knowledgeable Government observers it seems doubtful whether a real showdown can come that soon. The 25 manufacturing prototypes of Banshee-equipped radio sets cannot be ready by the midsummer date when Dr. Libby will step out at the AEC.

The best Dr. Libby can hope to do is make certain those 25 prototype sets will be used to plague OCDM into action when the sets are ready. Otherwise the warning gadget Dr. Libby has fathered will get "iffed" to death.

WHEAT ACT OF 1959

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed; and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price-support program.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NEUBERGER. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes on the bill to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 3 minutes.

REDUCTION OF SERVICE ON SHASTA DAYLIGHT TRAINS NOT IN BEST INTERESTS OF PACIFIC NORTHWEST

Mr. NEUBERGER. Mr. President, I desire to enter a protest against the recent decision of the Interstate Commerce Commission in allowing the Southern Pacific Railroad to reduce to three round trips a week the operation of its famous Shasta Daylight streamlined train between San Francisco, Calif., and Portland, Oreg. That decision is unwise, for five fundamental reasons:

First. It came at a time when the Southern Pacific has just increased its net revenues for the first quarter of 1959 to $18,182,062, as contrasted with $12,023,488 during the first quarter of 1958.

Second. It curtails a basically popular passenger train which has been carrying an average of more than 200 men, women, and children on each trip.

Third. It is a blow to the tourist trade and general transportation services of northern California and the Pacific Northwest, and it adds to unemployment in the railroad industry.

Fourth. It confirms such backward Southern Pacific practices as moving ticket offices to sixth-floor locations in office buildings, in an obvious effort to discourage passenger traffic.

Fifth. In the long run, it will be adverse to the railroad industry itself, because passenger service is the only genuine contact between the industry and the American public.

I have tried to be a friend of the hard-pressed railroads, Mr. President, in taking the lead in such efforts as passage of the Smathers railroad-relief bill and in bringing about repeal of the onerous 3 percent Federal freight tax. But I conscientiously believe and fear that many railroads are committing harakiri in their campaign to get out of the passenger business, and to become only freight lines, with little or no personal contact with most American citizens.

Finally, Mr. President, I ask unanimous consent to have printed in the RECORD an article describing the adverse effects of the ICC ruling in regard to the Shasta Daylight train, which was published in the May 20 issue of Labor, the weekly newspaper of the various railroad brotherhoods in the United States.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAIL UNIONS BLAST ORDER ALLOWING TRAIN SLAUGHTER—RLEA SAYS TRAIN CUT BY SP SHOWS NEED FOR AMENDING RELIEF LAW

(By Edward P. Corwin)

A ruling by Division 4 of the Interstate Commerce Commission permitting the Southern Pacific to reduce the "Shasta Daylight" train service between San Francisco and Portland was assailed last week by the Railway Labor Executives' Association, in a strong statement issued by Chairman G. E. Leighty.

The Division—Commissioners Richard Mitchell, Anthony Arpaia, and Laurence Walrath—went along with the carrier's plea for a reduction from daily to thrice-weekly operation for more than 7 months of the year, finding that daily service is not required by public convenience and necessity and will unduly burden interstate commerce.

The SP plea was heavily opposed by west coast Senators and Congressmen, the California State Senate and the Utility Commissions of California and Oregon, as well as the rail unions.

PUBLIC FLOUTED

"Not only is the public convenience and necessity flouted here, but the case reeks as the most flagrant example of how the railroads are using a provision of the Transportation Act of 1958, which was pased as railroad relief legislation, to dry up passenger business," Leighty declared. "Furthermore, it shows an imperative need for amendment of the law."

The RLEA, he pointed out, is pressing bills in Congress which would plug the holes in the law so as to prevent wholesale elimination of passenger service and give the ICC jurisdiction over train abandonments similar to the jurisdiction it already has over abandonment of railroad lines. This would empower the Commission to impose conditions protecting the public interest and the interests of employees adversely affected.

"The Commission's own report," Leighty went on, "shows the Shasta trains are being utilized by the public, with an average of more than 200 passengers each trip. When that many people use a train it is just unbelievable that public convenience and necessity do not require the service.

"'DRYING UP' BUSINESS

"It demonstrates clearly our contention that the railroads are endeavoring to dry up passenger business so that trains can be taken off."

Citing the alleged cost of operating the trains, Leighty further pointed out that the Southern Pacific's figures were challenged by a California Public Utilities Commission official, who testified that the trains were actually operated at a profit, rather than the loss alleged by the carrier.

In order to make the showing as bad as possible, the carrier even threw in such fantastic figures as estimates of savings from a reduction in "meets" between the passenger trains and freight trains under the thrice-weekly schedule.

Moves by the SP to discourage rather than encourage public use of the trains were also cited. Among them were drastic reductions in car cleaning and services at the Portland terminal, reduction in ticket office and waiting room hours, reduction of ticket office employees and porters on the trains, discontinuance of passenger agents, inability to procure advance reservations on the trains, and the inconvenient location of the downtown Portland ticket office.

CONTRARY TO NORMAL PRACTICES

Cited also is the sale of airline tickets in SP stations "without compensation and without reciprocation, at the solicitation of the carrier, in competition with the Shasta Daylight trains." The ICC said that such activity by one carrier on behalf of competing carriers when no reciprocation is involved at least is contrary to normal practices.

As Labor has reported, other moves by the Southern Pacific to abandon certain intrastate passenger service in California were recently halted by the State commission. The majority of the California Commission stressed: "We are aware that many of the railroads throughout the Nation complain of the alleged burden which the rendition of passenger service casts upon the entire operations of the railroads.

"It is our view that the position of the railroads vastly exaggerates the problem. Be that as it may, the fact remains that the railroads must furnish reasonable passenger service as a part of their public duty, and it is the responsibility of this commission, as it is of all regulatory bodies, State and Federal, to see to it that duty is performed by the railroads."

In an effort to get around the California Commission order, the SP has also taken the intrastate case to the ICC under the Transportation Act of 1958.

NEEDED: EARLY HEARING ON COUNTRY LIFE COMMISSION

Mr. WILEY. Mr. President, my colleagues will recall that earlier this session I introduced a bill, S. 265, for the establishment of a Country Life Commission.

The Commission was designed to reevaluate our problems and challenges in agriculture and make recommendations for long-range planning, to provide improved programs and policies for the future.

Across the country, the idea of establishing such a Commission is sparking a great deal of interest, not only among agricultural groups, but also in educational and other fields. I am, therefore, hopeful that our colleagues on the Senate Committee on Agriculture and Forestry, will find it possible to hold hearings on this measure for the establishment of a Country Life Commission.

Not a completely new idea, the Country Life Commission would be a successor to a similar Commission, established by Theodore Roosevelt about 50 years ago.

The earlier 1909 study established guidelines for development of an agricultural program which proved invaluable during the intervening years.

The May issue of Rural Education News, published by the National Education Association, contains excerpts from the reports of the earlier Commission, which have served as the basis for development of improved agricultural programs.

To indicate the growing interest in the establishment of the Country Life Commission among educational, and other groups, I request unanimous consent to have the article printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIRST COUNTRY LIFE COMMISSION REPORT EXCERPTS

The interest in a second Country Life Commisison, as proposed in S. 265, and H.R. 5022, and H.R. 5012 has reawakened interest in the first Country Life Commission appointed by Theodore Roosevelt in 1908. The deliberations, on-the-spot research, and recommendations of this Commission have had a profound effect on American country life during the 50 years since the report was made.

The following excerpts are from the report, first published as Senate Document 705, 60th Congress, 2d session, in 1909; later published in book form (150 pp.) in 1910, reprinted in 1911, 1917, and 1944 by the Chapel Hill Press of the University of North Carolina. Rural leaders will recognize some of these statements as the forecast of much we now take for granted—and others as hopes as yet unfulfilled:

"The correctives for the social sterility of the open country are already in existence or under way, but these agencies all need to be strengthened and especially to be coordinated and federated; and the problem needs to be recognized by all the people" (p. 114).

"One of the most promising of these newer agencies is the rural library that is interested in its community. The libraries are increasing, and they are developing a greater sense of responsibility to the community, not only stimulating the reading habit and directing it, but becoming social centers for the neighborhood. A library, if provided with suitable rooms, can afford a convenient meeting place for many kinds of activities and thereby serve as a coordinating influence" (p. 115).

"The subject of paramount importance in our correspondence and in the hearings is education. In every part of the United States there seems to be one mind, on the part of those capable of judging, on the necessity of redirecting the rural schools. There is no such unanimity on any other subject. It is remarkable with what similarity of phrase the subject has been discussed in all parts of the country before the Commission. Everywhere there is a demand that education have relation to living, that the schools should express the daily life, and that in the rural districts they should educate by means of agriculture and country life subjects. It is recognized that all difficulties resolve themselves in the end into a question of education" (p. 121).

"To accomplish these ends, we suggest the establishment of a nationwide extension work. The first or original work of the agricultural branches of the land-grant colleges was academic in the old sense; later there were added the great field of experiment and research; there now should be added the third coordinate branch, comprising extension work, without which no college of agriculture can adequately serve its State. It is to the extension department of these colleges, if properly conducted, that we must now look for the most effective rousing of the people on the land.

"In order that all public educational work in the United States may be adequately studied and guided, we also recommend that the U.S. Bureau of Education be enlarged and supported in such a way that it will really represent the educational activities of the Nation, becoming a clearinghouse, and a collecting, distributing, and investigating organization" (p. 129).

"Farmers seem to be increasingly feeling the pressure of the organized interests that sell to them and buy from them. They complain of business understandings or agreements between all dealers from the wholesaler and jobber to the remote country merchants, that prevent farmers and their organizations from doing an independent business.

"The greatest pressure on the farmer is felt in regions of undiversified one-crop farming" (p. 131).

"The obligation to keep as many youths on the farms as are needed there, rests on the home more than on the school or on society" (p. 145).

"The complacent contentment in many rural neighborhoods is itself the very evidence of social incapacity or decay" (p. 147).

COMMUNICATION BY SENATOR NEUBERGER OPPOSING AUTHORIZATION OF NEZ PERCE DAM

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have addressed to the Multnomah County Labor Council in Portland, Oreg., regarding proposals favoring authorization of the Nez Perce Dam. I trust that the letter makes clear my opposition, at this time, to construction of a dam which would imperil the survival of the great Chinook salmon runs of the Columbia River Basin.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
April 23, 1959.

Mr. GORDON SWOPE,
Acting Secretary, Multnomah County Labor Council, AFL–CIO, Labor Temple, Portland, Oreg.

DEAR GORDON: I have your communication of April 6, on behalf of Multnomah County Labor Council, urging me to favor authorization of the Nez Perce Dam.

On numerous occasions, I have supported the recommendations of organized labor in my home community. I think you folks are entitled to be informed when I believe your proposals are unwise or in the wrong.

I do not agree with you on Nez Perce Dam.

Thousands of working men and women in our State secure employment as commercial fishermen, cannery workers, etc. Thousands of others are employed in the tourist industry, which depends in considerable measure upon people who visit Oregon for the sports fishing.

Construction of Nez Perce Dam could imperil all this. Over 60 percent of the great spring Chinook salmon runs of the Columbia River system spawn above Nez Perce Dam, in the Salmon River watershed of Idaho. I am informed by leading biologists of the Fish and Wildlife Service—as well as by those in private life—that no certain means have yet been found for passing migratory fish either upstream or downstream past a barricade the height of Nez Perce Dam.

Your resolution suggested a provisional authorization of Nez Perce, with "construction deferred until a solution is found for the fish problem." Who is to decide this? Is it to be the Fish and Wildlife Service or the Army Engineers or the public-power movement or private utilities, or what?

Provisional authorizations of the sort you propose are without precedent in our country. One might as well have recommended licensing of Brownlee Dam pending solution of the private power company problem, or authorization of Echo Park Dam pending solution of the National Park problem, or authorization of the Bruces Eddy Dam pending solution of the elk and wildlife problem. What would the members of Multnomah County Central Labor Council think of a proposal to reduce wages pending solution of the inflation problem?

It seems to me far wiser than urging authorization of Nez Perce Dam for all of us to work hard for adequate Federal funds for fisheries research, so that learned men can apply their skill and knowledge to the question of safe passage for salmon past a barrier of this size. That is what I am doing, and I have had some success thus far in obtaining such funds.

I should like to remind Central Labor Council that only recently it opposed State acceptance of Federal billboard standards, which I had sponsored in Congress, on the grounds that this could do damage to the jobs of some sign painters erecting these billboards. It seems curious, in view of this, that Central Labor Council now proposes authorization of a dam which might jeopardize the jobs of so many Oregon residents in the commercial and sports fishing industries.

I hope Multnomah County Central Labor Council will give serious consideration to these views.

With good wishes, I am

Sincerely,

RICHARD L. NEUBERGER,
U.S. Senator.

ADDRESS BY SENATOR RUSSELL AT DEDICATION OF NATIONAL GUARD MEMORIAL, WASHINGTON, D.C.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of an address delivered by the distinguished senior Senator from Georgia [Mr. RUSSELL], at the dedication of the National Guard Memorial in Washington. In his address, the Senator from Georgia epitomizes the principles of the National Guard and the services which it has rendered to our country both in national defense and for the assistance of the States throughout the years.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

IN ITS PROPER PERSPECTIVE

(By the Honorable RICHARD B. RUSSELL, chairman, Armed Services Committee, U.S. Senate)

Since the earliest days of the Republic, our defense structure has been predicated upon the doctrine of supporting an active duty force with a well-trained militia standing in reserve.

It was this concept of the citizen-soldier standing ready to take up arms at the side of the full-time soldier that gave this country the military might to achieve victory in every war in which we have been engaged.

Even today, in the dramatic and dynamic space age, this concept stands as an integral part of the overall security program of our country.

The National Guard, now as in the past, is an irreplaceable component of the Nation's Defense Establishment. It is a vital part of the total security effort.

Unfortunately, there has been too little general understanding of the history and nature of the National Guard. But the brave performance of its units and the unselfish sacrifice of its members in the service of our country in time of armed conflict stands as monumental evidence of its contributions to our national security.

George Washington first developed the concept of supporting active duty forces with an organized militia. The Founding Fathers attached so much importance to the concept that they provided for the training and maintenance of a militia in the basic law of our country, the Constitution of the United States.

The militia clause of the national charter gave to Congress the power to provide for organizing, arming, and training of the militia according to the discipline prescribed by Congress. But the Constitution reserved to the individual States the appointment of officers and the training of the militia.

It was under this clause that the modern counterpart of the militia, the National Guard, developed. But it was not until the National Defense Act of 1916 that the National Guard of the several States attained a statutory basis as a component of the Army of the United States when in military service.

Since that time, the guard has advanced to its present recognition in the Armed Forces Reserve Act as an integral part of the first line of defense of this Nation. It should also be remembered that the declaration of congressional policy in the Universal Military Training and Service Act provides that "it is essential that the strength and organization of the National Guard, both ground and air, as an integral part of the first line defenses of this Nation, be at all times maintained and assured." Despite this constitutional and statutory recognition, it frequently has been difficult to assure the strength and organization of the guard. This difficulty is in no way the result of any lack of dedication or enthusiasm by members of the guard. It is, in my opinion, the result of a lack of appreciation and understanding in some quarters of the high quality of the guard forces and of the determination of guardsmen to share in the defense of our country.

Anyone with a rudimentary knowledge of the guard knows that it has both a Federal and a State mission. The Federal mission of the guard is to provide Reserve units that are adequately organized, trained, and equipped for utilization in the event of mobilization into national service. The State mission is to provide a trained and equipped military organization for utilization by State authorities in performing the police powers of protecting life and property and preserving peace, order, and public safety.

I am grateful for this opportunity to pay tribute to the patriotism, devotion, and courage of those who serve their country as members of the National Guard. And I congratulate the National Guard Association upon the dedication of the National Guard Memorial. These splendid facilities will enable the association to better serve the guard.

WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price support program.

The PRESIDENT pro tempore. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, the distinguished Senator from Minnesota [Mr. HUMPHREY] and the distinguished Senator from Indiana [Mr. CAPEHART] have amendments. I want to protect them and give them an opportunity to offer them, but if they find it impossible to come to the Chamber, there is not anything to do but proceed with the consideration of the bill.

I am going to suggest the absence of a quorum again, but I ask the attachés to notify Senators, if they have amendments, to come to the Chamber and offer them.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes on the bill to the Senator from Vermont [Mr. AIKEN].

SPEECH BY SECRETARY OF AGRICULTURE BENSON ON REA

Mr. AIKEN. Mr. President, this morning's press reports a speech made yesterday by Secretary of Agriculture Benson before the Cedar Rapids (Iowa) Chamber of Commerce, in which he advocated doing away with the REA and creating a privately owned bank to take over the financing of this important rural program.

This proposal, Mr. President, could more properly have come from the corporate utility monopolies. I am sure it will have their full approval.

The effect of the Secretary's proposal would be to put the rural people of America at a still further disadvantage in what is still a competitive economy in this country.

It would put them still more under the thumb of giant banking and other corporate interests.

It would force possibly one-third of the REA cooperatives to give up the ghost and sell out to the utility interests.

Why did not the administration raise its voice when the corporate utilities were getting a subsidy in the form of rapid tax writeoffs to the tune of more than $3½ billion?

Why does it not protest the rising cost of interest charges to our Government, which now exceeds the costs of all farm and allied programs by over $2 billion?

Why does it not speak out strongly against practices that are throwing the economy of America more and more into the hands of a few giant corporations and farther and farther from the control of the people of the Nation.

Why does it concentrate an attack on farmers and other rural people who are banding together simply to protect themselves and their families?

I dissociate myself completely from this attack by the Secretary upon the REA. I shall do all I can to prevent his recommendation from being acted upon favorably at this session.

A few weeks ago I voted to sustain the President's veto of a bill which affected the REA in a minor way. I called it poor legislation, as it was.

However, if I had known at that time that the Secretary had planned to make this attack upon the REA, I doubt if I could have resisted the impulse to vote with the majority of this body.

I thoroughly resent every move to put the farm people of America under the domination of monopolistic interests.

The American farmer was not born to be a servant, and so long as I can help prevent it, he never will be.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. JOHNSON of Texas. I commend the very able Senator for the statement he has made. Like him, I was shocked when I read of the proposal to which he has alluded. I think it could more properly have come from a private bank rather than from a public official selected to serve the agricultural interests and the farmers. I thank the Senator for the position he has taken, and for the position he has always taken on behalf of the farmers.

WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price support program.

Mr. DIRKSEN. Mr. President, on the bill, I yield 20 minutes to the Senator from Kansas [Mr. CARLSON].

The PRESIDING OFFICER. The Senator from Kansas is recognized for 20 minutes.

Mr. CARLSON. Mr. President, I expect to discuss the pending farm bill regarding wheat, but I wish to commend the Senator from Vermont for the statement he has just made with respect to the REA, which is one agency in this Nation which has meant very much to the rural sections of our country. I not only share the Senator's views, but I also appreciate his making his statement this morning on the floor of the Senate.

Mr. President, I think we must look at the agricultural problem on the basis of a long-term program—at least for a period of from 5 to 10 years. Our difficulty is we like to look at the immediate situation, which seems to be one of an increasing amount of surpluses, stored at Government expense.

We do have a farm problem, and it is a problem of overproduction, or surpluses, which has resulted in a serious situation for the farmers, but from the view of the general public it is not a problem at all, it is a record of magnificent achievement.

It is now time for Congress to write a prescription for more permanent remedies than those which have served the farmers for the past 25 years. In fact, Congress has the prescription for handling the wheat problem before it now,

I believe, in a bill to which I shall refer in the latter part of this statement.

The programs which have been instituted in the period I have mentioned have taught us a great deal. We are much wiser for our experiences, and we have accumulated data on which our agriculture economists may draw to formulate new programs. It is no time to abandon the patient, which seem to be the conclusion reached by so many of our city-born-and-bred editors, who persistently wring their editorial hands over the farm problem and the cost of our farm programs.

COMMONSENSE IS CALLED FOR

A little commonsense would perhaps be in order on the part of those who despair about our ability to handle our agriculture surpluses—which is the heart of the problem.

One thing badly needed is for the public to come to know the true meaning of some of the terms which are used as scare words to create a distorted and utterly untrue picture of the farmer in the minds of his city cousins. If we can focus our attention on the semantics here involved, then perhaps we can evaluate more clearly some of the patterns and proposals which show promise of evolving into a sensible and long-term farm program. Perhaps an exploration of some of the common charges frequently leveled at the farmer and the present role the Government plays in the farmer's economic life is in order.

"Support prices," "parity," and "surpluses" are terms of scorn as used by many of the severest critics of current farm programs. In this unfortunate connotation, "support prices" becomes a term implying that tax money collected from the general public is lavished on the farmer so that he may winter in Sarasota or Pasadena; "parity" comes to mean a sly formula used to pry the lid off the National Treasury, and "surpluses" represent in this parlance a shovel with which to scoop out the money.

If I am guilty of overstatement, my margin of exaggeration is but a few degrees different from that employed by those who eternally thunder their opposition to any constructive farm program. Even some of the more reasonable and respected writers on occasion join in echoing the more monotonous and threadbare cliches. As a mild example, I cite a top journalist writing in one of our most reliable and eminent daily newspapers.

Richard L. Strout, in the Christian Science Monitor, fell into this common error, which characterizes so much of the editorializing on the farm problem. After noting, with some discernment, that "the United States has the world's greatest technical farm revolution by the tail and still does not know how to let go," Strout avers that "farmers are producing ever-cheaper goods but the Government says the consumers can't have them cheap." He adds, further on in his piece:

> The Government is trying to balance the budget but is paying out billions for a subsidy. It supports free enterprise but is interfering massively in the economy. It is trying to halt inflation but subsidizes farm prices to keep them up.

Then becoming more specific, he says the fault is that the Government is "trying to do two different things at the same time; stabilize agriculture while encouraging soil fertility." And he explains:

> The city consumer pays taxes so that his food will cost more at the corner market.

The American people have no worries about being short of food. The American consumer is getting not only a large quantity of high quality foods, but he is also getting them at the cheapest cost in our Nation's history, based on his average earnings.

The agricultural commodities are the consumers' best buy. It takes only 1.2 hours of factory labor to buy 1 pound of beefsteak as compared to 1929, when it took 2 hours of factory labor to purchase 1 pound.

Let us consider bread, for instance. In 1929 1 hour of factory labor purchased 6.4 loaves of bread. In 1958 this same hour of factory labor purchased 11 loaves of bread.

I ask unanimous consent to have printed in the RECORD a table from the Agricultural Marketing Service of the U.S. Department of Agriculture, giving additional information on the amount of labor required to purchase certain commodities. There being no objection, the table was ordered to be printed in the RECORD, as follows:

Consumers—Quantities of foods purchased by 1 hour of factory labor

		In 1929	In 1958
Bread	loaves	6.4	11.0
Steak	pounds	1.2	2.0
Milk	pints delivered	7.8	16.8
Butter	pounds	1.0	2.9
Bacon	do	1.3	2.7
Eggs	dozen	1.1	3.5
Potatoes	pounds	17.7	33.8
Oranges	dozen	1.3	2.8

Source: Agricultural Marketing Service, U.S. Department of Agriculture.

Mr. CARLSON. Referring again to Mr. Strout's article, Mr. President, Mr. Strout fails to see the major objective behind the farm program as it has operated for nearly 25 years, to keep the farmer within respectable economic range of the other segments of our society—the business people, professional classes, white-collar workers, and skilled laborers. This is what parity seeks to do. The great depression demonstrated that when the farmer's income drops the entire country suffers. Parity developed as a system to retard this descent, with controls an integral part of the plan.

One would also infer from the journalist's words that no attempt should be made to improve agricultural techniques and soil fertility while we attempt at the same time to stabilize the farm economy. This logic is like saying that there should be no improvement in making steel as long as 50 percent of plant capacity lies idle. A strange concept, indeed.

To support his view, the journalist quotes the celebrated Harvard economist, Prof. Sumner H. Slichter. I have not read the text from which the professor is quoted, but the excerpts imply that Dr. Slichter sides with those who consider price supports an unmitigated evil, keeping consumer food prices high at the expense of the taxpayer.

If Senators have listened to one of the many luncheon club speakers addressing himself to the farm problem, they know that his urban audience has applauded most enthusiastically when price supports were denounced, parity was attacked, and our surpluses were bemoaned. These speakers level the accusing finger at the farmer and place on his head a multiple charge. The budget deficit, the high cost of living, and the decline in the value of the dollar are the farmer's fault, they would have us think.

I have never been able to find that those who keep reiterating the theme that the taxpayers are being gouged by farmers through a system which includes parity, supports, and surpluses—which, they insist, hikes our taxes and inflates the price of the food we buy—were contributing in any way to a more constructive farm program. Their performance convinces me that perhaps the wheat farmers could teach these people a great many lessons about the farm problem and how it may be solved—if they would only listen.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CARLSON. I am happy to yield.

Mr. YOUNG of North Dakota. I think the Senator is performing a real service for the Senate of the United States and for the public in general by trying to put agriculture in a more fair and accurate light. I have read many of the same editorials and articles which condemn the farm programs. They are articles written, I think, by sincere people, but certainly by those who are misinformed. Many of the stories are so far from the truth that it is hard to understand how anyone could believe them, but unfortunately millions do. I think many do not realize that farm commodities are perhaps the only things the consumer can buy today at lower prices than he had to pay for them 10 years ago, that is, at the farm level. In between are high costs added by middlemen, processors, and so forth.

While farm prices have dropped drastically, the consumers are paying more today for food than they ever paid before. That is something which is usually not brought out in the articles.

I think the farmers would be perfectly willing to do away with all Government programs if there were some other means of securing even a semblance of a fair price. I believe farmers dislike Government programs perhaps more than any other group in the world. How are farmers going to compete when labor is so highly organized and when industry is so highly organized? All other segments of the economy can pretty well fix prices, but millions and millions of farmers are competing against each other, and they are supposed to go it alone? I think the farmers would be perfectly willing to go it alone if the rest of the country were willing to do the same.

I commend the Senator from Kansas for his courage in rising in the Senate to defend the farmers against these unfair accusations.

Mr. CARLSON. Mr. President, I appreciate very much the remarks of the Senator from North Dakota. I am in accord with the Senator's views. I think the farmers would appreciate very much being relieved from the restrictions, the marketing quotas, the allotments, the acreage limitations and all the other things which are tied together to make up the farm program, if they did not have to buy in a market in which are involved minimum wages, and great subsidies for practically every form of business, including even the Post Office Department. Therefore the farmers are in a difficult situation, at a time when all other industry and individuals seem to have the benefit of Government support.

Mr. YOUNG of North Dakota. Mr. President, I believe the Senator from Kansas feels, as does the Senator from North Dakota, that none of us votes for farm programs because of the political angle. I would rather not have to work for any kind of farm program—and I would take that course regardless of politics—if I thought such a course meant anything but starvation for farmers and a depression not unlike that which we faced in the late 1920's and 1930's. Farmers and those who handle farm products represent about 40 percent of the income in the United States, and about 40 percent of the labor force. I do not see how we could allow these prices to drop to very low levels, as some would advocate.

Mr. CARLSON. I appreciate the comments of the distinguished Senator from North Dakota, and I agree with him.

SPECIALIZATION HAS COME TO THE FARM

Almost any wheat farmer would first remind his critics that there have been many changes in American agriculture. Today's farmer is a specialist. The pattern becomes clear if one visits a typical wheat grower's operation in my home State of Kansas, the leading wheat producing State of the Union.

On today's farm the barn has become a machine shop—indisputable evidence of the tremendous technological revolution that has swept the farm. Inside the farmer's home, one finds the same appliances and modern conveniences that characterize the urban home—another phase of the technological revolution which has electrified over 90 percent of American farms. The bread on the farmer's table very likely was baked in the city, and the milk was probably bottled by a dairy in the nearest town—that dairy, in turn, supplied by specialists. In the morning a bus picks up the farmer's children and hauls them to school in town, where they study and play with the town youngsters.

Today's farm worker, by and large, is now a man trained to operate and repair trucks and tractors. The hired hand of a past generation, who rose before dawn, slopped the hogs, milked the cows, cleaned the stable and rationed oats to hungry horses is as scarce today as the coal oil lamp which gave him light. Today's mechanized agriculture, with men working in shifts, makes of seed time and harvest an around-the-clock operation on many great wheat ranches of the Great Plains and the West.

And one cannot consider the technological changes that have been brought about on the farm through the great mechanization of the past 20 years without giving recognition to another all-important factor. Today's farm, and particularly a wheat operation, represents a much greater capital investment than was ever called for on the conventional self-sufficient unit of past generations. Figures compiled by statisticians who have investigated the subject report that the average wheat ranch represents an investment of from $40,000 to $50,000 in equipment. In fact, on the cash-grain farms of the Pacific Northwest, where crops other than wheat occupy a little over one-fourth of the land, the capital investment, including land, buildings, livestock and machinery, will average $134,661, according to the 1954 Census of Agriculture, reissued jointly by the Departments of Agriculture and Commerce.

THE CONSUMER AND THE PRICE OF WHEAT

The second thing the wheat farmer would make clear to the critic would be the fact that the price of wheat, as with so many of our agricultural products, has little relationship to the price of the wheat products the consumers buy. The price of wheat is probably the factor having the least effect on the price of your bread, doughnuts, cake or cereal. Were the farmer to give his wheat away the price of a loaf of bread would show little decline.

To stress this point further, the wheat farmer need only turn to the Department of Agriculture. He can quote from a study published in the Marketing and Transportation Situation, February 17, 1954, which concluded flatly that "no matter what happens to the price of wheat in the future, it will have little effect on the cost of wheat products to the consumer."

The wheat farmer could enlighten the consumer on what he is paying his money for when he carries the next bag of groceries from the store. The farmer could tell him that the experts who figure these things have estimated that of every dollar spent for food last year a little less than 40 cents went to the farmer. The rest of the dollar left at the supermarket covered the cost of handling, processing, transporting, packaging, and so forth. The consumer would also discover that while there was a price decline in the things the farmer produces, the prices of things he had to buy were increasing substantially.

One can almost agree that in recent years it is nearer the truth to say that the farmer has actually been subsidizing the consumer. Between 1952 and 1958, the market price of wheat dropped from $2.11 to $1.76 a bushel. During this period, while the cost of wheat in a pound loaf of bread was declining, the retail price of a loaf of bread increased more than 20 percent.

One could go on marshaling the facts which should conclusively show that, so far as wheat is concerned, parity, price supports and surpluses have very little influence on the price of wheat products. A similar case can be made for many other agriculture commodities. The costs attributable to processing, packaging, handling, and transporting account for the major share of the consumer's costs. Only among perishable commodities does this seem to be the exception rather than the rule. Because storage of these commodities by their very nature is limited prices sometimes skyrocket over night.

A killing frost, such as that which struck the citrus groves of Florida in December of 1957, can send prices soaring like they had been launched at Cape Canaveral. However, more than a year later, with no notable scarcity to influence supply and demand, prices on citrus products to the consumer have yet to return to the lower levels which prevailed prior to the freeze. The consumer might accept this situation more gracefully if he were assured that the producers were enjoying an equitable share of the higher price in the marketplace.

On the other hand, when a kind providence produces an abundance, as in the case of the Appalachian apple crop in 1958, the producers may be paid the lowest prices in 13 years, not even covering cost of production, but the housewife buying apples and applesauce would never guess from the prices she pays that the bottom had gone out of the apple market. Does it not seem that the farmer should be cleared immediately of any charge that he is responsible for the high cost of living?

BUT WHAT ABOUT SURPLUSES

"But," one may protest, "we will dismiss the case against the farmer as concerns consumer prices, Senator, but you cannot deny that the farmer's surpluses are costing the taxpayer a tremendous sum, especially the storage costs on wheat."

I agree to this only in part. Let us suspend judgment and look at some further facts before we condemn the wheat grower or the producers of other commodities in surplus. The wheat growers have been proposing to do something about this for the past 4 or 5 years. They believe that they have a solution for curing the surplus, eventually eliminating the high storage charges, maintaining prices at a parity level, and doing so without throwing the burden on either the consumer or the taxpayer—if there is a difference between these two.

I incorporated the proposals of the wheat growers into a bill which I introduced in the Senate on February 19, 1959. Joining me in the sponsoring of this measure, known as S. 1484, are Senators from nearly all the great wheat-producing States and representing both of our major political parties.

The distinguished Senator from North Dakota [Mr. YOUNG] has been most interested in this proposal.

In introducing the bill, I had in mind the thought that the Congress and the wheatgrowers themselves must consider changes in our present farm program dealing with wheat. S. 1484 provides for a wheat marketing-control program instead of production-control program,

which characterizes existing farm programs. In other words, this is a program that would preserve the wheatgrower while at the same time it would provide a solution to the wheat problem and at a lower total cost than the present wheat program.

It is my contention that the most important problem of the wheatgrower today is that of maintaining sufficient income to permit the purchase of the products of industry and labor and still retain a satisfactory standard of living in the face of reduced acreage, lower farm prices, and rising costs of production.

I contend, further, that lower prices for wheat do not aid in solving the problem of excess supplies, by either reducing production or by increasing consumption, but serve only to increase the marketing cost margins between the producers and the consumers.

I think the history of farm legislation proves that although the allotment acreage and marketing quotas served well their original purpose, they have not solved the surplus problem. I have said on the floor of the Senate on frequent occasions that the farm problem will not be solved by either flexible or inflexible parity prices. I know of no farm organization, or any wheatgrower, who holds that permanent solutions are to be achieved in that way. The process of making an adjustment to a new program should not include the liquidation of the grower.

Before the Senate Agriculture Committee, Mr. Floyd Root, of Wasco, Oreg., the president of the National Association of Wheat Growers, countered the thought that reducing the incentive would curtail production when he said:

> We believe, during this period of cost-price squeeze in agriculture, that lower prices will force wheat producers to plant the maximum acres permitted and to increase his efficiency in order to remain solvent.

Voicing further the opinion of the majority of the Nation's organized wheat farmers, Mr. Root added:

> Reducing acres to control production has not solved the problem and is a negative approach. Acres shifted from wheat are producing surpluses in other crops, and acres shifted from other crops are producing surplus wheat.

The PRESIDING OFFICER (Mr. CLARK in the chair). The time of the Senator has expired.

Mr. CARLSON. I wonder whether the distinguished minority leader would yield me a few more minutes.

Mr. DIRKSEN. I yield another 10 minutes to the Senator on the bill.

Mr. CARLSON. Mr. President, what are we doing? Are we simply stalling for time? We are waiting for 1975 or the year 2000, when we hope our population can consume our agricultural production. Even then, through technological progress, production may still exceed consumption.

The National Conference of Commodity Organizations Committee on Field Crops made a similar statement on price supports in 1958:

> We are absolutely firm in our conviction that lowering price supports which lower prices as a means of adjusting production will not be effective, but will only increase production, and proof of this is now available for any realistic appraisal.

Since the farmer cannot increase his acreage, he finds that to maintain his income he must increase his efficiency and produce a greater yield on the acres which he can plant to wheat, while on his remaining acreage he plants feed grains and adds further to the extensive surplus in that category.

NO GREAT EXPANSION OF WHEAT MARKET FORESEEN

The information supplied by Department of Agriculture statisticians indicates that new markets for wheat hold little hope for increasing the utilization of wheat for some time to come. Only a year ago they reported that even by 1975, the annual utilization of wheat for both domestic use and exports probably will be only slightly higher than the estimates of 1960, unless special measures are taken to encourage use of wheat for livestock feed, or industrial use is stimulated greatly.

We must plan a program to solve the wheat problem based on an estimate of what reasonable demand may be for this abundant grain. The experts, quoted above, basing their projections on Bureau of the Census figures and studies, tell us that the figure will be roughly 900 million bushels per year. That is 500 million bushels less than we produced in 1958. Although most discussions of agricultural problems usually end with the statement that increases in population will in time take care of our farm surpluses, we can see that this is not likely to occur for a good many years in the case of wheat.

At the same time, perhaps because of the increased use of red meat in the American diet, there has been a decline in per capita consumption of wheat, offsetting the increase one would have expected with the immense growth in population.

Yet sometime, somewhere, requirements and production will have to balance and, until they do, adjustments in production will remain a continuing problem. This is further confirmation that our productive capacity is elastic at a time when our consumptive capacity is inelastic.

One of the factors which makes some of our students of the problem think a balance between production and consumption may be a long time coming is that our capacity to produce has consistently outrun our demand, except in times of war and drought. And the problem of overproduction in wheat has been a recurrent one for more than 30 years.

The past year has given ample evidence, too, that more than a curtailment of acreage planted is needed to meet the wheat problem. Today the total national acreage sown to wheat is approximately the same as in 1910, with about 1 of every 6 acres of U.S. cropland producing wheat. The golden ocean of wheat is much smaller than it was in 1951. Its shores have been contracted by the allotment plan which in less than 10 years has cut the total back 18 million acres.

But consider this fact. In 1958, the second largest crop of winter wheat in the Nation's history was produced. The average yield of 27 bushels an acre was a new record production. And for the Nation as a whole it was the largest crop on record. U.S. wheatgrowers produced almost 1.5 billion bushels on fewer than 54 million acres. Only a few years ago, 1952 and 1953, they harvested 69 million acres to obtain 1.2 billion bushels.

To see the full significance of what this greater production per acre means to the individual wheatgrower, we must not overlook the fact that when he is faced with a reduction in farm income because of acreage allotments and lower prices, the grower naturally intensifies his effort to increase the efficiency of production. He must reduce costs per unit of production while increasing production per unit of cost. With the important part mechanization plays in the process, it becomes obvious that to obtain a volume which will produce an adequate income, the farm unit today must be substantially larger than before.

THE HONORS SHOULD GO TO THE WHEAT PRODUCERS

A part of the credit for this production record should go to the occurrence of favorable weather. But much credit must go to the wheat producers for their rapid adoption of technological advances and improved land management programs in recent years.

Twenty years ago, wheat yields averaged only 13 bushels per planted acre. In the 1940's, yields had increased to nearly 16 bushels per planted acre; and in the early 1950's the average had moved up to 18 bushels. In 1956 and 1957, average yields were still higher—almost 20 bushels per planted acre. Then in 1958, with a beneficent nature blessing the wheatgrower with ideal weather, wheatgrowers outdid themselves, and produced almost 26 bushels per planted acre, or 27.3 bushels per acre harvested. This combination has filled the wheat bins of America to overflowing and as a result we are being told on all sides that the No. 1 farm problem this year is our wheat surplus.

In his agriculture message to the Congress, the President pointed to the tremendous surplus of wheat and said:

> We already hold such huge stocks of wheat that if not one bushel of the oncoming crop were harvested we would still have more than enough for domestic use, export sales, foreign donation and needed carryover for an entire year.

Actually, present indications are that the stock of Government surplus wheat will exceed 1,300 million bushels on next June 30. The Government will have in excess of $3 billion invested in that surplus stock, plus an additional cost of more than half a million dollars a day for storage of the wheat.

But this surplus of wheat should not be looked upon as a weight around the taxpayer's neck. It is, if viewed in proper perspective, one of our Nation's tremendous assets, a fact to which I will make reference further on. We should heap high honor on the wheat producers

of America for this amazing performance. This is a production record achieved by few comparable groups in America, this is a production record of which to be proud. And, as said on the floor of the Senate, I repeat here, I am not one of those who consider the current wheat situation a terrible national headache. I rejoice in the great productive capacity of our wheat producers. I consider it a national asset that we can produce far more wheat than that needed for domestic food and export. What a national and even worldwide tragedy it would be if we did not have this productive capacity. The stabilization plan authorized by S. 1140 recognizes this situation and deals with it in a way which is fair and equitable to wheat producers, domestic consumers, feed-grain and livestock producers and to producers in other exporting nations. Surely these farmers are entitled to a price support program that assures them a fair reward for outstanding services rendered.

I am fully aware that the production record I have just cited, in combination with the outmoded price supports now in effect, have created serious surpluses and have caused program costs to skyrocket. I realize that much of the criticism heaped on the Department of Agriculture, on Congress and on the farmer, too, for that matter, stems from the fact that we now find the programs, which were supposed to be temporary, too costly. We know that we cannot continue them indefinitely, that we must find a less costly, more equitable, long-term solution to the price and income problems faced by our agricultural producers. And we must find it promptly. But the record should be clear on one point: Wheat producers for several years have recommended giving up the present outmoded program for wheat. I reiterate, for at least 5 years they have been urging the adoption of domestic parity proposals as a replacement for the program which has piled up surpluses and inflated Government costs.

THE WHEAT PROBLEM CAN BE SOLVED

In my judgment, there would be no wheat crisis today if we had had the vision and the wisdom to adopt the domestic parity program for wheat several years ago. I am, indeed, proud of having been the one to introduce such legislation in the Senate on several occasions.

Mr. NEUBERGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Oregon?

Mr. CARLSON. I yield.

Mr. NEUBERGER. I know the Senator from Kansas is under controlled time; therefore I shall not impose on him unduly. I merely wish to thank him for the leadership he has taken in sponsoring the domestic parity plan as presently contained in S. 1484. I wish to assure him of my support and, I am sure, also of the support of most of my colleagues from the Pacific Northwest, if not all of them. We are grateful to the able Senator from Kansas for having been the spearhead and the leader in the effort somehow to adjust our wheat program fairly and equitably. I believe that his domestic parity bill does that by reducing the Government's financial obligation, by tending gradually to eliminate surpluses, and by helping to free some wheat for the feed market, where it will help many people who are raising poultry, turkeys, and so forth. It is a desirable bill.

I also wish to commend the Senator from Kansas for his endorsement of the defense of the Rural Electrification Administration voiced earlier by the able Senator from Vermont [Mr. AIKEN]. I was not able to join in the discussion at the time because I was presiding over the Senate. I therefore wish to concur in what the Senator from Kansas said in that respect in support of the REA.

Mr. CARLSON. Mr. President, I appreciate very much the comments of the junior Senator from Oregon. There has been no more able or stronger supporter of proposed legislation which will maintain the wheatgrowers' income than the Senator from Oregon. He has not only cooperated in that effort, but we have worked closely together, and it has been a pleasure to work with him.

Mr. NEUBERGER. I thank the Senator from Kansas for his characteristic graciousness.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. LANGER. I am delighted to hear the speech the Senator is making, with which I thoroughly agree. Perhaps, however, we should emphasize one factor; namely, that the price of wheat the farmer gets has nothing to do with the price of bread, and that monopoly factors enter into the price. In Pittsburgh, for example, a few years ago there were 24 independent bakeries. Today there are five. The same is true with respect to National Dairy Products, which has a complete monopoly of ice cream production. Therefore, in arriving at the price of bread we should take the monopoly situation into consideration. I know my friend has done so. I wish to compliment him for his very able discussion of the situation. I am supporting his amendment.

Mr. CARLSON. I know that the wheatgrowers of America never had a stronger supporter than the senior Senator from North Dakota [Mr. LANGER], who has been working for many years in this field and in the whole field of agriculture.

Mr. President, in drafting a new, improved bill, one which would be even more comprehensive than the domestic parity plans which previously won congressional support, there were four basic considerations we kept in mind. These were, first, the new high levels of productivity must not be allowed to bankrupt the wheat-producing industry; second, the building of Commodity Credit Corporation wheat stocks must be stopped, and they must gradually be reduced to a normal level; third, a further reduction in the acreage of wheat must not result in additional acres shifted to other crops; and, fourth, increased yields per acre must not be reflected in increased Government holdings of wheat.

This plan sets an annual national marketing quota of wheat based on the estimated domestic consumption plus exports, after withdrawing 75 million bushels from Commodity Credit Corporation stocks. It provides for loans on wheat, within this marketing quota, at 65 percent of parity. Each producer would be provided with income stabilization certificates equal to his share of the domestic food market—in bushels—which would be redeemable in an amount equal to 35 percent of parity, the difference between the loan level on national quota wheat and the parity price. However, to qualify for the certificates, the producer must place in a conservation reserve, acreage equal to at least 20 percent of his base wheat acreage.

Processors would purchase these certificates at no less than their face value to accompany wheat milled for domestic use. At the same time a defense stockpile of 500 million bushels of wheat, stored under 5-year contracts to effect a substantial saving over current rates, would be established. Restrictions on production and use of nonquota wheat would be removed except for domestic food and for export.

Thus the producer would receive a fair return while at the same time having fuller control of his operation. Only the best quality wheat would be marketed for domestic food use and for export, through regular commercial channels.

The plan would reduce by $400 million or more a year the estimated Government cost of wheat price supports as well as reducing by $500 million or more a year the total Government outlays. And by increasing the conservation reserve 12 to 14 million acres of wheatland, an excess of 5 to 8 million acres of wheat would be eliminated. At the same time foreign trade in wheat would be protected and stabilized through marketing quota provisions, including the interests of Canada and other wheat exporting nations.

OUR SURPLUSES A GREAT WEAPON IN THE COLD WAR

This program could strengthen American economic foreign policy in the underdeveloped area of the world, enabling our surpluses to become a powerful weapon in checking the spread of communism in less fortunate world areas. I can think of no wiser use of our surpluses—wheat being but one of them, although the one in greatest supply—than to help end hunger in world neighborhoods where famine is the accepted way of life. These are the people whose friendship we would win in the world of tomorrow and we must remember that the Soviet power has never underestimated the importance of food as an ideological and propaganda weapon. I am sure that this wheat stabilization program can implement the food for peace portion of the President's message when he expressed a characteristic American attitude with these inspiring words:

> As we move to realistic farm programs, we must continue our vigorous efforts further to expand markets and find additional outlets for our farm products, both at home and abroad. In these efforts there is an immediate and direct bearing on the cause of world peace. Food can be a powerful instru-

ment for all the free world in building a durable peace. We and other surplus-producing nations must do our very best to make the fullest constructive use of our abundance of agricultural products to this end. These past 4 years our special export programs have provided friendly food-deficit nations with $4 million worth of farm products that we have in abundance. I am setting steps in motion to explore anew with other surplus-producing nations all practical means of utilizing the various agricultural surpluses of each in the interest of reinforcing peace and the well-being of friendly peoples throughout the world—in short, using food for peace.

In a cold war that may grow hot before it grows colder our surplus is our greatest weapon—our farms our greatest arsenal.

AGRICULTURE CAN BE A BRIGHT PICTURE

I am optimistic about the future of the American farmer. I am not gloom ridden when I am told that while production per acre soars and farm units expand, the number of farmers grows less and less. When I am told that farm employment has plunged to the lowest level since the Department of Agriculture began keeping records on the subject nearly 50 years ago, I, too, am concerned. It is significant that in the report issued by the Department of Agriculture it is stated that in the last full week of January only 5,269,000 persons were employed on farms. We must recognize the fact that this reflects an inevitable trend to expand farms to a size that will support a family operation, under modern conditions. Just how far this trend will lead depends on the kind of farm legislation we enact. We recognize the inherent dangers faced by the family-unit farm if the trend is not arrested.

The number of farmers may decline and percentagewise he may not be as large a part of our burgeoning population as in the past, but mark these words carefully, America will always find that on the Nation's farms will be found the characteristics, the spirit, the qualities, and the resourcefulness that makes our country great. In the course of our history the American farmer has always been able to outpull anybody else when it came to lifting oneself by his own bootstraps. As proved in the proposals offered by practical, realistic farmers, they still are lifting their weight with a firm grip on the straps.

I take my hat off, especially, in paying my respects to our commodity groups for their constructive, self-disciplined approach to their problems. The dominant note in all their programs is their desire to be free of dependence on Government and all outside sources. This was illustrated superbly by the National Association of Wheat Growers at their Denver convention this past December when they recommended a shift from acreage allotment to bushel limits for controlling wheat production. Such a proposal—and it is incorporated in my bill—means that the wheat growers are restricting their own possibilities for immediate gain in view of what they can produce with the improved fertilizers, better varieties and other technological advances now available to them. This we must acknowledge is a splendid example of self-discipline. No one can charge the wheatgrowers with adhering to a "have your cake and eat it too" philosophy.

The farmer, rather than his critics, is providing a great measure of common sense in approaching the farm problem. He will continue to feed his critic with the most wholesome and the biggest supply of food the world has ever known. But in the process, the farmer insists on enjoying a standard of living on a level maintained by his brothers in town and perhaps almost as good as that enjoyed by his critics.

We have learned that a healthy agriculture is essential to the American economy. Let us be guided by what we have learned. May it never again be necessary for the wheat farmers to sell their wheat for a pittance—or, moved by hopelessness and wrath, to dump it angrily in the street.

Mr. President, in the May issue of Capper's Farmer, published at Topeka, Kans., which is a magazine inaugurated by a former Member of the Senate, the distinguished late Senator Arthur Capper, there is published an editorial entitled "Let's Try Domestic Parity." It is a very timely editorial, and I therefore ask to have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LET'S TRY DOMESTIC PARITY

Capper's Farmer believes the domestic parity plan for wheat should be tried in an effort to solve our serious wheat dilemma. We urge that Congress pass the domestic parity bill and that President Eisenhower reconsider and sign it.

Honestly, we don't know whether domestic parity is the answer to the wheat industry's worsening over-production problems. But we do know this: The present system of acreage allotments and marketing quotas has failed. So it's time to try something else—if for no other reason than a new plan would offer hope, a virtue the present program sadly lacks.

Last year our efficient wheat farmers raised 1.5 billion bushels of wheat—about three times what we need for domestic food requirements. And some 1.3 billion bushels are piled up in Government storage bins.

If we don't use courage and imagination, the accumulating wheat surplus will smother wheat farmers. What's more it will knock the bottom out of feed-grain prices and break the backs of livestock farmers.

As we understand the domestic parity plan, here's how it would work:

It would allow the wheat crop to move in an open market and provide the grower a parity price for the portion we need for domestic consumption.

It would replace acreage allotments and marketing quotas with national marketing allotments in bushels. The national allotment would be based upon domestic wheat needs for food, plus estimated exports.

(Had the plan been in effect in 1958, the national allotment would have been 915 million bushels—485 million for domestic food needs and 450 million for export. To work off the CCC stocks, the allotment would have been reduced by 75 million bushels.)

Domestic parity would be self-financing. Each grower would be issued domestic food-use certificates for his share of the domestic allotment. Each miller or processor of wheat would purchase certificates of the amount of wheat he processed for food.

Cost of the certificates would become a part of the cost of the processed foods and would not be paid by the Government.

To be eligible to participate in the domestic parity allotment, the grower would have to put at least 20 percent, but not more than 30 percent, of his base acreage in conservation reserve.

At least 500 million bushels of the CCC stocks would be placed in a national defense stockpile. This would be the responsibility of the Government and would be held at Government expense.

As their part of the bargain, growers would reduce the national allotment by 75 million bushels a year until the surplus above the 500-million-bushel reserve has been absorbed.

Biggest argument for domestic parity from the public standpoint is that it would save the Government a half-billion dollars a year. That figure includes loss on CCC stocks, reduction in storage charges, elimination of export subsidies, and savings in administration costs.

Some of the objections offered to the plan we think are unfounded; some even unfair. Here are three most frequently raised objections:

That it would become a bread tax. Answer: Cost of the domestic food-use certificates would replace the present cost of Government price supports.

For the wheat that goes into a loaf of bread, the grower gets about 2½ cents under the present price-support system. Domestic food use certificates would add less than a penny to the cost of wheat in the bread loaf. And this would be more than offset by eliminating the present supports paid out of taxes.

Opponents say the Corn Belt fears the domestic parity plan would put wheat into greater competition with corn and other feed grains. Answer: The whole domestic parity plan is directed toward reducing wheat production without increasing feed-grain acreage. Only by reducing his basic wheat acreage with conservation reserve could the grower participate in the plan.

If participation in the plan were high, it is estimated 12 to 14 million acres would come out of grain production in the Wheat Belt. That would cut total feed-grain production 5 million to 8 million tons a year.

That's small in comparison to total feed-grain output. But it's big when we consider the threat of wheat to other feed grains if we should remove allotments and let wheat prices drop to feed-grain levels.

Other countries would accuse us of dumping our surplus. Answer: We would allot only as much as we could normally expect to export. Nonquota wheat would be ineligible for export. Furthermore we would get away from the presently subsidized export movement, which in itself creates pressure to dump or sell as cheaply as possible.

Domestic parity is not a scheme trumped up overnight. Both the National Grange and the National Association of Wheat Growers have put years of effort in developing the plan. They offer it in all sincerity as a sensible and dignified way back to realistic wheat production. We believe wheat farmers will want to try it.

THE EDITORS.

Mr. ELLENDER. Mr. President, I yield myself 15 minutes.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum, with the understanding that the time for the quorum call be not charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, Congress today is faced with a most vexing problem—the problem of finding ways and means to reduce wheat surpluses. Efforts were made last year by the Committee on Agriculture and Forestry to deal with this problem. Unfortunately, we were unable to make any progress in that direction.

Last year, during the closing days of the 85th Congress, a bill dealing with corn, feed grains, cotton, and rice was passed. This bill was acceptable to the administration. During discussion of that bill, the committee concluded that since there was a great difference of opinion as how best to solve the wheat problem, it would be better to postpone action on that commodity until this year.

Soon after Congress convened in January, the President sent to the Congress a message in which he indicated what he thought should be done with respect to wheat, tobacco, and peanuts. He touched on other phases of the farm problem, and made certain suggestions in regard to them.

Soon after the message was referred to the Committee on Agriculture and Forestry, the committee convened, and invited the Secretary of Agriculture, Mr. Benson, to appear before it. During his appearance before the committee, Secretary Benson promised to present to the committee his Department's version of what should be done with respect to wheat. But, unfortunately, no specific bill was sent to the committee. What we got were more or less highly generalized objectives ultimately followed by specific, but alternative suggestions as to programs.

The first alternative proposed was relaxation of controls for the years 1960, 1961, and 1962. In short, the Secretary asked that we give him either the authority to fix support prices at from 75 percent to 90 percent of the average market price of wheat for the past 3 years, or a support price ranging from zero to 90 percent of parity, with the specific support level to be left completely to his discretion.

With respect to acreage allotments, it was suggested that the present 55-million-acre national minimum be more or less withdrawn, and that the Secretary be given the right to increase this minimum by as much as 50 percent, if he so desired. It was also suggested that after 1963 acreage allotments be entirely removed. Other suggestions were made—for instance, to do away with the 30-acre limitation under which farmers can plant that many acres in wheat if the wheat is consumed on the farm.

The second alternative proposed by the Department was a tightening of controls, in complete contrast with its suggestion of removal of all controls. Under the second alternative, price supports would be either 90 percent of a 3-year average price, or from zero to 90 percent of parity. Authority to fix specific support levels would be left to the Secretary, irrespective of the amount of wheat on hand. He would be given more or less carte blanche authority to fix price supports at his discretion. The second alternative also suggested that the 55-million-acre minimum national acreage be repealed, and the national allotment be reduced—under the formula suggested—to approximately 40 million to 45 million acres of wheatlands.

Then a provision was suggested in regard to the penalty for overplanting.

Many wheat farmers have, under the law, planted wheat in excess of their quotas, and have paid a penalty on the excess wheat produced. But instead of being realistic in regard to these penalties, by forcing a farmer to pay a penalty in line with the production derived from the excess acres, the penalty was based on the average amount of wheat produced per acre in the county or the area where the farm was located. Thus, in the past, it has been entirely possible for a farmer to plant 100 acres in excess of his quota and, if the average yield in his area was 12 bushels an acre, his penalty would be computed at that rate, even though he produced 30 bushels on each of his excess acres.

In his alternative suggestion, the Secretary suggested that the penalty provisions of the law be tightened. I wish to say this is done in the bill which is now before the Senate.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. CARLSON. I appreciate very much the statement the Senator from Louisiana is making in regard to the production of feed wheat. I have before me the Agricultural Adjustment Act of 1938; and, as I read the bill which has been reported by the committee, it does not provide for any change in the provision in regard to the acreage which does not exceed the 30-acre limitation. Is that correct?

Mr. ELLENDER. That is correct.

Mr. CARLSON. The bill retains the 30-acre limitation for feed wheat, does it not?

Mr. ELLENDER. That is correct.

Mr. CARLSON. I wonder whether the chairman of the committee will be willing to consider an amendment to strike out the section which deals with the 30-acre limitation, and thus permit a farmer to grow any amount of wheat he wishes to grow for the 1960 and 1961 crops. As I understand the bill, it is a stopgap measure, a temporary measure for a 2-year period.

Mr. ELLENDER. Yes; it is.

Mr. President, I wish to say that the proposal to do what the Senator from Kansas has suggested was considered by the committee. The committee refused to accept it. Furthermore, I wish to say to my good friend, the Senator from Kansas, that, as I shall indicate in a moment, the committee spent many hours in simply trying to get agreement on a bill to report to the Senate. I am frank in stating that the bill now before the Senate is the best which could be obtained. We discussed the very provision the Senator from Kansas is now making; there was opposition to it. If it had been included in the bill chances are that the present bill would not have been reported to the Senate from the committee.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. CARLSON. I sincerely hope the distinguished chairman of the Committee on Agriculture and Forestry will not think I am critical of the bill he has reported from the committee. Of course, I do not approve of many of its features; but at the same time I realize how difficult and complicated is the subject with which we are dealing at this time on the floor of the Senate; and I commend the Senator from Louisiana for having taken the time and for having had the patience to listen to the conflicting views which were presented on a problem of such magnitude.

Mr. ELLENDER. The Senator from Kansas might well emphasize the word "patience," because a great deal of it was required.

Mr. CARLSON. I certainly do so, Mr. President.

Mr. ELLENDER. A great deal of patience was required even to get the committee to act on the bill which is now before the Senate.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. CARLSON. I appreciate the courtesy of the Senator from Louisiana in yielding in connection with the matter of the feeding of wheat to animals on a man's own farm—a matter which received so much unfavorable publicity in connection with the experience of Mr. Yankus. I do not like to see such a situation develop; neither do I like to have the Congress enact legislation under which criminal penalties are imposed on a farmer for wheat which he grows to feed to animals on his own farm. That is why I have brought up this question.

Mr. ELLENDER. Does the Senator from Kansas desire to eliminate any limitation on the acreage which could be planted to wheat to feed to animals or to use for human consumption on the farm?

Mr. CARLSON. It was my hope that, if we changed the law, the farmers would be able to grow the wheat they wanted to grow for animal feed at home. However, I have brought up the matter for debate.

Mr. ELLENDER. Of course the Senator from Kansas has the privilege of submitting an amendment. I do not know what the Senate will do about it; but I certainly think I should tell him of the attitude of the committee with respect to his proposal.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I wish to commend the chairman of the com-

mittee, who has made persistent efforts to try to get a wheat bill reported by the Senate Committee on Agriculture and Forestry and have it acted upon by the Senate previous to the wheat quota vote in June. As all Senators know, an announcement has to be made by the first of June.

The committee has had a very difficult, uphill job. Every farm organization has a different viewpoint. For the most part, the organizations want their programs or none at all. The Secretary of Agriculture has still some other views, and he is as immovable as the rocks; and he wants his program or none at all.

After 2 months of efforts by the chairman of the committee, I am not so sure that we shall even get a bill through Congress. If every farm organization is able to hold its little flock together, we shall not be able to pass any bill, and we shall wind up with a worse situation by the end of next year than we have now.

I was very much disappointed in the report on the bill submitted by the Secretary of Agriculture—a completely erroneous report. No one who has an iota of knowledge of the wheat problem would submit a report of that kind. Most of the conclusions are completely erroneous and deceiving. What kind of attitude is that? This is a field in which the Congress of the United States is trying to legislate, and it is an almost impossible situation.

Mr. ELLENDER. The Senator from North Dakota is entirely correct. He will recall that on 2 or 3 occasions we called upon the officials of the Agriculture Department to sit with us, in order to try to get a bill that might be acceptable to the Department. But the position taken by the Secretary of Agriculture, as I would interpret it, was, "Give me what I want or else get nothing."

Mr. YOUNG of North Dakota. I do not think there could be found any group of grain traders in the United States or any group of actual farmers that would agree with the conclusions of the Department of Agriculture at all. It is the most absurd, ignorant statement I have seen issued. It is inconceivable that such a statement could come from the Department of Agriculture. I shall deal with it point by point at a later time today.

Mr. SCHOEPPEL. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. I wish to say to the distinguished chairman of the Committee on Agriculture and Forestry that he has been laboring, as he knows, under severe handicaps. Some of the difficulties were mentioned a while ago by the Senator from North Dakota [Mr. YOUNG].

The most confusing situation the committee had to face in the several months we were laboring on this bill arose from the divergencies of opinion on the part of responsible leaders of farm organizations, who themselves, in their own judgment, could see only certain phases of their programs.

The PRESIDING OFFICER. The time yielded to the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I ask for 10 more minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 10 more minutes.

Mr. SCHOEPPEL. I wish to ask the distinguished Senator from Louisiana if it is not a fact that this is a compromise of the rankest sort, with the hope that we can get some legislation enacted by Congress before the deadline.

Mr. ELLENDER. The Senator is entirely correct. I will demonstrate that fact in a few moments, and present to the Senate the various steps we took in order to get some kind of legislation dealing with wheat before the Senate.

Mr. SCHOEPPEL. I may say to the distinguished Senator I hesitated to vote for this measure, but I wanted it to come to the floor of the Senate for a discussion, frankly, and openly, as we are trying to do. However, there is one phase which was presented by the Senator from North Dakota [Mr. YOUNG] that the Senate ought to consider if we are going to pass this bill, or another proposal. The Senator from North Dakota offered in committee a proposal on the basis of 75 percent of parity on a 10-percent reduction in acreage. I think that is the best and most practical approach to this problem. By providing 75 percent supports under the new parity formula, $1.77 a bushel, many farmers, I believe would be willing to reduce their production by 10 percent. The committee rejected this approach. I feel the committee was in error, for there must be some inducement offered to have a great majority of farmers feel they can reduce their acreage.

One thing is certain—we cannot continue to cut acreage and the support price at the same time and have the average farmer continue to live, especially under present cost of materials, and supplies of all kinds.

Even with this change, if made, this measure is far, far from a good bill. I fear, unless that proposal is included, that much support, even in a spirit of compromise would be lost.

Mr. ELLENDER. I thank the Senator.

At this point, Mr. President, I ask unanimous consent to place in the RECORD a résumé of the administration's wheat proposals.

There being no objection, the résumé was ordered to be printed in the RECORD, as follows:

RÉSUMÉ OF ADMINISTRATION WHEAT PROPOSALS

ALTERNATE I. ABANDONMENT OF CONTROLS

(1) Price support:

(a) For 1960, 1961, and 1962: 75 to 90 percent of previous 3-year average market price or 0 to 90 percent of parity.

(b) For 1963 and thereafter: 90 percent of previous 3-year average market price or 0 to 90 percent of parity.

(2) Acreage allotments:

(a) For 1960, 1961, and 1962: Authorize Secretary to increase national allotment by up to 50 percent.

(b) For 1963 and thereafter: Discontinue allotments and quotas.

(3) Remove 30-acre limit on feed wheat exemption.

ALTERNATE II. TIGHTENING OF CONTROLS

(1) Price support at 90 percent of previous 3-year average market price or 0 to 90 percent of parity.

(2) Repeal 55 million acre minimum.

(3) New national allotment formula:

(a) If carryover is not less than 500 million bushels, the national allotment would be that calculated to produce quantity equal to domestic consumption and exports for dollars (not including Public Law 480 exports)—about 40 to 45 million acres.

(b) If carryover is less than 500 million bushels, the national allotment would be that calculated to produce a quantity, which with carryover and imports would provide a normal supply.

(4) Penalty imposed on actual yield of excess acres (double normal if actual production not shown).

(5) Prohibit adjustment of planted acres to comply with allotment where excess acreage exceeds larger of (i) 10 percent of allotment or (ii) 3 acres.

(6) Increase penalty to basic loan rate.

(7) Repeal 15-acre and 200-bushel exemptions.

(8) Repeal 30-acre limit on feed wheat exemption.

(9) Base eligibility to vote in referendum on past production of wheat.

Mr. ELLENDER. Mr. President, pursuing the subject introduced by my friend from Kansas a moment ago, just as soon as the Agriculture Committee received the President's agricultural message, it asked for the views of Mr. Benson. He waited several weeks before he sent us his proposals as to what should be done about wheat. Within a matter of days after we received those proposals, the committee began holding hearings which continued for over a week, and heard the views of representatives from all farm organizations and the Department.

The committee was unable to agree on any particular proposal made by any of the farm organizations, or even by the Department. In an effort to reach agreement, a subcommittee was ordered to begin new efforts to achieve a wheat bill. It prepared its own version of what ought to be done, a version, I must add, which, while far from perfect, did manage to receive some support by the full committee membership.

The full committee then proceeded to hold hearings on the committee print. Later the committee sat for 4 successive days, as I recall, trying to reach a conclusion as to what ought to be done.

Of course, during the discussions, there was a great deal of give and take, so that we could arrive at a bill that would receive a majority vote of the committee. This is the bill which is now before the Senate and, in my judgment, it appears to be the best one that could be presented.

I am not going into detail, but at this point I ask unanimous consent to have printed in the RECORD, a résumé of committee consideration of wheat legislation, in order to show the efforts put forth by the committee to report the bill which is now before the Senate.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

COMMITTEE CONSIDERATION OF WHEAT LEGISLATION

January 29, 1959: President's message on agriculture received by Congress.

February 4, 1959: Committee met and chairman reported he had invited the Secretary of Agriculture to meet with the committee on that day, but that the Secretary had prior commitments. Committee discussed date for hearings and since many Members of the Senate would be out of the Senate on the week of February 9, it was decided to hear the Secretary the week of February 16.

February 16 and 17, 1959: Secretary of Agriculture appeared before the committee to explain the President's program and was requested to submit proposal in bill form.

March 12, 1959: Administration proposals received in bill form.

March 13, 1959: Committee met in special executive session, discussed administration proposal and decided to make immediate arrangements for wheat hearings.

March 18, 1959: Executive session called to consider wheat bills, but a quorum was not obtained.

March 19 through 25: Hearings on various wheat legislative proposals held. Witnesses presented divergent views.

April 11, 1959: Confidential committee print presented for consideration by committee. Would—

(1) Reduce farm acreage allotments by 5 percent of first 200 acres, 10 percent of acreage over 200 acres;

(2) Place penalties on an actual yield basis;

(3) Increase penalty rate to 65 percent of parity;

(4) Reduce 15-acre exemption to 10 acres; and

(5) Limit wheat price support to $35,000 per person per year.

April 15, 1959: Executive session. Discussed committee print and suggested changes.

April 16, 1959: New committee print issued. New print differed from previous print in—

(1) Was restricted to 1960 and 1961 crops;

(2) Reduced price limitation to $25,000 per person per year; and

(3) Repealed authority for noncompliance supports on any crop.

Agreed to hold hearings on this print.

April 22, 1959: Hearings held on committee print of April 16. Divergent views again expressed.

April 29, 1959: Committee met in executive session. Discussed wheat and ordered a new committee print.

April 30, 1959: Committee Print No. 2 issued. Print No. 2 differed from Print No. 1 in that it would—

(1) Reduce farm acreage allotments by 7 percent of the first 200 acres and 12 percent of the balance;

(2) The penalty rate would equal the basic level of price support;

(3) The 15-acre exemption was reduced to the smaller of (i) 12 acres, or (ii) the highest acreage planted to wheat in any one of the 3 preceding years;

(4) The limit on wheat price support was set at $20,000 per person per year; and

(5) Permanent repeal of noncompliance price support was provided for.

April 30, 1959: Committee considered wheat legislation in executive session, ordered the preparation of a new committee print, and ordered the reporting of a joint resolution to defer the proclamation of quotas and allotments.

April 30, 1959: Senate Joint Resolution 94 reported to Senate to defer proclamation of quotas and allotments.

May 2, 1959: Committee Print No. 3 issued. Would—

(1) Give each farmer a choice of (A) support at 65 percent of parity with wheat acreage equal to the farm allotment, (B) 75 percent of parity with not more than 90 percent of the allotment, and (C) 80 percent of parity with not more than 80 percent of the allotment;

(2) Limit wheat price support to $35,000 per person per year;

(3) Put penalties on an actual yield basis;

(4) Increase the penalty rate to the choice (B) support price (75 percent of parity);

(5) Reduce the 15-acre exemption to 12 acres and restrict it to farms which received wheat in 1957, 1958, or 1959; and

(6) Repeal authority for noncompliance price support.

Except for repeal of the noncompliance support provision, the print would be effective only to the 1960 and 1961 crops.

May 5, 1959: The committee considered wheat legislation and informal report of Department on Committee Print No. 3 in executive session and agreed that a special subcommittee meet with representatives of the Department at 3 p.m. that afternoon to discuss wheat.

May 5, 1959: Special subcommittee met with Department representatives, but failed to agree on a bill.

May 6, 1959: Committee in executive session ordered the preparation of another committee print.

May 7, 1959: Committee Print No. 4 issued. This print would—

(1) Raise the support price to 85 percent of parity and reduce farm allotments 20 percent;

(2) Limit wheat price support per person per year to $35,000;

(3) Put marketing penalties on an actual yield basis;

(4) Raise the penalty rate to the basic level of price support;

(5) Reduce the 15-acre exemption to 12 acres and restrict it to farms producing wheat in 1957, 1958, or 1959;

(6) Remove the 30-acre limitation on the feed-wheat exemption; and

(7) Repeal the authority for noncompliance price support for any commodity.

Except for the repeal of noncompliance price support, the print would have been effective only to the 1960 and 1961 crops of wheat.

May 11, 1959: Senate Joint Resolution 94 passed the Senate.

May 12, 1959: Senate Joint Resolution 94 passed House.

May 15, 1959: Senate Joint Resolution 94 signed by President.

May 15, 1959: Committee in executive session ordered wheat bill reported.

May 18, 1959: S. 1968 reported under authority of the order of the Senate of May 15.

Mr. ELLENDER. Mr. President, this bill follows the theories advocated by the Secretary of Agriculture, and if these theories prove correct, should reduce production by about 120 million to 200 million bushels per year, depending, of course, upon which selection is made by the wheatgrowers under the provisions of the bill. The program would be in effect for 2 years, covering the 1960 and 1961 crops.

Let me describe very briefly the chief provisions of the pending bill. Farmers who choose to plant their full acreage allotments, based on a 55 million acre minimum national allotment, would receive price support at 65 percent of parity.

If, however, a farmer agrees to cut his allotment by 20 percent, he would get a price support of 80 percent of parity.

We have stiffened the penalties on wheat produced on acreage in excess of allotments. The penalty is realistic, in that it would be applicable to all wheat actually produced on excess acreage, without regard to what may be the average yields in the area. If the production on the farm, let us say is 30 bushels per acre, but average production in the area is only 20 the penalty will be based on 30 bushels per acre, not 20 bushels. Furthermore, the penalty assessed would not be 45 percent of the support price, as is now the law, but 100 percent of 65 percent of parity.

We also reduced the 15-acre exemption to 12 acres, and specified that no farmer could have more than one 12-acre exemption. What we had in mind was preventing farmers from going around the countryside and renting 12 acres in one spot, 12 acres in another spot, ad infinitum. The farmer is limited to 12 acres, and cannot get as many 12-acre allotments as he may desire.

The bill also provide that farmers who did not take advantage of the existing 15-acre provision in any one year of the crop years 1957, 1958, or 1959 would not be entitled to a 12-acre allotment in 1960 or 1961.

The bill eliminates the 200-bushel exemption.

Mr. President, that about sums up what the bill contains. I hope the wheat farmers of the country are realistic enough to realize that something must be done to reduce production and begin reducing the wheat surplus if the wheat program keeps on as it is now, and if production is such that surpluses continue to pile up, the entire farm program will be placed in jeopardy.

My hope is that, if this bill is enacted into law, wheat farmers will abide by its spirit, as well as its specific provisions.

I am hopeful wheat farmers will choose the 65 percent of parity alternative. If they do, then, according to the theories advanced by Mr. Benson, production will be reduced and consumption increased.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. I yield myself 1 additional minute.

Mr. President, I ask unanimous consent to have four tables printed in the RECORD.

The first table shows CCC losses and costs related to disposition and exportation of wheat and wheat flour by fiscal years.

The second shows CCC price support investment in wheat and wheat flour.

The third shows the actual acquisitions and dispositions of wheat under the CCC price support program by fiscal years from 1951 to 1958, and the estimated acquisitions and dispositions for 1959 and 1960.

The fourth table shows wheat production, yield per acre, domestic consumption, exports, 1951 through 1958.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Wheat and wheat flour CCC losses and costs related to disposition and exportation by fiscal year

[In thousands of dollars]

Fiscal year ended June 30—	Program losses [1]		CCC donations	Cost of International Wheat Agreement [2]	Public Law 480 title I [2] net costs [3]	Public Law 480 title II [2] total costs
	On price support sales	On commodity export program				
1951	18,990			180,371		
1952	7,719			171,312		
1953	18,896			130,786		
1954	71,280	26,087		58,975		
1955	126,976	49,575		99,718	85,800	56,115
1956	88,251	69,576	11,087	92,313	216,600	33,181
1957	91,134	133,176	43,983	90,071	214,100	43,645
1958	40,563	85,000	86,128	82,418	319,600	40,145
1959 (estimate)	71,832	68,200	86,190	64,773	(4)	39,352
1960 (estimate)	100,103	71,000	81,250	(5)	(4)	37,905

[1] CCC reimbursed by capital restoration.
[2] CCC reimbursed by special appropriations.
[3] Total cost less foreign currency collected.
[4] No estimate available.
[5] Agreement in process; no estimate made.

Wheat and wheat flour: CCC investment in price support program

Fiscal year ended June 30—	CCC investment at end of fiscal year	
	Quantity	Cost value
	Thousand bushels	*Thousand dollars*
1951	207,659	505,320
1952	165,628	411,124
1953	514,399	1,284,210
1954	865,641	2,169,108
1955	990,696	2,579,225
1956	995,847	2,625,655
1957	838,146	2,294,243
1958	872,445	2,371,385
1959 (estimate)	1,239,000	3,074,000
1960 (estimate)	1,442,000	3,469,000

USDA

Wheat: Acquisitions and dispositions under CCC price support program, by fiscal year, 1951–58 actual and 1959 and 1960 estimated

[In thousands of bushels]

Fiscal year ended June 30—	Price support	
	Acquisitions	Dispositions
1951	54,768	185,995
1952	85,614	138,708
1953	385,667	58,979
1954	432,835	128,243
1955	452,751	251,416
1956	260,812	286,037
1957	147,651	274,428
1958	155,777	144,802
1959	501,697	137,000
1960	370,000	160,760

Wheat production, yield per acre, domestic consumption, exports

[Bushels]

Year	Production	Yield per acre	Consumption		
			Domestic use	Exports	Total
	Millions		*Millions*	*Millions*	*Millions*
1951	988	16.0	689	475	1,164
1952	1,306	18.4	660	318	978
1953	1,173	17.3	634	217	851
1954	984	18.1	611	274	885
1955	935	19.8	601	346	947
1956	1,004	20.2	587	550	1,137
1957	951	21.7	588	402	990
1958	1,462	27.3	619	450	1,069

The PRESIDING OFFICER. The bill is open to amendment.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Illinois desire to ask unanimous consent that the time for the call of the roll not be charged to either side?

Mr. DIRKSEN. That is correct, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, on behalf of the Senator from Connecticut [Mr. BUSH] and myself I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new section:

SEC. 5. The Agricultural Act of 1949, as amended, is amended, effective beginning with 1960 production, by inserting after section 420 the following new section:

"SEC. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture, shall not exceed $35,000. The term 'person' shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State, or an agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation."

Mr. WILLIAMS of Delaware obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. Would the limitation apply to all commodities?

Mr. WILLIAMS of Delaware. It would.

Mr. DIRKSEN. Mr. President, this matter is of such importance that I believe we ought to have a quorum present.

Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and that the time necessary for the call of the roll not be charged to either side.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. I should like to know whose time would be used for the call of the roll.

Mr. DIRKSEN. The time would not be charged to either side.

The PRESIDING OFFICER. The request is that the time needed for the call of the roll be not charged to either side.

Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, if the distinguished Senator from Delaware [Mr. WILLIAMS], who has the floor, will yield for 2 minutes, with the understanding that he shall not lose his right to the floor, I should like to yield 2 minutes on the bill to the distinguished Senator from South Dakota [Mr. CASE].

The PRESIDING OFFICER. Does the Senator from Delaware yield with that understanding?

Mr. WILLIAMS of Delaware. I yield; but first I wonder if the yeas and nays cannot be ordered on my amendment. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DIRKSEN. I now yield 2 minutes on the bill to the Senator from South Dakota [Mr. CASE].

OTTAWA FOR SUMMIT CONFERENCE

Mr. CASE of South Dakota. Mr. President, if the necessary progress is made at Geneva, a summit conference of the great states will be held.

In the belief that the necessary progress will be made, Mr. President, I venture the suggestion today that the city of Ottawa, capital of the Dominion of Canada, be selected as the site for the meeting.

In support of this suggestion I cite these points:

First. Ottawa is near the home of the United Nations in New York City. Clerks interpreters, technical advisers, libraries and files would be readily available for each nation and on every subject.

Second. The facilities of a capital city of a great country would be most helpful. I have in mind meeting halls, committee rooms, communications, hotels and transportation.

Third. For security, Ottawa not only would have the means available to a seat of government but individual nations could utilize whatever they provide for their delegations at UN headquarters.

Fourth. Ottawa would be readily accessible not only for the heads of state but also for staffs, reporters, and visitors.

Fifth. Finally, delegates accustomed to one or the other of the principal internationally used languages, French or English, would find no language problem. The Canadian Parliament which meets in Ottawa is bi-lingual. Thousands of the city's residents speak French as well as English. And President De Gaulle could find himself very much at home at a great hotel which invites its guests and advises them with signs in French.

Mr. President, this suggestion of Ottawa for the summit conferense is respectfully called to the attention of the State Department in the hope that Secretary Herter may find it useful in current negotiations.

WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price-support program.

The PRESIDING OFFICER. The Senator from Delaware has 15 minutes on his amendment. How much time does he desire to allot to himself?

Mr. WILLIAMS of Delaware. I yield myself 5 minutes. I offer the amendment on behalf of the Senator from Connecticut [Mr. BUSH] and myself. The purpose of it is to limit price support assistance on all crops, not only wheat, but also cotton, rice, peanuts, tobacco, corn, and all combinations of such crops, which are grown on any individual farm or any corporate farm.

Several instances have been pointed out to the Senate of substantial payments which have been going to corporate type operations. I do not believe that any agricultural bill of any description, which is passed in the name of the small American family-type farmer can justify payments of several hundred thousand dollars or even millions to large corporate farmers.

Only a few weeks ago there was placed in the RECORD an instance of one corporation having received a little more than a million and a half dollars in support payments in one calendar year. I was interested to note, going back in the record, that the same corporation, the Delta Pine & Land Co., of Scott, Miss., had received a little more than $9½ million in price support loans on the cotton and rice which the corporation had grown in the past 10 years. In addition to that, it received several hundred thousand dollars in payments from the Federal Treasury for not growing rice and cotton. The interesting part of it is that these particular payments went to a company which is not even American-owned. It is an entirely British-owned corporation. Yet we have been subsidizing their operations in the name of the American farmer.

I do not believe that there can be any possible justification for any such payments being made out of the Federal Treasury.

I have placed in the RECORD evidence to show that in the year 1957, 10 companies received price support loans of more than $3½ million. At the same time the same 10 companies received $557,000 in soil bank payments for not growing wheat, cotton, and corn on 10,000 acres which they own. In other words, we paid them a little more than a half million dollars for crops they did not grow and paid them $3½ million in price support payments for crops they did grow.

I believe that the time is long past due when this situation must be corrected. I have on several occasions offered a similar amendment. Although they were adopted by the Senate, they were always rejected by the House. It is encouraging to note that the House this week did go on record as endorsing the principle of limiting the amount of the loans which can be made.

I believe that my amendment will unquestionably limit all such payments to any individual corporation, firm, or partnership, and so forth. It will limit the amount that they can get on any price support loan or purchase agreement, or any combination of them, on all crops being produced by the same person.

I certainly hope that the amendment will be overwhelmingly adopted by the Senate.

Mr. BUSH. Mr. President, will the Senator yield to me some time?

Mr. WILLIAMS of Delaware. I yield 3 minutes to the Senator from Connecticut.

Mr. BUSH. Mr. President, I am happy to join the Senator from Delaware in the sponsorship of this particular amendment, because I believe it will improve the proposed legislation very substantially if the bill is passed.

My concept of the agricultural support program has always been what it was originally intended to be, namely, a guarantee to farmers against disaster. That is the same principle I was in favor of some 25 years ago, when the farmers faced disastrous situations, and I am still sympathetically disposed toward that type of ultimate protection and guarantee against disaster.

Mr. President, I have long been opposed to legislation which is designed to guarantee prosperity to the farmer. I do not believe we should single out in our economy one element to which the Government itself will guarantee prosperity by buying enough of its product to make the guarantee good.

So, while I do not believe, necessarily, that the amendment offered by the Senator from Delaware, in which I enthusiastically join him, is the ultimate answer to the farm problem, I do believe that it will have the effect of improving the legislation if the bill should pass.

I intend to support the amendment to be offered later by the distinguished Senator from Indiana [Mr. CAPEHART] which I believe comes even more to grips with the desperate situation we face. The surpluses which are piling up have catastrophic possibilities for the economy of the United States. Any amendment which is designed to limit or cut back the surpluses should have the support of the Senate.

For that reason, and believing that the amendment of the Senator from Delaware is designed to reduce production and reduce surpluses, I enthusiastically support the amendment.

Mr. DIRKSEN. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

The PRESIDING OFFICER. How much time does the Senator from Delaware yield to the Senator from Illinois? The Senator from Delaware has 8 minutes remaining.

Mr. WILLIAMS of Delaware. I believe the Senator desires to ask a question. I yield myself 5 minutes. I yield to the Senator from Illinois.

Mr. DIRKSEN. I should like to ask the Senator from Delaware whether the $35,000 limitation would be applied to the individual farmer and to every commodity, so that no matter what he grows, the top amount he could receive would be $35,000.

Mr. WILLIAMS of Delaware. That is correct.

Mr. DIRKSEN. Would it apply to crops now growing, or is it postdated, so that it will apply only next year?

Mr. WILLIAMS of Delaware. It will apply only to 1960 production and years thereafter. The reason for that is that the crops which are presently planted, whether we approve of the payments or not, could be interpreted as having been planted under a law wherein we have a contractual obligation with the farmers who planted them. Therefore, the amendment is applicable to all crops which will be planted for the 1960 production.

Mr. DIRKSEN. Therefore, it could not be said that the amendment would involve a breach of faith with those who have already moved under existing law and the limitations that apply.

Mr. WILLIAMS of Delaware. No; it could not. That is why the amendment is so dated.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. AIKEN. In the case of farmers pooling their crops in a cooperative marketing association, is it intended to apply the limitation to each farmer or to the association?

Mr. WILLIAMS of Delaware. To each farmer.

Mr. AIKEN. To each farmer.

Mr. WILLIAMS of Delaware. Yes. If there is a group of farmers operating as a cooperative, it would apply to each individual farmer as a part of the association, because the fact that two or three or a dozen farmers got together in an association it would not mean that the amendment would limit their individual total. The limitation would apply to each farmer. What they receive through the cooperative, however, would count against them as individuals.

Mr. CASE of South Dakota. Mr. President, I wonder whether the Senator would be good enough to read the definition of person in the amendment.

Mr. WILLIAMS of Delaware. I read from the amendment:

> The term "person" shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or an agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation.

Mr. CASE of South Dakota. That is a very good statement.

Mr. WILLIAMS of Delaware. It was the intention to provide that they could each get the maximum under the limitation, but it was also intended to provide a safeguard so that they could not get more.

We want the amendment to be fair to each farmer but at the same time we do not want to have any loopholes.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SCOTT. In the House at this time I note that a measure which also touches on farm price supports is under discussion, and that measure would limit loans to $50,000. However, as I read it, there would be nothing to prevent a farmer or a farm corporation from applying for more than one loan. Therefore the limitation seems to me to be illusory, if not evasive.

Is the $35,000 limitation in the Senator's amendment so phrased that a corporation would not be permitted to divide its holdings and get another $35,000 on some other part of the holdings?

Mr. WILLIAMS of Delaware. The amendment is worded so that that definitely cannot be done.

Mr. SCOTT. I thank the Senator. Would the Senator please read the first sentence?

Mr. WILLIAMS of Delaware. The first sentence reads:

> The total amount of price supports extended to any person in any year's production of agricultural commodities.

In other words, it is the total amount of all agricultural commodities—all of them together. It is on the basis of the production of each individual. The amendment is definitely worded so that it could not be applied and is not intended to be applied otherwise. I had that thought in mind when the provision was worded in this manner.

Mr. SCOTT. I thank the Senator. His explanation permits me to support the amendment.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CAPEHART. Will the amendment apply in an instance where a landowner leases his land to a tenant under an arrangement whereby the landowner is to receive 40 percent of the corn grown, and the tenant 60 percent? Would each of them be entitled to a $35,000 loan?

Mr. WILLIAMS of Delaware. No; they would not. The last sentence of the amendment is worded in such a manner as to prohibit the practice, which is developing under the land bank limitation, of landowners subdividing their farms in order to get around the limitation. However, the amendment would not prevent a bona fide sale of a piece of property, and the man buying it would have the right to do what he pleased with it and if it was a bona fide transaction the buyer could be eligible for price supports.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired. The Senator from Delaware has 3 additional minutes.

Mr. WILLIAMS of Delaware. I yield myself the 3 minutes.

The amendment does not prevent bona fide sales, but it does provide the Secretary with the authority to issue regulations to prevent transactions, alleged sales, or otherwise which are obviously intended as a circumvention of such limitations. Certainly we do not want to make it profitable for a man to break his land down into multiple groups of units for the sole purpose of circumventing the ceiling.

Mr. CAPEHART. Will the $35,000 limitation apply if a farmer is growing wheat, corn, soybeans, and tobacco, and may even be participating in the soil bank? Can he participate up to $35,000 on each of those items?

Mr. WILLIAMS of Delaware. The amendment has no connection with the soil bank. The $35,000 applies only to price support operations through crop loans and purchase agreements.

Mr. CAPEHART. The amendment definitely prohibits both the renter and the landowner from participating up to more than $35,000?

Mr. WILLIAMS of Delaware. That is correct.

Mr. CAPEHART. They are considered as one person?

Mr. WILLIAMS of Delaware. If a man is operating alone or if the operation is a joint venture, the amendment would apply.

If it is a bona fide transaction, one not having a purpose of evasion, the farmer buying the land would be eligible. Otherwise, he could be disqualified.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LANGER. Does the amendment include soil bank payments on agricultural land?

Mr. WILLIAMS of Delaware. No, it does not affect them at all. That is taken care of under another bill. The amendment here deals only with price support operations.

Mr. CASE of South Dakota. On that point, the Senator's amendment is very clear, because it applies only to sales or purchases made, or to commodities made available by the Commodity Credit Corporation. The Commodity Credit Corporation, of course, does not administer the soil bank.

Mr. WILLIAMS of Delaware. I think the purpose of the amendment is very clear.

Mr. CAPEHART. Suppose a farmer makes a loan on his crop—let us say it is corn—of 50,000 bushels. Then suppose that 6 months, 30 days, or 10 days later he pays off the loan. The transaction has not cost the Government 1 cent. The farmer has simply made a loan under the program and has paid off the loan later. Would the $35,000 limitation apply to such a transaction?

Mr. WILLIAMS of Delaware. In my opinion, it would. The amendment provides:

> The total amount of price support extended to any person or individual.

Once the person had used the total amount of his assistance, which would be $35,000 for 1 year, he would not be entitled to any more.

Mr. CAPEHART. If the farmer made a loan and paid it off later, he would have exhausted the $35,000?

Mr. WILLIAMS of Delaware. In that 1 year, yes.

The PRESIDING OFFICER. All time of the Senator from Delaware has expired.

Mr. ELLENDER. Mr. President, I yield myself 15 minutes.

I oppose the amendment, not only because the committee has had no opportunity to consider it, but also because I sincerely believe that it is contrary to and would completely frustrate the purpose and concept of the present farm program. The stories which have been appearing in the Nation's newspapers detailing how "vast subsidies" have been paid to certain farmers are very misleading. The truth of the matter is that such payments did not emanate from the price support program; most of them resulted from the conservation reserve and acreage reserve soil bank programs. I might point out that these programs were enacted at the behest and request of the present Secretary of Agriculture.

When that bill was presented to Congress, the administration itself opposed any limitation of payments. I agreed with that proposal.

We were told that the reason for placing the acreage reserve program on the statute books was to remove from cultivation and production as many acres of cultivated land as possible, in order to reduce production of the basic crops, and to reduce surpluses by drawing upon CCC stocks to meet consumptive requirements.

Thus, since reduced production was the objective of the acreage reserve program, the source of land placed in the acreage reserve was immaterial. As a matter of fact, since large farming units usually have higher per-unit yields, it was actually deemed desirable to entice operators of such units to withdraw their land from production.

In any event, payments made under Mr. Benson's soil bank program have been confused with price support loans in the press, and this confusion is responsible in large measure for the sentiments which provoke amendments such as that now offered by the Senator from Delaware.

The price support program does not involve direct payments to farmers for either producing or not producing crops on their land. Basically, the theory is as follows: To obtain price supports—

and price supports are loans, not payments—farmers must comply with the law, providing for acreage limitations designed to curtail production should surpluses accumulate.

If a farmer complies with the acreage allotted to him, he can borrow from the CCC, and pledge his crop produced from such allotted acres as collateral to secure his loan. The amount he is permitted to borrow depends on the loan rate, expressed as a percentage of parity.

Most crops mature at about the same time. Because of this, and because most farmers, especially small farmers, operate on a cash basis, a practice had grown up prior to the enactment of the present law, whereby farmers sold their crop as soon as it was harvested. Since nearly all farmers harvested the crops they produced at about the same time, this practice meant that huge amounts of cotton, corn, wheat, and other commodities were dumped on the market within a very short period of time.

In order to stabilize prices, and to permit farmers to spread their marketings throughout the year, instead of compelling them to dump their harvest on the market at one time, the Congress authorized the loan program I have already described. Through this program, farmers have been able to borrow money to tide them over until such time as prices recovered from harvest-time gluts. It is the theory of the program that as prices stabilize after harvests, farmers can redeem their crops from the Commodity Credit Corporation by repaying their loans plus carrying charges, and sell at a more advantageous price.

It is true, of course, that because production has far outstripped consumption of some commodities, and because acreage allotments have not produced the desired reductions in production, many farmers have been unable to repay the loans advanced them by CCC. As a result, because the borrowers were in default, the Commodity Credit Corporation has had to, in effect, foreclose on the crops pledged as security for CCC loans, just as the mortgagee of any property usually seizes the mortgaged property when the mortgagor-debtor fails to pay on time.

Our present surpluses have resulted from these foreclosures, or takeovers, as they are more properly described. They have not, generally speaking, been acquired by the Government under a purchase program, or by the Government making direct payments to farmers.

What the amendment offered by the Senator from Delaware would do is to deny to large producers the opportunity to place their crops under loan.

Because it would have this effect, the large-farm operators, who have the highest per-unit yields, will have no place other than the market for disposing of their harvests. Thus, it is my belief that the amendment will have the opposite effect of that desired by the Senator from Delaware. It will result in huge amounts of crops being dumped on the market at one time. Prices will tumble; the difference between the value of the loans CCC would still be able to make, and the market price, would be increased. The Government, of course, would be saddled with further losses.

If the present program were a true subsidy program, as opposed to a market stabilization device, there might be a place for the amendment of the Senator from Delaware. However, such is not the case. Furthermore, I fear that the amendment may well have the further effect of converting the present program, a program based upon market stabilization, into a form of direct subsidy program, something which I do not believe would benefit farmers, consumers, taxpayers, or the Government.

Let me also state that losses on the farm price-support program are not nearly as high as some newspapers and slick-paper magazines would have the public believe. For instance, the newspapers have been saying that the Government's losses on the support program will be approximately $4,500 million this year. Mr. President, that is more like the amount required to run the entire Department of Agriculture, than it resembles price-support losses. Last year the losses—although the newspapers said they would be in excess of $3 billion—aggregated $1,100 million. Since 1933 the losses sustained by the Government on the price-support program have amounted to $5,500 million. I am sure that Senators will agree that this was not a wasteful amount to pay to assure the people of the country all the food and fiber they could use.

Mr. President, let us handle our agricultural program in a sound, efficient manner. The amendment offered by the Senator from Delaware is a far-reaching one. It applies to the entire loan program, and here today we are discussing wheat. Today is no time to try to write long-range farm legislation on the floor. Our most pressing problem is wheat. We must do something now to help solve that problem. Wheat is in a bad way; there is a great excess of it. There is no doubt about that. But in attempting to find some solution to our wheat problem let us not destroy the effect of the present law; let us not make it necessary for the larger producers of wheat, corn, and other agricultural commodities to dump their crops on the market, thus driving down market prices, increasing price-support losses, turning the loan program into a direct subsidy program, and further increasing costs.

Mr. President, if an amendment of this character were to be adopted, in my humble judgment, the Congress might have to change the present law so as to give the Government the authority to dispose of all surpluses on hand without regard to price.

As Senators know, at the present time, under the law, no commodity owned by the Government can be sold for less than 105 percent of the support price, plus carrying charges, interest, and other charges. Everyone should know that if the market were to go down the Government could not advantageously handle in such a situation the agricultural commodities it now owns. In such a situation, instead of average losses of 30 percent of investment, the losses might increase to 40 percent or 50 percent—or even higher since there would be no floor under the market.

Mr. President, I hope very much the amendment will be rejected.

Mr. President, how much time remains under my control?

The PRESIDING OFFICER (Mr. McGEE in the chair). The Senator from Louisiana has 4 minutes remaining under his control.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes.

Mr. HOLLAND. Mr. President, no one is more able or more dedicated in this field than our distinguished friend, the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER]. Heretofore, I have strongly supported the position he has taken in this field—namely, to avoid limitations on payments—because in those instances we were dealing with a single price support.

But in the pending bill we are dealing with two price-support levels—namely, 65 percent, in the case of those who plant the allotted acreage; and 80 percent, in the case of those who cut the allotted acreage 20 percent. That one fact changes the situation materially, I believe, from that which has prevailed in all previous debates on this subject, because certainly a very large corporate producer or a very large individual producer could—in planting thousands of acres in wheat—easily cut the allotted acreage 20 percent, and then could claim the 80 percent price support, unless there were some reasonable limitation upon the amount of price support which such producers could claim from the Government.

Mr. President, I do not favor such an arrangement, because if it were put into effect, first, it would result in the making of extremely large payments to some of the large producers; and, second, it would force up the amount of wheat which the Government would have to take in the price-support operations.

Mr. President, without laboring the question—because I realize there is room for a difference of opinion—let me say that it seems to me that two price supports as different as the 65 percent and the 80 percent allowed under the provisions of the pending bill should not be permitted. I believe the Congress should not offer to growers who are planting thousands of acres an inducement to reduce their allotted acreage 20 percent, and thereby be able to claim the 80 percent price support. I think such an arrangement would very greatly increase the amounts the Government would be called upon to pay.

For that reason, Mr. President, I support the amendment submitted by the Senator from Delaware [Mr. WILLIAMS], who, as I understand, has now modified his amendment so that it applies not to this year's plantings—because the contracts for this year have already been made—but to next year's plantings.

Mr. ELLENDER. Mr. President, I yield myself one-half minute, to answer my good friend from Florida.

Let me inquire whether the Senator from Florida is aware that the pending amendment applies not only to wheat, but also to cotton, corn, other grains—to all of the price-supported agricultural commodities.

Mr. HOLLAND. No; I did not know that. I understood that the amendment applies only to the commodity dealt with by the pending bill.

Mr. ELLENDER. No; the amendment applies to all agricultural commodities which receive price support.

Mr. HOLLAND. Mr. President, the point I have just now made would have to apply to cotton, because there are two price-support levels for cotton, also, under the present arrangement; and the point I have made would have to apply to any of the other basic agricultural commodities for which there is such an artificial arrangement of two price-support levels.

I hope that the Senator from Delaware will modify his amendment so that it will apply only to basic commodities which have a dual price support.

Mr. CAPEHART. Mr. President, will the Senator from Louisiana yield me 4 minutes?

Mr. ELLENDER. I yield 4 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 4 minutes.

Mr. CAPEHART. Mr. President, no one can quarrel with the principle involved in the Williams amendment. However, I think it should be pointed out that the purpose of the price support program is to reduce farm production or induce farmers to reduce the number of acres they plant or sow.

If we do what is recommended by the able Senator from Delaware, then we shall simply eliminate the larger farmers who are participating in the program, which I am sure they will be delighted to have Congress do. Then they will be in a position, without violating any law, to till every acre they care to till, and throw their products upon the market and sell them.

Senators seem to forget that the purpose of the program is to reduce production so that farm prices on the open market will be satisfactory to farmers. The program was not intended to help particularly the little farmer, or the big farmer, or the farmer in between. The purpose of it was to say to a farmer, "If you will reduce the number of acres you till, we will guarantee you X amount for your product per unit when you are ready to market it."

The hope was that, as a result of the reduction in production, the market price would be above the support price, so that all farm products would move into the free market. The other purpose, of course, was to have orderly disposal of farm products.

The Williams amendment makes the best argument in the world for the substitute I intend to offer a little later, to completely eliminate price supports on January 1, and freeze the surpluses and dispose of them in an orderly way.

If the Williams amendment were modified so that no farmer could participate beyond the extent of $1,000 or $5,000, for example, the same purposes would be accomplished as would be accomplished by the substitute I shall propose a little later today. All farmers would be eliminated from participating in the program.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. Yes.

Mr. CASE of South Dakota. Would the Senator say that a fair interpretation of the Williams amendment is that it would establish a two-price system, one price to be that which those who can qualify for the loan, up to $35,000, in price supports, would have, and the other price to be that which the large operator would get if he sold on the world market?

Mr. CAPEHART. There might well be a two-price system. The support price might be lower than the market price, or vice versa. It might well be a two-price system.

The weakness of the Williams amendment is that the Senator limits the price support to $35,000 for any one farmer. For example, in Indiana, a farmer who grows corn, wheat, and soybeans——

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. ELLENDER. Mr. President, I yield 1 minute on the bill to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 1 additional minute.

Mr. CAPEHART. For instance, an Indiana farmer may grow wheat, corn, and soybeans. Under the Williams proposal he could participate in the program only to the extent of $35,000 on all three crops. In reality he would not be able to participate in the program at all, because in order to participate to the limit of $35,000, he would have to reduce his acreage drastically. Therefore, he would not participate.

I am merely guessing, Mr. President, but, as a result of adoption of the Williams amendment, I would estimate that possibly 75 percent of the farmers in the United States would be eliminated from participating in the program at all. That number of farmers would be out of the program, and they would be able to till all the acres they wanted to and grow all the products they wanted to and sell them on the open market.

It would help the proposal of the Senator from Delaware a great deal if it were provided that a farmer could borrow as much as he wanted to if he participated in acreage allocation, and then, if he delivered his products to the Government he could participate in the program to the extent of not more than $35,000. That would allow him to participate in the loan program. Then he could keep his crops on the farm, or dispose of them in an orderly way.

The situation is the best proof that the farm program has completely broken down, and ought to be discontinued.

Mr. DIRKSEN. Mr. President, I yield 1 or 2 minutes to the Senator from South Dakota [Mr. MUNDT].

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. MUNDT. Mr. President, I rise in support of the Williams amendment. I offered an amendment in the committee room to provide for a limitation of $35,000 on wheat; but on the day the bill was voted on by the committee, there was barely a quorum of the Committee on Agriculture and Forestry present. My amendment was defeated by only one or two votes. While I voted against S. 1968 in committee because I do not think its overall approach as to wheat is satisfactory, I offered the amendment on the $35,000 top limitation. It fell short of approval by a narrow margin but I am fairly convinced in my own mind that if all the members of the committee were present, the amendment would have been adopted.

It seems to me unless Congress provides a top limitation on the amount of support prices farmers can get, the whole program will be pushed underground. Multi-million-dollar payments to just a few great corporation-type farmers are destroying the support program for those who actually need it.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. DIRKSEN. Mr. President, I yield the Senator 1 additional minute.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 1 additional minute.

Mr. MUNDT. Here is an opportunity at least to start in the direction of putting some limitation on the amount any one farmer can receive and of eliminating from the program farmers who are getting hundreds of thousands of dollars in price supports by raising crops which the country presently does not need.

Providing a top limitation will be an attempt to break down the very large farms into smaller and family-sized farms, and thus furnish opportunities for veterans and other young farm families to go into farming. Under the present law a man can lay out a whole county and participate in the price-support program. I think it is time Congress recognized the situation. The President has recommended that something be done about it.

I shall vote for the Williams amendment as a step in the right direction.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time taken for the quorum call be not charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CAPEHART. Mr. President, I ask unanimous consent that I be permitted not to vote on the amendment, for the simple reason that I farm on quite a large scale.

The PRESIDING OFFICER. The time is under allotment. Debate is not in order.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. Do I not have a right to state the reasons why I ask unanimous consent not to vote?

The PRESIDING OFFICER. The absence of a quorum has been suggested.

Mr. CAPEHART. I am sorry.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS], for himself and the Senator from Connecticut [Mr. BUSH].

Mr. HUMPHREY. Mr. President, I ask that the chairman of the committee yield me 2 minutes from the time on the bill, so that I may make an inquiry.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mrs. President, as I understand the amendment offered by the Senator from Delaware, it is an amendment which applies across the board, with a $35,000 maximum limitation on loans for all commodities. Is that a correct understanding?

The PRESIDING OFFICER. The Chair understands that is correct.

Mr. COTTON. Mr. President, may we have order, so that we can hear the Senator?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, it was the intention of the Senator from Minnesota to offer an amendment which included a $35,000 limitation on wheat, since the measure before the Senate is a wheat bill. The amendment of the Senator from Minnesota also included provisions relating to the price-support levels, as compared to the bill reported by the committee.

I regret that the Senator from Delaware has seen fit to offer an amendment so broad as the amendment he has offered, since it goes beyond the scope of the particular proposed legislation before us.

I believe strongly in the $35,000 limitation. I believe that the limitation ought to be applied.

I ask the Senator if he would permit an amendment to be offered, which would take unanimous consent, of a broader nature, including price-support levels along with the $35,000 limitation? If the Senator does not want to do that, then I shall offer an amendment in the nature of a substitute, to deal only with wheat.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

Mr. WILLIAMS of Delaware. Mr. President, I do not think the offering of a substitute by the Senator from Minnesota would be appropriate at this particular point, because my amendment deals solely with a limitation on crops and adds an entirely new section. I notice that the substitute proposed by the Senator from Minnesota would strike out language on page 1, line 5, and following, and would insert a new section, which is broader than the language of my amendment, and includes an increase from 75 percent to 85 percent of parity.

I think we should follow an orderly procedure. The debate has been held. It would be much more in order to vote on my amendment, after which the amendment of the Senator from Minnesota in the nature of a substitute for the language in the bill would still be in order. I think that would be a much more orderly procedure. I wonder if we cannot simply vote on the pending proposals.

Mr. HUMPHREY. Mr. President, my amendment was lying on the table last evening. The amendment of the Senator from Minnesota is geared to the $35,000 limitation as a fundamental part, but relates to wheat. It does not relate to all commodities. Therefore, since I feel as I do, I shall offer the language of my amendment as a substitute for the pending amendment, and I ask that it be stated.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUSH. I believe this requires unanimous consent. As a cosponsor of the amendment offered by the Senator from Delaware, I object.

Mr. HUMPHREY. May I respectfully state that the offering of a substitute does not require unanimous consent, since the substitute relates to a provision before the Senate and the substitute is germane and relevant.

Mr. BUSH. I will ask the Presiding Officer to rule.

The PRESIDING OFFICER. The Parliamentarian advises that the substitute amendment for the pending amendment is in order.

Mr. BUSH. Mr. President, is my objection invalid?

The PRESIDING OFFICER. The objection is invalid.

The substitute amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. In lieu of the language proposed to be inserted by the Senator from Delaware [Mr. WILLIAMS] it is proposed to insert the following:

The total amount of price support made available under this act to any person for each of the crops of wheat harvested in 1960 and 1961, respectively, through loans or purchases by the Commodity Credit Corporation, or other agency of the United States Department of Agriculture, shall not exceed $35,000. In the case of any loan to, or purchase from, a cooperative marketing organization such limitation shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such person for the purpose of applying such limitation. The term "person" shall mean any individual, partnership, firm, joint stock company, corporation, association, trust, estate, or other legal entity or a state, political subdivision of a state or any agency thereof except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a "person" for purposes of this subsection. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation.

Mr. HUMPHREY. Mr. President, I do not believe we need to have much discussion of this amendment. I regret the procedure, to be frank, but unless we apply this procedure there is no way one can hold the bill accountable to the commodity which is before us, namely, wheat. I feel that since we are considering a commodity-type bill we should apply the rules relating to the particular commodity.

I do not like this kind of individual commodity legislation, as the chairman of the committee knows. I pay tribute to the chairman for his infinite patience, wisdom, and good judgment in these matters.

We had no other choice, if we were going to meet the deadline of the marketing quota elections. The pending bill relates to one particular commodity. Since the bill does relate to one particular commodity, and since my amendment is designed to affect one particular commodity, I feel this is the time to bring it before the Senate for consideration.

My overall proposal, to which I shall refer as soon as the votes are completed, would provide for a higher level of supports in order to assure some reduction in production. The best curb on production of wheat is to make it crystal clear that an individual producer will get $35,000—period—as a maximum amount of loan.

Let me add for the benefit of the senior Senator from Pennsylvania [Mr. CLARK], who asked me a question earlier, that the $35,000 limitation means the whole amount the Government may loan any individual producer upon a crop which is eligible under the Agricultural Adjustment Act of the price-support program for commodity credit loan purposes. In other words, we would limit the amount of funds the Government of the United States would be obligated to make available for loan purposes.

Mr. CLARK. Mr. President, will the Senator yield for two questions?

Mr. HUMPHREY. I yield.

Mr. CLARK. First, does the Senator's proposal with respect to the $35,000 limitation apply only to wheat?

Mr. HUMPHREY. The Senator is correct.

Mr. CLARK. Second, can the Senator give us any facts and figures by which we can determine whether the Senator's substitute would cost the Federal Treasury less money than the committee proposal?

Mr. HUMPHREY. In this particular instance the obligation of the Treasury under the price-support provisions would be a maximum of $35,000, in terms of an

individual producer, as defined in the amendment. Therefore it is bound to limit or reduce the total obligation of the Government in terms of loans.

Mr. CLARK. As I understand, the Senator's present proposal would not increase the price support to 85 percent of parity.

Mr. HUMPHREY. The Senator is correct. I do not prefer to proceed in that manner, but there was no way procedurally to deal with the other question until after the Senate voted on the $35,000 limitation offered by the Senator from Delaware. That limitation did not apply solely to wheat. Therefore it did not seem to me that it was proper in this bill.

Mr. CLARK. Does the Senator object to the amendment offered by the Senator from Delaware on a procedural basis?

Mr. HUMPHREY. The objection is basically procedural, but his amendment is broader in its overall concept.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. NEUBERGER. As I understand, the Senator's amendment would limit price support in any one year only to wheat.

Mr. HUMPHREY. My amendment applies to wheat loans under the price-support provisions, a maximum of $35,000.

Mr. NEUBERGER. Since reading the amendment I asked my staff to have prepared for me an amendment which would apply a similar limitation of $35,000 to any crop supported by the Government, including cotton, corn, tobacco, rice, peanuts, and any other commodities within the scope of the Senator's proposal. Wheat alone should not be singled out. Would the Senator join me in supporting such an amendment?

Mr. HUMPHREY. I am for that objective. I think it is a very good proposal. But the measure before us is a wheat bill. My point is that we are trying to legislate commodity by commodity, which is almost unfortunate. Therefore, I think we should keep it on that basis.

Mr. NEUBERGER. I did not intend to offer the amendment today.

Mr. HUMPHREY. Indeed, I will support it.

Mr. NEUBERGER. I did not make myself explicit enough, and I apologize.

When I have my amendment prepared, to apply a $35,000 limitation to the other crops, will the Senator join me, with his great influence and support?

Mr. HUMPHREY. Certainly. As a matter of fact, the Senator from Minnesota proposed the same thing in committee, in terms of overall price-support limitations in bills previously reported by the committee, but at that time the administration opposed it.

I commend the Senator for his observation.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORTON. I have the prepared mimeographed statement of the Senator. I am sorry I could not hear the colloquy very well. As I understand, in the amendment now offered as a substitute, the Senator from Minnesota has eliminated points 6 and 7, and he intends to deal with them later?

Mr. HUMPHREY. The Senator is absolutely correct.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, in explaining his amendment in the nature of a substitute, the Senator from Minnesota has accurately pointed out the difference between his amendment and my amendment. His amendment would restrict price-support assistance to any one individual to $35,000 on wheat alone. My amendment would include a limitation on all commodities.

My point is that if we are to establish a limit of $35,000 assistance to any one individual, the limit should apply on all commodities. Why single out wheat?

The Senator from Minnesota says he favors a limitation on all commodities, "but"—and we have been sitting around here for 10 years and drifting into trouble on the agricultural program. If Senators favor a limitation on all commodities, let them not be satisfied to just speak in favor of it, but vote for it. If they favor the $35,000 limitation with respect to all commodities, let them vote for it, and defeat the amendment of the Senator from Minnesota.

As I indicated earlier, the U.S. Treasury advanced $9½ million, in price-support loans on cotton and rice grown during the past 10 years by one corporation which is entirely British owned. Not a dime of it is owned by an American citizen. I refer to the Delta Corporation, in Mississippi. In addition, it received several hundred thousand dollars in payments from the Federal Treasury for not growing rice and cotton on some other lands. This corporation received a little more than a million and a half dollars in support payments in 1 calendar year.

This situation is utterly ridiculous. It is time to stop it. Members of Congress say in their speeches that they are for the proposed limitation on all commodities. Then let us vote for such a limitation and defeat the amendment of the Senator from Minnesota.

Mr. NEUBERGER. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. NEUBERGER. The amendment of the Senator from Delaware would apply the limitation of $35,000 to any supported crop, be it cotton, tobacco, peanuts, wheat, corn, or any supported crop? Is that accurate?

Mr. WILLIAMS of Delaware. That is correct. If we are to establish a limitation, why should we not apply it to all crops, or any combination of such crops? If a man were growing $25,000 worth of wheat and $10,000 worth of corn, that would give him $35,000.

Mr. NEUBERGER. That would be his maximum?

Mr. WILLIAMS of Delaware. That would be his maximum. Under the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] he could get $35,000 on wheat and an additional $35,000 on various other crops. If we are to establish such a limitation, let us do it, and stop talking about it. We have done too much piecemeal legislating on the farm program. If we are for this limitation, there is no better time to express ourselves than when we are voting.

Mr. CARROLL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. DIRKSEN. Mr. President, I yield 5 additional minutes to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I yield to the Senator from Colorado.

Mr. CARROLL. The junior Senator from Colorado finds himself in a very curious position. I represent thousands of wheat farmers. I am asked to support the Humphrey amendment, which, I understand, applies only to the wheat farmer, on the very engaging prospect that at some time in the future there may be a bill before us limiting support payments to $35,000 on all commodities. It seems to me that such a measure should originate with the committee, and such a limitation should apply across the board.

Mr. WILLIAMS of Delaware. My amendment does apply across the board. I have an amendment pending upon which the yeas and nays have been ordered. The Senator from Minnesota [Mr. HUMPHREY] has offered a substitute, which is in order; but if the substitute is defeated, the next vote will be on my amendment which applies across the board, to all commodities.

Mr. CARROLL. The Senator from Delaware did not permit me to finish. I was trying to develop some thinking for myself and those of us who come from wheat-producing States. I do not know why we in the wheat States should be singled out for special treatment.

If the limitation is to apply across the board, the proposal should originate with the Committee on Agriculture and Forestry. If we are to deal with this problem, let us deal with it properly, instead of imposing a limitation only on wheat, and asking Senators, without opportunity for proper study and debate, to vote against the interest of their own States by placing a restriction upon them.

Mr. WILLIAMS of Delaware. I will say to the Senator——

Mr. CARROLL. Let me continue for a moment. I agree with the Senator's premise that if we are to establish such a limitation it should apply across the board. The only question in my mind is, should we do it now? Why not postpone action at this time and defeat both proposals. Let us do as the distinguished Senator from Oregon [Mr. NEUBERGER] has suggested. Let us deal with the subject through a bill which applies across the board, rather than dealing with it piecemeal.

The PRESIDING OFFICER. The time of the Senator from Delaware has again expired.

Mr. DIRKSEN. Mr. President, I yield 1 additional minute to the Senator from Delaware.

Mr. WILLIAMS of Delaware. These proposals were both offered in the committee. They were both rejected by the committee, and neither proposal is before us as a committee amendment. One proposal is the Williams amendment, and the other is the Humphrey amendment. They were offered in the committee. On two previous occasion the Senate has approved the very amendment I have pending today. It has been voted upon and approved by the Senate on two previous occasions. Therefore we are not voting on new legislation. The only difference in the amendments is that my amendment covers all commodities while the amendment of the Senator from Minnesota covers only wheat.

Mr. CARROLL. Do I understand correctly that the Senate has approved this same limitation on two other occasions?

Mr. WILLIAMS of Delaware. Yes; and it was rejected by the House.

Mr. CARROLL. Then, it seems to me, if the Senate has taken action on it, we should bring it before the Senate again. Coming from a wheat producing State, I do not want to stand here all alone and see one farm area of the country discriminated against, when we ought to treat the subject as it has been treated on two previous occasions.

Mr. WILLIAMS of Delaware. What I say is that if you want the job done it must be done by defeating the Humphrey amendment and voting for my amendment. That would do what the Senator says he wants to have done. My amendment imposes a limitation on all crops. I say again that if we are to do anything along this line we must vote for it, not merely talk about it.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. DIRKSEN. I yield 1 minute to the Senator from South Dakota.

Mr. CASE of South Dakota. Coming from a wheat State, I believe it is time to do something. If we are to have a limitation, let us set it before the farmers start planning the winter wheat crop. We must act now.

The PRESIDING OFFICER. Eight minutes.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. Mr. President, how much time do I have remaining?

Mr. DIRKSEN. I yield 1 minute to the Senator from Ohio.

Mr. LAUSCHE. I will use the 1 minute to ask a question of the Senator from Minnesota. In the statement the Senator from Minnesota has made, that he will subscribe to the imposition of the $35,000 limitation, is that in accord with the proposal made by the Senator from Delaware?

Mr. HUMPHREY. No; not at all.

Mr. LAUSCHE. The Senator from Minnesota suggests $35,000 for each crop?

Mr. HUMPHREY. A maximum of $35,000 for each. The Senator from Delaware suggests a combination.

Mr. LAUSCHE. A combination of all.

Mr. HUMPHREY. That is right. Under the Williams amendment if a farmer grows soybeans, wheat, corn, or any other crop, the maximum he could get for all crops would be $35,000. Such a program would be more difficult to operate than a limit on each commodity, as I propose.

Mr. LAUSCHE. That is the principle advocated by the Senator from Minnesota. Is that substantially different from the proposal made by the Senator from Delaware?

Mr. HUMPHREY. Yes.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield 1 minute to the Senator from Oregon.

Mr. NEUBERGER. I should like to ask several questions of the Senator from Delaware, because on this vital issue I believe the RECORD should be unmistakably clear. Do I understand correctly that his proposal for a $35,000 limitation on all price supports in one operation was voted on in the Committee on Agriculture and Forestry, and was rejected?

Mr. WILLIAMS of Delaware. It has been offered several times in committee. Both proposals were offered in committee. My proposal was also offered on the floor of the Senate on two occasions, and was adopted by the Senate. I believe the proposal was for a $50,000 limitation, but the principle was the same.

Mr. NEUBERGER. The difference between the proposal of the Senator from Delaware and the proposal of the Senator from Minnesota is that under the proposal of the Senator from Minnesota the $35,000 limitation would apply only to wheat. Is that correct?

Mr. WILLIAMS of Delaware. That is correct.

Mr. NEUBERGER. The limitation of the Senator from Delaware would apply to all price supports paid to any one operation?

Mr. WILLIAMS of Delaware. That is correct. I realize that, while we are dealing with the wheat program, we are also dealing with the farmers of America. If we are going to impose a limitation, we should impose it across the board on all crops.

Mr. NEUBERGER. I certainly intend to vote for the Senator's proposal.

Mr. HUMPHREY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Minnesota has 9 minutes remaining.

Mr. HUMPHREY. I should like to call to the attention of the Senator from Delaware what I consider to be one of the fundamental weaknesses of his proposal. The maximum limitation of $35,000, to which the Senator from Oregon has referred, is a fair and just limitation on price-support loans, but I say most respectfully, in terms of costs of modern agriculture, the $35,000 total loan limitation, for a combination of all crops, is unrealistic. It is as unrealistic as the $300,000 loaned and the $500,000 loans which are presently available under the price-support program. The Senator from Delaware can make his amendment very palatable to all of us if he will modify its language to the point where it does not provide a limitation, on a combination of crops, or where the $35,000 is the maximum, total limitation on a farmer. It is not possible to operate that kind of farm program. My proposal is for a $35,000 limitation on wheat. I believe there ought to be a maximum set on any one commodity. It seems to me that the Senator from Delaware would be wise in his effort if he would try to put the maximum limitation on the one commodity, rather than to put it on a combination of all of them. I wonder whether the Senator from Delaware has given any thought to that.

Mr. WILLIAMS of Delaware. Yes; I have given some thought to it. If we are going to talk about the family-type farm, let us pass some legislation for the family-type farm. If my amendment should be rejected, it would be in order to change the limitation. If we are going to put a limitation on crops, let us establish a limitation, and be realistic about it, by applying the limitation across the board to all commodities. If we do not do that, it will be possible for a farmer to raise $35,000 worth of cotton, and the same amount in rice and peanuts and tobacco, and any other commodity he chooses to grow. If we do that we get completely away from the family-type farm proposition. There has been a great deal said about it. The President of the United States has recommended limitations in the program on three different occasions in his messages to Congress.

My amendment has been recommended by the Secretary of Agriculture. It has been favored by practically every Member of the Senate at various times. All it needs now to make it effective is a vote at the proper time. Today is the time.

I wish the Senator from Minnesota would withdraw his amendment at this time and let us have a vote on the proposal to provide a limitation across the board.

I do not believe that the way to do it is to single out one particular crop. Therefore I ask the Senator from Minnesota to withdraw his amendment at this time, and offer it later if my amendment is not adopted. If there are sufficient votes to adopt an amendment dealing with all commodities, his amendment would be defeated anyway.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Florida.

Mr. HOLLAND. I do not like to differ with my friend from Delaware, but the fact is that we are dealing with this program on a commodity by commodity basis. We began it last year by offering remedial programs in three fields.

Farmers have gone into these programs in good faith. For instance, in the case of cotton, there are farmers who have gone along with the program under which they have surrendered the right to higher price supports, with the understanding that there would be no change in the limitation of the amount.

Obviously, it is not fair to change the rules in the middle of the game. I hope the Senator from Minnesota will leave his amendment as it is, which is in

accord with what I understood we were debating, and in accord with what was advanced by the Senator from Delaware and other Senators in the Committee on Agriculture and Forestry. In committee there was no thought whatever of making an amendment apply across the board. We were talking only about a wheat bill. I indicated that I would be glad to support this type of amendment because with two support prices, one at 65 percent and one at 80 percent, it is very obvious that we are not in the same situation we would be in if we had one price support, because, unless a limitation were provided, every inducement would be offered to a grower who is producing wheat to come under the 80-percent price support, which means that a great many more millions of dollars would be paid out.

Mr. WILLIAMS of Delaware. Will the Senator from Minnesota yield me 1 minute?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS of Delaware. I thank the Senator from Minnesota. I should like to say, in reply to the Senator from Florida, that my amendment does not affect any contract which the Government has with a farmer. The amendment is applicable only to the production of the 1960 crops. I fully agree with the Senator from Florida that those crops which have been planted in accordance with the laws which exist today, whether we like those laws or not, were planted under an obligation or contract, so to speak. The amendment does not violate any agreement. It applies only to the 1960 production.

Mr. HUMPHREY. I wonder whether the Senator from Delaware would be willing to accept to his amendment an amendment providing that the $35,000 limitation shall apply as a maximum to any one price-supported crop.

Mr. WILLIAMS of Delaware. No; I could not accept such an amendment. If such an amendment were offered, I would oppose it, although I would say that it would be better than nothing. I believe we should effectively deal with this matter now. The $35,000 proposal is a realistic one.

Mr. HUMPHREY. Mr. President, I withdraw my amendment. I offer as an amendment to the amendment offered by the Senator from Delaware a direction that there be a maximum limitation of $35,000 of crop loans on any one price-supported crop.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to strike out "agricultural commodities" and insert in lieu thereof "any one agricultural commodity."

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. Into what amount, in the aggregate, could one farmer design his planting so as to receive the greatest amount of funds possible? If he has a large piece of land and wants to get the most money possible for it, into what amounts could be accumulate his planting?

Mr. HUMPHREY. There are a number of price-supported crops, but I cannot imagine a cotton farmer selling his cotton equipment simply to be able to produce some oats and get another price-supported crop. I cannot imagine a tobacco farmer of 25 or 30 years' experience selling his equipment simply to produce another price-supported crop.

My point is that today farmers have substantial investments. It is proposed to limit a loan to $35,000 for a whole farm. The purpose of the loan provision is to insure orderly marketing. The whole purpose of the price support law is to bring about marketing of crops in an orderly fashion; otherwise, the whole program will be seriously jeopardized.

As I said to the Senator from Oregon [Mr. NEUBERGER], I agree that if we are going to legislate with respect to wheat, we ought to legislate with respect to other commodities. The pending measure happens to be a wheat bill. We had before us yesterday a tobacco bill. There will be other bills for other commodities.

This is a foolish way to legislate; but apparently is the only method by which we can get bills out of the committee and before the Senate, because of what has happened at the administration level.

I suggest that we should be fair to all other commodities, which is really what we are talking about. We are not providing crop loans on farms, but on crops. If there is to be a $35,000 limitation, let it be on a commodity, not on a farm. After all, there are producers who grow soybeans. There are producers who raise cotton.

If it is desired to have a farm program which is ineffective, if what is wanted is inefficient farm production, the best way to accomplish the objective is to have the kind of marketing structure we are now discussing.

Mr. LAUSCHE. The Senator from Minnesota has not answered my question. Let us forget the amount of farmland. Let us eliminate cotton and tobacco. What can a farmer do to get the maximum amount of loan? I am not asking what is the prudent or feasible thing to do.

Mr. HUMPHREY. Let us consider the Senator's State of Ohio or my State of Minnesota. What are the crops? I do not think tung nuts are produced in Ohio.

Mr. LAUSCHE. We do not have large farms in Ohio. We have 100-acre farms. The proposal of the Senator from Delaware limits the total amount of a loan to $35,000. What can a farmer accumulate under the proposal of the Senator from Minnesota—$200,000?

Mr. HUMPHREY. That depends on the size of the farm.

Mr. LAUSCHE. Will the Senator from Minnesota add up the amounts and state what can be accumulated?

Mr. HUMPHREY. I will use my own State of Minnesota for the computation. Minnesota produces corn, wheat, barley, oats, rye, grain sorghums, soybeans, and flax which are crop supported.

Mr. LAUSCHE. How many crops is that?

Mr. HUMPHREY. Eight.

Mr. LAUSCHE. Suppose a farmer had a farm large enough to grow each of those crops. Could he get a $35,000 loan on each one?

Mr. HUMPHREY. Possibly.

Mr. LAUSCHE. The amount for that farmer would be $280,000, as compared with $35,000 under the proposal of the Senator from Delaware.

Mr. HUMPHREY. That is correct, if he had a farm large enough; but there is not a farm large enough in Minnesota, and there is not likely to be.

Mr. LAUSCHE. If that is not a danger, why not accept the program proposed by the Senator from Delaware?

Mr. HUMPHREY. I do not say the program proposed by the Senator from Delaware is unworkable; I simply say it is not as good as it could be. The Senator from Delaware says the limitation will be $35,000. If the farm produces only one crop, the Senator from Delaware is perfectly willing to have a $35,000 limitation for the one crop. That is what his amendment provides. But the Senator also says that if other crops are produced on the same farm, the maximum amount for the farm is still $35,000.

What is the purpose of a price support program? The purpose of a price support program is to enable a farmer who produces corn, wheat, cotton, oats, rye, or whatever other commodity he grows, to get a crop loan during the harvest period, so that he will not have to dump his crops onto the free market and take depressed prices. That is the whole purpose of a price support program. Under present law, a farmer can spend up to $1 million—or $10 million, so far as that is concerned—on any one crop. But the amendment offered by the Senator from Delaware would put the price support program on a greatly restricted basis.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. If a man had shares of stock in three different companies producing the same type of product he would receive tariff protection on all three of his holdings, would he not?

Mr. HUMPHREY. That is correct.

Mr. SYMINGTON. He would not be penalized for having diversified his holdings, would he?

Mr. HUMPHREY. He would get a depletion allowance upon the oil he happened to have; he would receive a depletion allowance on iron; he would get a small depletion allowance on sand and gravel; he would get a depletion allowance on something else. We do not say that the total depletion allowance for all commodities will be a certain figure. No. The depletion allowance is granted commodity by commodity. Justly or unjustly, that is the way the law operates.

From the point of view of public relations, from the point of view of Life magazine, it may be wonderful to set $35,000 as a maximum for a farm. But I ask Senators: Do we want a farm program or a headline? Do we want a

farm program which deals with commodities, or with the prices for an individual farm? It is not farms which are being marketed; it is crops which are being marketed. The purpose of a crop loan is very simple. It is to give a farmer the opportunity to borrow some money by putting his crop up as a collateral asset, so that he will not have to market all of it in Minnesota in August, because if he starts to market it in Minnesota in August, the price will go down. We would like to give him a little time. We would like to have a farm program under which there is a ceiling on farm loans.

I am opposed to $500,000 loans and $400,000 loans. I am for the family farm. But I remind Senators who are interested in the family farm that many farms today which are eligible for a crop loan of more than $35,000 are still family farms.

What we should be talking about is a program which will work. I do not know what is produced in Delaware or some other States, but I know what is produced in the breadbasket of America. I observe the junior Senator from Texas on the floor. If a $35,000 limitation were placed on a farm in Texas, the farm could be washed down the Rio Grande.

Mr. YARBOROUGH. Such a limitation would bankrupt 80 percent of all the cotton farmers in the Pecos Valley.

Mr. HUMPHREY. Sugar beets, wheat, and feed grains are grown under price supports in Colorado, where it is necessary to have large farms because of a lack of water. Sometimes the soil is not so productive because of arid conditions.

I do not believe in having a wide-open gate. I believe in equity and justice. I am opposed to the nth degree to what I call country club farmers. But I am for a farm program which will give some semblance of decency and some semblance of order to a crop loan program.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I commend the Senator from Minnesota for withdrawing his original amendment, for the very reason he is now expressing. I feel that the proposal of the Senator from Delaware would work a great hardship on the farmers of Colorado. In some of our area, farmers can raise only wheat. They are dryland farmers; they cannot rotate the crops.

I agree with the Senator from Minnesota that his latest amendment is a more sensible approach. It is too bad that we have to legislate in this fashion. But in the absence of a more constructive program, we shall have to adopt the amendment which has been submitted by the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I am very grateful to the Senator from Colorado.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, I am opposed to this amendment for the same reasons I oppose the amendment of the Senator from Delaware [Mr. WILLIAMS].

It is my belief that the pending amendment is a little more palatable than the Williams amendment—for the reason suggested by many Senators who oppose the Williams amendment. But, Mr. President, as I stated a short time ago, if the pending amendment were to be adopted, it would, in my humble opinion, destroy the present farm program.

It is my belief that many Senators do not understand the philosophy behind the present farm program. As I pointed out earlier today, many of our difficulties arise from the soil bank—acreage reserve, and conservation reserve programs—under which direct subsidies were paid to farmers for not planting. As I have pointed out, efforts were made to limit those payments. I opposed those proposals, and so did the Department of Agriculture—for the simple reason that the intent of the law was to get acres out of production, and whether those acres came from small farms or from large farms made no difference. After all, the purpose of the programs was to reduce the surpluses of corn, wheat, cotton, and other agricultural commodities.

Mr. President, the present law has been on the statute books for more than 20 years, although from time to time it has been amended. But, as I pointed out this morning, under the loan program farmers do not receive direct subsidies from the Government. As my good friend, the Senator from Minnesota, stated only a minute ago, the purpose of the act is to avoid compelling the farmer to dump his crop on a depressed market. Yet, if the pending amendment is adopted, farmers will be compelled to do just that. In effect, we will be turning the clock back two decades if this amendment is adopted.

Mr. President, let me point out to my good friend, the Senator from Ohio [Mr. LAUSCHE], that we are told that at the end of this year the Government will have on hand almost $10 billion worth of agricultural commodities.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I shall be glad to yield in a moment.

If prices fall as the result of large farm dumping, the value of all commodities the Government now has in storage would be affected adversely.

Let me say to my friend, the Senator from Ohio, that up to now the losses on the commodities the Government has in storage have amounted to approximately 30 percent of the investment. The entire losses the Government has sustained from the inception of the program in 1933——

The PRESIDING OFFICER. The time the Senator from Louisiana has yielded to himself has expired.

Mr. ELLENDER. Mr. President, I yield myself an additional 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for an additional 3 minutes.

Mr. ELLENDER. Mr. President, as I was about to say, the entire losses which the Government has sustained from the inception of the program in 1933 to December of last year have amounted to a little more than $5 billion. As I said earlier, this is a small enough price to pay in order to assure our people an adequate supply of food and fiber at reasonable prices.

Mr. President, the farmers of the Nation do not ask for favors. They would be delighted, I believe, to do away with all Federal assistance, provided everyone else starts from scratch. But today's efforts are being made to raise the minimum wage to $1.25. If that increase is voted, the farmers will have to pay for part of it; everything they buy will be affected by it. Even the farmers' own labor bills may be increased.

Mr. President, unless we provide the farmer some form of protection, I fear he will go under. I believe it can readily be shown that whenever the farmer is hit by economic disaster we can expect to see disaster visit our national economy. We cannot discriminate against those who produce our food and fiber.

Mr. President, the principal purpose of the pending bill——

The PRESIDING OFFICER (Mr. Moss in the chair). The additional 3 minutes the Senator from Louisiana has yielded to himself have expired.

Mr. ELLENDER. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 additional minutes.

Mr. ELLENDER. Mr. President, as I was about to say, the principal purpose of the pending bill is simply to reduce the production of wheat. As I said this morning, if the pending bill is enacted into law, the production of wheat during the coming year may be cut by between 120 million and 200 million bushels. That is the chief purpose of the bill.

Mr. President, it strikes me that what the Senate should do is pass the bill as reported by the committee. The Senate should not add to the bill amendments which would affect crops which are not now included in the bill.

Mr. President, it is true that the pending bill is a stop-gap measure. But our committee is continuing its studies, in trying to solve this phase of our vexing farm problem. If and when we are able to agree on legislation affecting the various other agricultural commodities, that will be the time for the Senate to proceed to act in the field covered by the pending amendment.

Mr. President, consider the amendment of the Senator from Delaware [Mr. WILLIAMS]: It would limit to $35,000 all loans on all crops that are supported. That is a very small limitation for all the protected agricultural commodities. As between the Williams amendment and the Humphrey amendment—although, of course, I oppose both of them—I believe, as I have said, that the Humphrey amendment is the more palatable.

Mr. President, at this time I yield 5 minutes to my good friend, the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, I hope the Senate will reject the Humphrey amendment, for I do not believe it will do the job intended. It provides a limitation of $35,000 on each and every crop. I am glad to note that the Senator from Minnesota has at least

come around to favoring my suggestion that if this job is to be done, it should be done in the case of all farmers alike; at least the Senator from Minnesota has gone that far in the right direction.

But I wish to go the full way, and help do this job in the right manner—the one we have been advocating for a number of years.

The Humphrey amendment would limit—not to the $35,000 which we propose—but to a quarter of a million dollars, in many cases the payments which could be made. There would be no limitation in regard to the various crops as to which the farmer could qualify for the $35,000 payments. There is no limitation on the number of crops as to which a man could qualify under the program. If we adopt his proposal, we are telling the American people we are putting into effect a limitation of $35,000 but, and at the same time, shooting the bill full of loopholes so that people can get around the ceiling. Let us do it right or not at all.

We had an example of that last year when we tried to put a $5,000 limitation on soil-bank payments. The Comptroller General called our attention a few weeks ago to the fact that farms are being broken down so that people can get around the $5,000 limitation. He said there is one farm in the West which is going to collect close to half a million of soil-bank payments.

Therefore, I cannot support this proposal in view of the loopholes it contains. If we are going to provide a $35,000 limitation, let us enact a limitation which is effective. If we are not going to do that, let us defeat it and take the lid off and let large corporation-type farmers take what they can get.

Let us at least not kid anyone as to what we do here today.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. I want to commend the Senator from Delaware for focusing our attention on this problem. The American people are up in arms about paying such huge funds to large corporate farmers. It is rather amusing to me to hear many of those who have gone up hill and down dale condemning huge payments now seeking to get out from under the amendment of the Senator from Delaware and trying to find some excuse for not coming to grips squarely with this problem.

First we have an amendment, from the Senator from Minnesota, which proposes to limit the program to wheat only. When the debate on that proposal gets under way and demonstrates its utter inadequacy, that proposal is withdrawn and a new amendment, the Humphrey millionaire amendment, is offered to allow $35,000 to be paid as to each commodity, which, as the Senator from Delaware has pointed out, may result in payments of $200,000 or $300,000 to a large corporate farmer. Such a farmer, if his land would permit it, would put that land in production of all the crops on which he could receive payments of $35,000, as to each crop, from the taxpayers of this country.

Most of the farmers in this land do not share payments on basic crops. They do not get any of this money. They pay for the program the way all the rest of the taxpayers pay for it, and the consumers of the products pay for it. We now have a chance to deal with a problem which is fast assuming, if indeed it has not already assumed, the proportions of a national scandal. Those who want to match their pious expressions with action will vote against the Humphrey millionaire amendment and for the Williams amendment and thus place a realistic limitation on the total amount which any one farmer can get from the Federal Government for crops grown on his land.

Mr. WILLIAMS of Delaware. I thank the Senator from New York for his support. I may say the amendment, which provides for a maximum of $35,000 on all crops, will not affect 90 percent of the farmers of this country. The other 10 percent can afford to do their own farming without dipping into the Federal Treasury. These are large operations and it is time they get their hands out of the Treasury.

As I said before, even the Senator from Minnesota has advocated the principle of my proposal. It is always said, "This is not the time." I most respectfully say that the time for action is when the roll is called and the vote is taken.

I wish the Senator from Minnesota would withdraw his amendment so there can be a clear-cut vote on the amendment as originally offered.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I support the views advanced by the Senator from Delaware. I should like to say that if the definition of a family farmer is one who produces $35,000 worth of products, then probably there are not more than five such farmers in Ohio.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. Will the Senator allow me 1 more minute?

The family farmer in Ohio is one with an average annual income of about $5,500. When a proposal is made that a farmer shall be eligible for a loan of not more than $35,000 on each product, so far as Ohio is concerned, it refers to the nonexistent farmers, because Ohio has practically none of them.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, may I inquire how much time remains to me.

The PRESIDING OFFICER. Six minutes remain to the Senator from Minnesota.

Mr. HUMPHREY. I shall not spend much time on this amendment, but I am rather surprised to see the lack of understanding of what the farm program is all about. May I relieve the mind of the Senator from Ohio? If farmers do not produce more than $5,500 worth of products, they will not get $35,000.

We are not talking about payments; we are talking about loans. There must be collateral for a loan. The collateral is the commodity. If a farmer does not produce $35,000 worth of commodities, he does not get $35,000, whether he is in Ohio, in Minnesota, or in another State.

The purpose of the price support program is not to give somebody who rents out golf club acreage, payments under the acreage reserve, or payments under any other kind of program. The purpose of the price support program is to keep on the farm the man who is in the business of agricultural production as a means of making a living, as a livelihood. The purpose of the price support program also is to provide orderly marketing.

Some of us have lived in a part of the country where, as youngsters, we saw wagons loaded with wheat come to market in July or August. By the time the last wagon got through on the very first day of marketing, the price of wheat had gone down 20 cents, and it was dumped. That took place in the 1920's.

The purpose of the program is to give a farmer a crop loan for 1 year, at a maximum of $35,000, under my amendment. At the end of the year, he can either redeem the loan or let the commodity go by default. That is what my amendment does. That is the way the Hecht store in Washington sells somebody a washing machine. The purchaser makes time payments—which is the same as getting a loan—and if he cannot pay for the washing machine by the end of the year, Hecht's store gets back the washing machine. It is an old American custom. It is what we call the credit system. But at least retailers have some idea of how many washing machines are going to be purchased. I am trying to get some semblance of order under the price support program. The price support program should be designed to help legitimate agricultural producers.

The Senator from Delaware has proposed an amendment which is just as open to loopholes as is any other amendment. Under the agricultural reserve program, it has been found that there are plenty of legal minds who can find ways to evade the limitation by an individual farmer.

Therefore, many persons would be clever enough to find loopholes in the amendment of the Senator from Delaware, and that amendment is no better than any other amendment. All the Senator from Minnesota is saying is that if we want a price-support program, it should be an effective one.

The Senator from Delaware is against price supports. He has not voted for a farm program. He does not believe in one. Now he proposes an amendment which, while I do not say it will wreck the farm program, will make it much more difficult to have an effective one.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HUMPHREY. There is a difference between surgery and assassination. There is one way in which one can cut the "innards" out of a person. That is not surgery; that is homicide. Or one can pare off tissue that is tumorous or malignant in an attempt to save a life.

I say price-support payments of $400,000, $250,000, $1 million have brought

disfavor, shame, and discredit to this program. I want to stop that, but in the process of stopping it, I do not want the program killed by the sidewalk farmers and those who have literally gouged the program. I do not believe in choking the program or killing it. I believe we ought to have a workable program. That is what we are attempting to do.

I do not know whether $35,000 is a magic figure. In the House, the figure $50,000 was proposed. I am no "Johnny-come-lately" on this proposition. I proposed similar amendments in this body in 1954, in 1955, in 1956, in 1957, and in 1958.

I did not have much support from the administration or anybody else.

The Senator from Delaware has been a consistent supporter of his proposal. He has an idea which I think is fair. The idea is to limit price supports. I plead that in the process of limiting price supports we not eliminate farmers. Mr. Benson is doing that pretty well right now. He does not need help from us.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. I understand all time for debate has expired.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. CAPEHART. Mr. President, will the Senator yield me 2 minutes from the time on the bill?

Mr. DIRKSEN. Mr. President, I yield the Senator 1 minute from the time on the bill.

Mr. CAPEHART. Mr. President, the purpose of the bill is to reduce production to such a point that the free markets in which the farmers sell will provide prices higher than the price supports. If we have that kind of a situation always, there will not be a nickel's worth of surplus in the Government stockpile, and it will not cost the Government one nickel.

What we really are talking about is the deliveries to the Government, instead of the loans. It is proposed to limit the loans to $35,000, but we really are talking about deliveries. If the farmer gets a loan on his crop, he gets it at the local bank, and he pays interest on it. That does not cost the Government one penny. The only cost to the Government comes when the farmer delivers the commodities to the Government. Therefore, we really ought to provide a limit of $35,000 worth of commodities delivered to the Government, because the loans have absolutely nothing to do with the matter.

The PRESIDING OFFICER. The time of the Senator has expired.

All time on the amendment has expired.

Mr. DIRKSEN. Mr. President, I yield myself 1 minute from the time on the bill.

In that minute I think I can persuade my friend from Ohio that he is absolutely correct.

Mr. LAUSCHE. I thank the Senator.

Mr. DIRKSEN. What the Senator is interested in is the type of loan such as the Mississippi Delta and Pine Lumber Co. got, $781,000. When such a loan is not repaid it becomes a subsidy.

The President in 1956 sent Congress a message in which he said he was interested in a dollar limit on the payment of price supports to any individual. He said that the limit should be sufficiently high to give full protection to efficiently operated family farms. That is what he was interested in.

How many family farms are there? My friend from Minnesota should know this better than I.

Mr. HUMPHREY. And I do.

Mr. DIRKSEN. Perhaps the Senator does, but it has not been evident.

I have only 1 minute, and I cannot yield. Only 3 percent of American farms last year——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield myself 1 additional minute from the time on the bill.

Only 3 percent of American farms last year had a gross income of $25,000. There are fewer than 3 percent which had a gross income of $35,000.

We are interested in all of them. That is the purpose of the Williams amendment. The Humphrey amendment, on a commodity basis, will take the little thin crust from the top. That is the crust we have been trying to get at for a long time, where the abuses are.

The Humphrey amendment ought to be defeated, and the Williams amendment ought to be adopted, if we want to do a good job today.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I yield 3 minutes from the time on the bill to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes.

Mr. HOLLAND. I simply invite attention to the fact that we are operating on borrowed time, in an attempt to help a distressed industry. We passed a 15-day resolution, which extended for 15 days the time in which Congress could pass some emergency legislation affecting wheat.

Both of the amendments proposed seek to reach out and bring in all price-supported commodities. I think the approach is as wrong as it can be. I think the proposed amendments seek objectives far different from the objectives of the bill. If seriously considered, they are going to defeat the very salutary intentions of all concerned on the Committee on Agriculture and Forestry, who are trying to bring some relief to the wheatgrowers and to the public from a program which is piling up more than a billion and a quarter bushels of surplus wheat.

Mr. President, it seems to me completely clear that the only limitation we should consider is the one advanced by the Senator from Delaware and other Senators in the committee, which was a $35,000 limitation applicable only to wheat, and based upon the conception, that, for the first time, we were having two price support levels on wheat, one at 65 percent for those who planted all their allotments, and the other at 80 percent, for those who took a 20 percent cut.

The proposal to apply the limitation to wheat only has merit, but a proposal applying to the entire field defeats the legislation. It defeats the efforts of the committee, which met six times in an attempt to bring forth remedial legislation. The adoption of either of these amendments would do just that.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, as between these two amendments, if we have the interest of the small farmer at heart, we will take the Williams amendment. The Humphrey amendment would be of help to the millionaire farmer. He would be permitted to take $35,000 on wheat, $35,000 on corn, $35,000 on tobacco, $35,000 on peanuts, $35,000 on naval stores, $35,000 on tung oil, and so forth. It would be the greatest boon imaginable to diversification. But I am afraid it would not be of much benefit to the small farmer.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield me 30 seconds?

Mr. ELLENDER. Mr. President, I yield 30 seconds to the Senator from Minnesota on the bill.

Mr. HUMPHREY. I only hope the Senator from Vermont [Mr. AIKEN] has under control the climatic conditions which would provide the variety of crops for a single farmer that he is discussing. It is very interesting. It would almost require omnipotence to provide the variety of temperature and climatic conditions which would enable a single farmer to raise wheat, corn, tobacco, peanuts, naval stores, tung oil, and so forth, all at one time. It is wonderful.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield me half a minute on the bill?

Mr. ELLENDER. I yield half a minute on the bill to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, if what the Senator from Vermont describes cannot be done, why not support the proposal that $35,000 shall be the maximum cumulative benefit? The Senator from Minnesota [Mr. HUMPHREY] says that what the Senator from Vermont describes cannot be done. If it cannot be done, then the amendment of the Senator from Delaware should be supported.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY] to the amendment offered by the Senator from Delaware [Mr. WILLIAMS], for himself and the

Senator from Connecticut [Mr. BUSH]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FREAR (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. HENNINGS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. TALMADGE], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that, if present and voting, the Senator from Alabama [Mr. HILL] would vote "yea."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Montana [Mr. MANSFIELD]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from Montana would vote "yea."

On this vote, the Senator from Idaho [Mr. CHURCH] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Idaho would vote "nay" and the Senator from Massachusetts would vote "yea."

On this vote, the Senator from Rhode Island [Mr. PASTORE] is paired with the Senator from Georgia [Mr. TALMADGE]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from Georgia would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from California [Mr. KUCHEL], and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from Kentucky [Mr. COOPER], and the Senator from Indiana [Mr. CAPEHART] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

If present and voting the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. COOPER], and the Senator from Vermont [Mr. PROUTY] would each vote "nay."

The result was announced—yeas 24, nays 52, as follows:

YEAS—24

Cannon	Humphrey	McNamara
Carroll	Jackson	Morse
Clark	Johnston, S.C.	Moss
Gore	Langer	Murray
Green	Long	Muskie
Hart	Magnuson	Smathers
Hartke	McCarthy	Symington
Hennings	McGee	Young, N. Dak.

NAYS—52

Aiken	Ellender	Neuberger
Allott	Engle	O'Mahoney
Anderson	Ervin	Proxmire
Bartlett	Fulbright	Randolph
Beall	Gruening	Robertson
Bible	Hayden	Russell
Bush	Hickenlooper	Saltonstall
Byrd, W. Va.	Holland	Schoeppel
Carlson	Hruska	Scott
Case, N.J.	Javits	Smith
Case, S. Dak.	Johnson, Tex.	Stennis
Chavez	Jordan	Thurmond
Cotton	Keating	Wiley
Curtis	Lausche	Williams, Del.
Dirksen	McClellan	Yarborough
Dodd	Martin	Young, Ohio
Douglas	Morton	
Dworshak	Mundt	

NOT VOTING—22

Bennett	Frear	Monroney
Bridges	Goldwater	Pastore
Butler	Hill	Prouty
Byrd, Va.	Kefauver	Sparkman
Capehart	Kennedy	Talmadge
Church	Kerr	Williams, N.J.
Cooper	Kuchel	
Eastland	Mansfield	

So Mr. HUMPHREY's amendment to the amendment offered by Mr. WILLIAMS of Delaware, for himself and Mr. BUSH, was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CAPEHART (when his name was called). I ask to be excused from voting on this amendment. I farm on a large scale. If I vote against the amendment, it will be thought that I am doing so for my own personal gain. I cannot vote for the amendment, because I think it will make the farm situation worse rather than better. I withhold my vote.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana [Mr. CAPEHART] that he be excused from voting? The Chair hears none, and the Senator from Indiana is excused from voting.

The legislative clerk resumed and concluded the call of the roll.

Mr. HENNINGS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], the Senator from Georgia [Mr. TALMADGE], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Georgia [Mr. TALMADGE] would each vote "yea."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Maryland would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from California [Mr. KUCHEL], and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Kentucky [Mr. COOPER] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Maryland [Mr. BUTLER] is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Mississippi would vote "nay."

If present and voting the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. COOPER], and the Senator from Vermont [Mr. PROUTY] would each vote "yea."

The Senator from Indiana [Mr. CAPEHART] was excused from casting his vote by the Senate.

The result was announced—yeas 57, nays 20, as follows:

YEAS—57

Aiken	Frear	Morton
Allott	Gore	Moss
Bartlett	Green	Mundt
Beall	Gruening	Muskie
Bible	Hart	Neuberger
Bush	Hartke	O'Mahoney
Byrd, W. Va.	Hickenlooper	Proxmire
Cannon	Hruska	Randolph
Carlson	Humphrey	Robertson
Carroll	Jackson	Saltonstall
Case, N.J.	Javits	Schoeppel
Case, S. Dak.	Keating	Scott
Clark	Langer	Smathers
Cotton	Lausche	Smith
Curtis	Magnuson	Thurmond
Dirksen	Martin	Wiley
Dodd	McGee	Williams, Del.
Douglas	McNamara	Young, N. Dak.
Dworshak	Morse	Young, Ohio

NAYS—20

Anderson	Hennings	McClellan
Chavez	Holland	Murray
Ellender	Johnson, Tex.	Russell
Engle	Johnston, S.C.	Stennis
Ervin	Jordan	Symington
Fulbright	Long	Yarborough
Hayden	McCarthy	

NOT VOTING—21

Bennett	Eastland	Mansfield
Bridges	Goldwater	Monroney
Butler	Hill	Pastore
Byrd, Va.	Kefauver	Prouty
Capehart	Kennedy	Sparkman
Church	Kerr	Talmadge
Cooper	Kuchel	Williams, N.J.

So the amendment of Mr. WILLIAMS of Delaware was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. DIRKSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware subsequently said: Mr. President, the senior Senator from Kentucky [Mr. COOPER] was unavoidably absent today. On his behalf, I ask unanimous consent to have printed in the body of the RECORD a statement which he has prepared in

support of my amendment which was agreed to earlier today. I ask that the statement be printed at the appropriate place in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COOPER

A commitment to attend the Southern Baptist Convention in Louisville, Ky., required my absence from Washington today. I had been invited some time ago to appear on the program at this convention with my friend, Brooks Hays, formerly Congressman from Arkansas and now a Director of the Tennessee Valley Authority, and was very happy to do so. However, I did not anticipate that the Senator from Delaware [Mr. WILLIAMS] would offer an amendment to the wheat bill today to place a limit on price support payments to farmers and to corporations engaged in farming.

I strongly support the principle of establishing reasonable limits on the amount of Government price support payments, and on price support loans which, when unredeemed, amount to Government payments. While I recognize the fact that price support activities are effective in helping to protect the price for all farmers, regardless of the size of the operation of the individual producer who benefits first and most directly, I am opposed to large payments which in effect encourage production for Government-owned stocks rather than for the market.

Limits are already established by administrative regulations, or by law, for several other kinds of farm programs such as the soil bank, the agricultural conservation program, and the like. The principle I support is properly applied first to these direct payments, and I hope the Congress will continue to review the level of these limitations. Price support loans differ sharply from direct payment plans, for under the loan programs the farmer puts up his crop as collateral for the loan, and if forfeited the Government takes title to this collateral. The crop has value, the Commodity Credit Corporation inventories are not a loss to the country but an asset belonging to the Government, so the amount of the loan is by no means a measure of any subsidy or loss on the support operation.

However, in my opinion the price support programs are designed primarily for the protection of family farms, and especially to help smaller farmers. In my own State of Kentucky, there are very few large or corporate farm operations. The typical Kentucky farmer must work a smaller acreage, and in fact has less income from his farm than the average farmer in the United States. These small family farms must be protected. The bill to establish a second Country Life Commission, which I introduced last year and on which I testified before the House Committee on Agriculture, is designed to encourage and protect family farms and to recognize the importance of rural life to the entire Nation.

It is apparent, from the evidence presented by the Senator from Delaware and others that huge Government payments are being made to a few individuals under present price support programs. The benefits of our price support programs must continue to be directed primarily toward the farmers who need help most—rather than to highly mechanized farms which have large resources of their own, which are in the best position to produce efficiently and at low unit cost, and which therefore have far less, if any, need of Government price supports.

I have asked that I be recorded in favor of the amendment offered by the Senator from Delaware, Mr. WILLIAMS. If I had been present I would have voted against the substitute offered by the Senator from Minnesota, Mr. HUMPHREY, even though it represented a step in the right direction, in order to have the opportunity of voting for the Williams amendment, which goes further.

I particularly want to point out that in the operation of the tobacco price support program, the Commodity Credit Corporation makes price support loans to farmers' cooperative marketing associations—commonly known as the tobacco pools—which in turn make the price support advances to individual tobacco growers. I am certain that the amendment of the Senator from Delaware, which has been overwhelmingly adopted by the Senate, does not contemplate applying any limit to loans made to these cooperative associations, which are under contract to the Commodity Credit Corporation as its agents in extending tobacco price supports to farmers. I appreciate the action of the Senator from Vermont, Mr. AIKEN, in making this point clear during the debate, as well as that of the Senators from Delaware and Minnesota in clarifying the language of the amendment adopted by the Senate.

Mr. HUMPHREY. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the proper place in the bill, it is proposed to insert:

In the case of any loan to, or purchase from, a cooperative marketing organization, the limitation of $35,000 shall not apply to the amount of price support extended to the cooperative marketing organization; but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such persons for the purpose of applying such limitation. The term "person" shall mean any individual, partnership, firm, joint stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State or any agency thereof except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent evasion of such limitation.

Mr. HUMPHREY. Mr. President, this matter was discussed with the Senator from Delaware [Mr. WILLIAMS] and the Senator from Vermont [Mr. AIKEN] when the $35,000 proposal came up. We discussed whether it applied to a cooperative collectively or to the members of the cooperative individually. The Senator from Delaware responded in the affirmative—namely, that the limitation is not upon the cooperative marketing association, as such, but is upon the individual members.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS of Delaware. What the Senator from Minnesota has said is correct; that was the definite understanding—namely, that my amendment applies the limitation to each individual.

Mr. HUMPHREY. That is correct.

Mr. WILLIAMS of Delaware. As I said, I was trying to provide that each individual shall be allowed to receive that much, but no more.

Mr. HUMPHREY. That is correct.

Mr. WILLIAMS of Delaware. If two or three market collectively, each will be allowed to receive that much, but not a duplication of it.

Mr. HUMPHREY. That is correct.

Mr. WILLIAMS of Delaware. I do not think the language now proposed is necessary. But if it is necessary, I have no objection to spelling out the intent.

The amendment is rather long, and I do not believe all of it is necessary. Will the Senator from Minnesota withhold the amendment temporarily? If, upon further study, we find that such an amendment is necessary, I am sure we can reach agreement in regard to it because, as I told the Senator from Vermont, the amendment already agreed to imposes an overall limitation of $35,000 on the amount which any one person can receive, and provides the mechanics for his receiving it.

So I should like to have a chance to examine further the proposal of the Senator from Minnesota. After we have examined it further, if we then believe it to be necessary, the Senator from Minnesota can offer it later.

Mr. HUMPHREY. Mr. President, I appreciate the attitude of the Senator from Delaware. A number of Senators represent States in which the cooperatives are very important to both agricultural distribution and agricultural production. I realize that the debate which occurs here is a part of the legislative history; but I also realize that debate is not a substitute for statutory language. I hope this amendment will be adopted. If any difficulty about it should develop, the amendment could be clarified in conference, in connection with whatever bill was finally passed by both Houses, rather than to have to rely on an explanatory statement in the RECORD.

I believe there is everything to be gained by pinning down this matter. I say to the Senator from Delaware that my objective is the same as his, and his objective is the same as mine; all of us agree on this point. But I believe statutory language is necessary in this instance, rather than to rely on what we might call the overtones of legislative history. So I believe the amendment should be adopted. After it is adopted, if we find that it needs to be modified, then, as a member of the Committee on Agriculture and Forestry, I say that it can be modified in conference in such a way as to provide for accomplishment of the purpose on which both of us agree.

Mr. WILLIAMS of Delaware. Again, I say there is no difference between what the Senator from Minnesota wants specifically spelled out in the bill and what I want specifically spelled out in the bill.

I do not believe his amendment is necessary; but if there is any doubt about that in the minds of some, I have no objection to spelling out what we intend.

But I ask the Senator from Minnesota to withhold his amendment, so we can study further the proposed language before we vote on it, because I wish to be

sure that we do not open up the matter beyond what we are trying to do.

I repeat that in connection with the amendment as prepared and as offered, there was a definite understanding that under all circumstances each man, each producer, could receive the maximum credit allowed by the preceding amendment, regardless of whether he marketed his crop individually or collectively.

So, Mr. President, if the Senator from Minnesota will withhold his amendment, so we can study it further later in the day, I shall appreciate that very much.

Mr. HUMPHREY. Mr. President, I shall withdraw the amendment—with the option of resubmitting it later—so other Senators may have an opportunity to study it.

Mr. WILLIAMS of Delaware. I thank the Senator from Minnesota.

Mr. HUMPHREY. But I wish to have the amendment agreed to, in order to clarify the preceding amendment.

So, Mr. President, I shall now withdraw my amendment. I shall appreciate it if the Senator from Delaware will look into the amendment and will check on it with the Department. I am asking the staff of the Committee on Agriculture and Forestry to check on the amendment, in order to make sure that it will fulfill the objective on which both the Senator from Delaware and I agree.

Mr. WILLIAMS of Delaware. I thank the Senator.

Mr. HUMPHREY. Accordingly, Mr. President, I now withdraw the amendment temporarily.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota is temporarily withdrawn.

Mr. HUMPHREY. Mr. President, I submit another amendment, which I ask to have stated; it is my amendment which relates to the price support levels on the production of wheat, including the reduction in acreage.

The PRESIDING OFFICER. The amendment submitted by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. Beginning on page 1, in line 5, it is proposed to strike out all of section 106, and to insert in lieu thereof a new section 106.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the amendment I am now offering—it is a portion of the amendment which has been printed—be printed at this point in the RECORD, so a formal record of it will be made. Then I wish to explain the purpose of the amendment.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Minnesota will be printed at this point in the RECORD, without being read in full.

The amendment submitted by Mr. HUMPHREY is as follows:

Beginning on page 1, line 5, strike out all of section 106 and insert in lieu thereof the following:

"SEC. 106. (a) Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 85 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 20 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 344(c)(2) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however,* That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be adjusted for abnormal wheather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acerage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 20 per centum reduction in the farm acreage allotment required under section 344(c)(2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal wheather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 20 per centum under section 344(c) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 85 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop.

Mr. HUMPHREY. Mr. President, Senators have on their desks my printed amendment to Senate bill 1968.

First, Mr. President, the purpose of the amendment, beginning in line 25, on page 4, and extending through page 5, has already been accomplished by the amendment submitted by the Senator from Delaware [Mr. WILLIAMS]—that is to say, in the case of the limitation of $35,000.

Second, the proposal relating to cooperative marketing organizations was offered for purposes of debate, but was momentarily or temporarily withdrawn until some of my colleagues have an opportunity to examine it more thoroughly.

Therefore, Mr. President, the amendment now before the Senate is the one on pages 1, 2, and 3, of my printed amendment, and down to and including line 25 on page 4, together with a technical modification which I have sent to the desk—namely, in section 2 of the bill, in subsection (b), on page 5, after the word "producers", in line 11, strike out the word "electing", and in line 12 strike out the word "choice." The striking out of those words, which now appear on page 5 of the bill, is necessitated by the amendment to the first section of the bill. That amendment on page 5 of the bill is simply a technical, clarifying amendment in the part of Senate bill 1968 to which my amendment is offered.

Mr. President, I wish to call the attention of the Senate to the purpose of my amendment. I shall address my remarks to the Senators who now are in the Chamber—who are limited in number, but are not at all limited in quality; the quality is extremely good.

Mr. President, the purpose of the pending wheat bill should be to limit wheat production, on the one hand—because of the excess supply—and, on the other hand, to improve the income position of the farmer who is a wheat producer.

I know there has been a great deal of talk to the effect that we must enact a wheat bill, so the Department of Agriculture can do something about this situation. But, Mr. President, the enactment of a wheat bill is needed because we must do something about the 1 billion bushels, approximately, of surplus wheat which now are in the possession of the Commodity Credit Corporation; and we need to enact a wheat bill which will permit the wheat farmer to have sufficient income from his production to at least permit him to enjoy a reasonable standard of living.

The Senator from Indiana [Mr. CAPEHART] stated, the other evening, with his usual candor and frankness, a truism; he said that a reduction of the price supports of agricultural commodities

would not decrease production; instead, the result would be to increase production. Then he spelled that out. He pointed out that when the price the farmer receives for his agricultural production goes down, the farmer simply produces a little more, in order to obtain the income he needs to have in order to be able to supply the wants of his family and of his business.

Mr. President, my amendment is predicated on the assumption that if we wish to cut back production, we must provide a price-support program which will offer an incentive for farmer compliance.

We would not succeed in cutting back production if we were to provide for 65 percent of parity; instead, there would be greater production. Production would not be decreased by providing for 80 percent of parity and a 20-percent acreage reduction, because farmers would not accept 80 percent of parity, along with a 20 percent acreage reduction, when they could have 65 percent of parity and could produce all they wanted to produce on the 55 million allotted acres.

The purpose of the Humphrey amendment is made all the more evident by the action which the Senate has just taken in limiting the amount of price support loans to $35,000, in this instance to any one farm.

I tried to point out a while ago that it is not likely that a cotton farmer, for example, will engage in rice production or wheat production overnight, because there is such a large investment in any one particular kind of farming. Therefore, my amendment was offered on the basis of putting a ceiling of $35,000 on crop loans for any one major commodity. I believe in a ceiling on crop loans.

The Senate having acted so decisively in restricting to $35,000 the maximum crop loan that any one farm or any one farmer can have, there is an extra incentive provided in my amendment in terms of cutting production. Furthermore, there surely are some guarantees as to how much money the taxpayer will have to put into this program.

My amendment will, in the first place, reduce production. It will reduce acreage 20 percent. My amendment provides a price support loan of 85 percent of parity on the bushels of wheat to be produced on the remaining acres. But the limitation of $35,000 has already been voted into the bill, so there is an extra protection to the taxpayer in terms of any obligation on the part of the Federal Government with regard to crop loans.

I had provided for all this in one amendment. The amendment which I had placed at the desk last evening provided that acreage allotments would be cut 20 percent.

It provided a limitation of $35,000 in price support loans to any one person in any one year.

It provided a payment in kind for diverted acres not used for a harvested crop or for grazing.

It prevented planting of any price supported crop on diverted acres.

My amendment, which was proposed to the committee bill, imposed penalties on the actual yield of the excess acres, or double the normal yield, if the actual yield was not shown.

It provided a price support at 85 percent of parity, to encourage participation.

The amendment increased the marketing penalty to the basic support rate, which was 85 percent of parity.

My amendment reduced the 15-acre exemption to 12 acres, and restricted it to farms which planted wheat in 1957, 1958, or 1959.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I wish to commend the Senator from Minnesota for the clear statement he has made. As a result of the reduction in income, farmers will have to produce more in order to get as much income as they previously did.

If I may, I should like to talk about the bill for a moment, because I think my statement will fully support the position which has been taken by the Senator from Minnesota.

Let us use a hypothetical case which, however, is based on actual data. I have before me the number of farms by allotment acres in the three principal wheat crop reporting districts in the State of Colorado. The report covers 17,153 farms.

Let us assume that the yield of wheat per acre is 22 bushels. I think the 1959 support is 75 percent of parity, which today amounts to $1.82 a bushel.

Let us assume a Colorado farm with a 500-acre wheat allotment, 250 acres of which go into planting and 250 of which go into summer fallow. Two hundred and fifty acres at 22 bushels an acre equals 5,500 bushels. At a support price of $1.82, that amounts to $9,955. Earlier in the debate the distinguished Senator from Minnesota talked about 500 acres. I am now talking about a Colorado wheat farm with a 500-acre wheat allotment.

Let us look at plan A.

Mr. HUMPHREY. Does the Senator refer to plan A in the committee bill, providing 65 percent of parity?

Mr. CARROLL. Yes, 250 acres at 22 bushels an acre gives a total of 5,500 bushels. If wheat is supported at 65 percent of parity, which is $2.37, it amounts to $1.54 a bushel; $1.54 times 5,500 bushels gives us $8,470.

I am referring to a dry land area, where there is no opportunity for diversification or rotation of crops. The farmer in that area today is struggling because of the price-cost squeeze.

Under this proposal, that farmer's income would be reduced $1,485, or from 12 to 14 percent, under plan A of the bill.

Mr. HUMPHREY. But if the farmer selects that particular option, there will be no reduction in production.

Mr. CARROLL. The Senator is exactly correct. So the proposal does not go to the core of the problem, as the Senator from Minnesota has said. The question involved is how to reduce production. The proposal does not go to that problem at all. As a matter of fact, it will stimulate production, because of the tremendous loss in income to the farmer.

Under plan B, which is 80 percent of parity, if the farmer takes a 20-percent acreage cut, on the same 250 acres, the number of acres left in production will be 200. The farmer will be cutting production in order to get 80 percent of parity. Eighty percent of $2.37 is $1.90. But the number of bushels produced has been reduced from 5,500 to 4,400.

What does the Senator think the loss to the hypothetical farmer will be? Under plan B, the loss will be greater than it will be under plan A, because his loss will be $1,595.

As I understand the amendment of the distinguished Senator from Minnesota, it is designed to increase the percentage parity. It also contains a cutback in production. Is that correct?

Mr. HUMPHREY. Yes.

Mr. CARROLL. I have not had an opportunity to compute the figures, but I am afraid that the adoption even of the amendment of the Senator from Minnesota will result in reducing the income of the 500 acre farmer in Colorado to which I have referred.

I did not want to interrupt the statement of the Senator from Minnesota, but his explanation was so lucid, namely, that our problem is how to cut production and still not destroy some of the family farms in America, that I thought I should interrupt.

Mr. HUMPHREY. I will say to the Senator, his figures are most helpful in terms of gaining better understanding of what we are talking about. We are talking about dollars and cents, about bushels, and about acreages.

The Senator has discussed the committee bill, in part. The Senator has discussed the provision for 65 percent of parity at the full acreage allotment of 55 million acres. The Senator has discussed the option of 80 percent of parity with a 20-percent reduction in the allotted acreage.

My proposal is different. My proposal is that if a farmer cuts 20 percent of his acreage he will receive 85 percent of parity. If he does not, there will be a greater reduction. If the farmers do not vote for marketing quotas—in other words, if the farmers turn back the program of a 20 percent reduction in acreage in order to obtain 85 percent of parity—then the farmers will receive only 50 percent of parity for production on the allotted acres.

I want the Senate to understand that the wheat bill which is before us is a tough bill. Let us make no mistake about it. The pending wheat bill, Mr. President, will do a lot of things. It will reduce the 15-acre exemption to 12 acres. That is a 20 percent reduction for the small farmer. The bill will increase the marketing penalty to the basic support rate, which will mean the farmer will have a real penalty if he overplants or overmarkets. The bill will impose penalties on the actual yield on any extra acres.

The present law, as an example, imposes penalties, but not upon the actual yield, only upon a small percentage of the actual yield.

Furthermore, Mr. President, the bill provides that there shall be no price supports whatsoever for those who do not cooperate with the program under allotments or marketing agreements.

Speaking now with respect to the committee bill, regardless of what we do as to the price support levels, the bill will tighten up the present law. It will reduce the 15-acre exemption to a 12-acre exemption. It will increase the penalties. It will lift the amount of penalty for the actual production on excess acres. Furthermore, it will take price supports away from those who do not comply, or who are noncooperators.

Mr. President, I will conclude my argument as to the amendment by asking a series of questions, which I think have built within them the answers.

What is the purpose of the Senate in dealing with proposed wheat legislation? We already have wheat legislation on the books. The purpose of the Senate is to design legislation which will reduce production and will start to reduce the great wheat inventory in the Commodity Credit Corporation stocks, at the same time without imposing a heavy penalty upon the farmers who are complying with the program by causing a sharp drop in farm income.

Furthermore, the purpose of the farm program which we are talking about today is to see to it that as we curb wheat production we do not inflate other production. The Senator from Minnesota has proposed the only amendment which has what we call cross-compliance. I will say to my friends, I have heard much loose talk, in Congress and out, in the press and in the magazines, about the fact that when we ask farmers to divert acres, to take acres out of production of wheat, the farmers put those acres into the production of sorghums or of some other type of feed grain. The Humphrey amendment has strict cross-compliance, and when 20 acres are taken out of production it will mean 20 acres will be out of production even to the point where there will be no grazing, and nothing will be planted on them.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. What else do we wish to do for the farmer who takes acres out of production? We plan to give him one-third of his average yield on such acres, to be taken out of the Commodity Credit Corporation stocks.

In other words, let us assume that 20 acres are taken out of production, and the average production is 20 bushels to the acre. That would be 400 bushels; 400 bushels would be the average production on the 20 acres taken out of production. We would then give to the farmer one-third of those 400 bushels, to be taken out of the Commodity Credit Corporation stocks, for a payment in kind because he complied with a farm acreage and production reduction program.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. In other words, the farmer will receive approximately 133 bushels as a payment in kind for a real compliance.

If we want to have a production cut we will have to get tough about it, or we will not get it done. I hope the Senate will have as much courage in cutting production as it has had with regard to income.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield me some additional time, from the time on the bill?

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Minnesota from the time on the bill.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Oregon.

Mr. MORSE. I shall take only a minute.

First, I wish to say that I shall support the amendment of the Senator from Minnesota because it is better than what we have before us. However, I much prefer the wheat stabilization program for wheat, which the Senator from Kansas and I have supported in the Senate for some time. I understand that the wheat stabilization amendment of the Senator from Kansas will be offered later this afternoon. I have to make a decision now as to what I shall do with regard to the Humphrey amendment. I shall support the amendment, because even if we adopt the amendment we will not close the door, necessarily, to the wheat stabilization program.

Mr. President, I should like to state briefly my reasons for supporting the Humphrey amendment. It has become increasingly evident that action is necessary to reduce the wheat inventory carried by the Commodity Credit Corporation. Intelligent action demands, however, that we assure ourselves that what we do will accomplish our objective. The bill, as reported by the committee, will not, in my judgment, do what its supporters want to accomplish. Therefore, for the purpose of strengthening the chances of effective operation, I shall support the amendment of the Senator from Minnesota to provide for an 85 percent of parity price support with a 20-percent reduction in the allotted acreage. I say that as a Senator from one of the great wheat producing States of America.

To do otherwise would mean that we expect the farmers to absorb all the financial burden. How can we expect the farmer willingly to cut his own economic throat? We must provide some sort of an incentive for the farmer.

I understand that even if the Humphrey amendment is adopted the income of the farmers will be slightly less than the income they receive under the present 75 percent of parity support prices. My own inclination is for a stronger incentive, along the line of the proposal for a 30-percent reduction in acreages with 90 percent of parity price supports. Certainly we ought to provide some sort of economic umbrella for the protection of the wheat farmers.

Mr. President, I close by saying to the wheat farmers of my State that Mr. Floyd Root, of Wacco, Oreg., president of the National Association of Wheat Growers, is present at the Capitol and has been listening to the debate. I have consulted with him on various occasions during the debate. Although he and I stand shoulder to shoulder in favor of the wheat stabilization plan, which will be proposed later this afternoon by the Senator from Kansas, he agrees with me that the Humphrey amendment would improve the committee bill in that it would permit less wheat production, but at the same time an improved parity price. In view of the clear case which exists for the need for some change in the wheat program, I am pleased to notify the Senator from Minnesota that I shall support his amendment because it will deal with the problem temporarily without seriously reducing the wheat farmers' income.

Mr. HUMPHREY. I am very grateful to the Senator from Oregon.

Mr. President, I ask unanimous consent to have my explanation of the amendment printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection to the request of the Senator from Minnesota?

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

HUMPHREY WHEAT AMENDMENT—BRIEF EXPLANATION OF S. 1968 AS AMENDED BY SENATOR HUMPHREY

The bill as amended would accomplish four major objectives:

1. Curb production of wheat and thus hold down the inventory of Commodity Credit Corporation;

2. Curtail tax expenditures through reduced takeover and limitation on size of loan;

3. Establish a price support at a realistic level that will encourage compliance with the allotment reduction without a drastic reduction in farm income;

4. Provide program benefits only to those who comply with the regulations.

This bill, with respect to the 1960 and 1961 wheat crops, would—

1. Reduce farm acreage allotments 20 percent;

2. Limit price support to any person in any year to $35,000;

3. Provide a payment in kind for diverted acres not used for a harvested crop or for grazing;

4. Prevent planting of any price-supported crop on diverted acres;

5. Impose penalties on the actual yield of the excess acres (or double the normal yield, if the actual yield is not shown);

6. Provide price support at 85 percent of parity, to encourage participation;

7. Increase the marketing penalty to the basic support rate (85 percent of parity);

8. Reduce the 15-acre exemption to 12 acres and restrict it to farms which planted wheat in 1957, 1958, or 1959.

In addition, it would permanently repeal authority of Secretary of Agriculture to support prices to noncooperators for wheat, cotton, rice, peanuts, or tobacco.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield now to the Senator from Colorado.

Mr. CARROLL. Let me say to the distinguished Senator that I have talked about plan A and plan B, as contained in the proposed legislation. I now examine the so-called Humphrey amendment. I observe a much better position with reference to the loss of income to the farmer. Why? Because he would get 85 percent of parity; although I think the record should be clear that that still represents a loss of income to the farmer.

Mr. HUMPHREY. The Senator is saying that it represents a loss on the basis of a crop loan; but the purpose of the Humphrey amendment is to raise the market price. The crop loan is not supposed to be a ceiling, but rather a minimum. Is the Senator referring to the loss of income in terms of price support loans?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CARROLL. Mr. President, may I have an additional minute to propound a question to the Senator from Minnesota?

Mr. ELLENDER. I yield the Senator from Colorado 2 minutes out of my time.

Mr. CARROLL. I thank the distinguished Senator from Louisiana.

Mr. President, some of us do not understand what is meant by payment in kind. This amendment may enhance the value of the legislation to the farmer.

Mr. HUMPHREY. The amendment does provide better income on price support loans than the other proposals before us.

Second, I think the Humphrey amendment would raise the market price. I have in my possession—and I hope to be able to present it later in the debate—an article showing how the market price is affected by the 105 percent of the price support price which the Commodity Credit Corporation has as its disposal price in the free market. When the Commodity Credit Corporation sells, it must sell at 5 percent above the price support loan price.

Therefore, when the farmer gets 85 percent of the price support, it is a better market price in the free market than an 80 percent price support.

Payment in kind means an added benefit to the farmer. It represents not dollars to the farmer, but wheat which he can use as feed on his farm. We give him one-third of the average annual production on what we call his lost acres, or diverted acres. If 50 acres go out of production, and the average production is 20 bushels to the acre, that represents 1,000 bushels. So the farmer gets one-third of 1,000 bushels, or 333⅓ bushels, as a gift from the Commodity Credit Corporation, or as an incentive payment to comply with strict cross-compliance.

My program is a cross-compliance program. We do not take 20 percent of wheat acreage out of production and put it in grain sorghums. We put nothing on those acres. In other words, we reduce production by helping price; and in helping price, we help income. At the same time, we take from the Commodity Credit Corporation a substantial amount of grain as payment in kind.

Mr. CARROLL. I thank the distinguished Senator for his explanation. There is no doubt in my mind that his amendment is far superior to the pending bill, and would be better for the farmer. It would be better from the standpoint of income. Also, I sincerely hope that it will curb production to some extent.

As the distinguished Senator has said, this is a difficult problem. I feel that the Senator's amendment is a step toward solution of that problem.

Mr. President, I shall vote for the Humphrey amendment.

Mr. HUMPHREY. Mr. President, I thank the Senator from Louisiana for his generosity in yielding additional time to me. He is very kind.

Mr. ELLENDER. Mr. President, I understand that I have 13 minutes remaining.

The PRESIDING OFFICER. The Senator is correct.

Mr. ELLENDER. I yield myself 8 minutes.

Mr. President, the pending bill would reduce the support price for all farmers who plant the full amount of their allotted acreage. Those who agree to reduce their acreage by 20 percent would obtain an 80 percent of parity price support.

The Humphrey amendment is very cleverly drawn. In my judgment, it would seem to give the farmer more money than he would obtain if the program were to continue as it is now in operation. The 65 percent formula written into the pending bill would give to the producer a price support of $1.53 a bushel. Those who elect to plant all their acreage would receive $1.53 a bushel. Those who reduced their acreage 20 percent would receive, under the terms of the pending bill, $1.89 a bushel, whereas, under the Humphrey amendment, those who reduced their acreage 20 percent—and that reduction would be made obligatory, by the way—would receive $2.01 a bushel.

Aside from receiving a larger support price on the 20 percent of the acreage which is not planted to wheat, if the farmer desires not to utilize the land at all, either for pasture or for any other purpose, he would, under the Humphrey amendment, receive a payment in kind from the excess surplus wheat we have on hand, equal to a third of what the farmer would have produced if he had planted those acres.

I am quite certain that the farmer would follow the same course which has been followed in the past. With a reduced acreage, the farmer uses a little more fertilizer and plants a little more wheat. With a price support of $2.01, it would probably pay him to do that. I feel confident that the result would be that we would end up with almost as much wheat as we now produce at a greater cost to the Government.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. The Senator is not unmindful of the $35,000 limitation on crop loans, is he? This is the real lid on the total cost to the Government.

Mr. ELLENDER. Nevertheless, the cost to the Government would be increased, whether we had a limitation or not, on smaller farms whose production is less than the $35,000 limitation.

I did not hear the distinguished Senator say anything on this point, but his amendment provides that in the event the farmer chooses to plant to other crops the number of acres which he does not plant to wheat he could do so, provided such alternative crop is not subject to price supports. That is correct; is it not?

Mr. HUMPHREY. Yes; if the Senator can think of one.

Mr. ELLENDER. There is alfalfa hay, broom corn, vegetables, particularly potatoes for example.

Mr. HUMPHREY. Carrots, spinach.

Mr. ELLENDER. Yes; and other crops. He could also produce chickens, and eggs. The point I am trying to make is that the farmer has two alternatives; either he can leave the 20 percent unplanted or he would receive from the Government a third of the wheat that he would have produced on those acres. Then if we take the value of that wheat and add to it the value of the increased crop that would be produced on 80 percent of his allotment, my guess is that the farmer's income would be much greater than if he complied with the law as it now exists.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARROLL. I agree with the Senator, that not only under the Humphrey amendment but under the language of the bill the same thing would be true. For example—and I shall be very brief—let us take plan A, with 65 percent of parity. I have used a farm situation in my own State to show what that would mean to a small farmer. In my example it would mean that whereas he would get $9,955 today, under plan A, with 65 percent of parity, he would lose 15 percent. Under plan B, the same farmer with a 20 percent acreage cut, would lose much more than under plan A. The reason I am for the Humphrey amendment is that, even though we would pay him $2 as the support price, we would also reduce his production, and, instead of taking a 15 percent loss, he would be taking a 10 percent loss. That is the small farmer who is struggling to get by.

The committee bill will not reduce production at all.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I have pointed out that the pending bill offers the prospect of a reduction in the production of wheat by 130 million bushels to as much as 200 million bushels—or, in other words, production about equal to consumption, plus exports and seed.

Mr. CARROLL. Mr. President, will the Senator yield further? Is it not a part of the Democratic party's philosophy——

Mr. ELLENDER. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. CARROLL. I merely wished to ask a question. I always thought it was a part of the Democratic Party's philosophy that cutting a farmer's acre-

age does not necessarily mean that production on that farm will be cut, because he will apply more fertilizer and work harder to make up his production. I have always thought that was the Democratic Party's philosophy.

Mr. ELLENDER. If the Humphrey amendment is agreed to, that will be the case. I yield 2 minutes to the Senator from Kansas.

Mr. CARLSON. Mr. President, I appreciate the fact that the distinguished Senator from Minnesota has offered an amendment which he feels will be helpful in the wheat producing area. I cannot support it. It makes a mandatory 20-percent reduction in the present allotment of acres. I wish the RECORD to show that the wheat farmers in Kansas and in the wheat States are complying with our allotment program. The Kansas wheatgrowers planted 17.8 million acres, or approximately 18 million acres in 1951. The allotment acreage for Kansas wheatgrowers is 10.5 million acres. If they took a cut of 20 percent, it would reduce the allotment acreage to approximately 8 million acres. Our farmers cannot take that large a cut.

That is one reason.

The second reason is that I do not believe it will reduce production. I believe it will build up our surpluses and will continue to build them up. I have great doubt that the bill as proposed by the committee will reduce production. I believe I am safe in predicting that we will have a surplus of at least 75 million bushels under the committee bill.

Therefore, I am unable to support the bill or the proposal submitted by the Senator from Minnesota.

I hope to offer this afternoon an amendment providing for domestic parity, at which time I shall discuss it.

Mr. ELLENDER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. One minute.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Does the Senator yield back his remaining time?

Mr. MUNDT. I have been yielded 4 minutes by the minority leader. He is not in the Chamber.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 4 minutes.

Mr. MUNDT. Mr. President, I rise in support of the Humphrey amendment. I voted against S. 1968 in committee because it is a bill which, while it is designed, perhaps, to reduce wheat production by a little bit, it certainly would reduce the income of the wheat farmers substantially. If we are to compel a reduction in production in a man's livelihood, in the factory that he owns as his farm, we must provide some compensatory factors which will not necessitate the farmer himself taking all the loss of money because of the necessity of reducing production.

Consequently, as between the two alternatives—and I am not very happy with either one of them—the Humphrey amendment and S. 1968—I shall support the Humphrey amendment, because it at least moves in the direction of providing compensation to the farmer for the fact that he is reducing his income when he reduces his acres.

Since we are compelling him in S. 1968 to take the Hobson's choice between struggling along with 65 percent parity, while maintaining his farming operation within the allotted acreage, which seriously would curtail his income, and plan B, under which he would receive only 80 percent of parity if a 20-percent reduction is made in his acres, I prefer the Humphrey substitute, which at least raises that second figure to 85 percent of parity.

Even so I point out that with the change in the parity formula we are not talking about giving any bonus to the wheat farmer when we talk about giving him 85 percent of parity. He will be lucky if he can maintain his level of income, because he would have reduced by 20 percent the production on which he received that 85 percent of parity.

I really believe that with the alternatives before us, the domestic parity proposal, which I understand will be put forward in the form of an amendment by the Senator from Kansas [Mr. CARLSON], is the optimum choice.

We are confronted with the urgent necessity of doing something about wheat, because we have this tremendous surplus on hand.

I point out that the surpluses are a national problem. Consequently we must bring into focus national resources in solving it. My major point of disagreement with S. 1968 is that we would, under it, try to solve a national problem through the pocketbook of the individual farmer. That is neither good economics nor good ethics, because the individual farmer is not responsible for the fact that under prevailing laws and programs we have this bounty of wheat which we have been unable to dispose of profitably, nor for the good weather which has given us an all-time high production in the crop year immediately past.

I believe that the farmers, under a temporary stopgap measure, can live with the Humphrey substitute. I do not believe it will give them what they should have. Neither will it give them the parity income to which they are entitled. It will not do for them what Congress has already done for labor in writing a minimum wage bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. May I have the minute which was yielded to me conditionally?

Mr. AIKEN. I yield 1 minute on the bill.

Mr. MUNDT. It will not do for the farmer what Congress has done for the maritime industry. It will not do for the farmer what Congress has done for the publishing industry. It will not do for the farmer what Congress has done for the aircraft industry. But it will give recognition to the fact that if curtailment in production is made mandatory by law, at least some compensation should go to the farmer by way of a little higher percentage of parity than he would otherwise receive. I urge Senators to support the Humphrey amendment.

The PRESIDING OFFICER. The Senator from Louisiana has 1 minute remaining on the amendment.

Mr. AIKEN. I will yield back the time remaining to me if the Senator from Louisiana will yield back the remainder of his time.

Mr. ELLENDER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. SYMINGTON. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The question first comes on the amendment offered by the Senator from Minnesota [Mr. HUMPHREY]. All time for debate having expired, the question is on agreeing to the amendment of the Senator from Minnesota.

Mr. SYMINGTON. Mr. President, I offer an amendment to the amendment of the Senator from Minnesota to reduce farm acreage allotments by 22 percent instead of 20 percent.

The PRESIDING OFFICER. The amendment to the amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. Wherever it occurs, in the amendment of the Senator from Minnesota, it is proposed to strike out "20 percent" and insert in lieu thereof "22 percent."

The PRESIDING OFFICER. The amendment of the Senator from Missouri to the amendment of the Senator from Minnesota is to reduce farm acreage allotments 22 percent. The Senator from Missouri has 15 minutes.

Mr. SYMINGTON. Mr. President, few would deny the seriousness of the present wheat situation.

The Commodity Credit Corporation as of March 31, 1959, had more than $3 billion invested in wheat. More than $2.1 billion of this is owned by the Government and is stored in warehouses, bins, Liberty ships, and elsewhere throughout the country.

Last year, with especially favorable weather conditions, wheat production established an all-time record of 1,462 million bushels. The estimate for the 1959 wheat crop is some 1,200 million bushels. At the same time, our needs for domestic and export purposes are approximately 1 billion bushels.

This means that in 1959, based on the Department of Agriculture's estimate of production, some 200 million bushels will be added to the present supplies. Storage costs on this inventory are phenomenal.

This situation cannot continue; something needs to be done. Public feeling over the failure of this program is increasing.

The Secretary of Agriculture has failed to present to Congress realistic proposals to meet the situation. Despite the fact that the past 6 years have proved that his lower price theory for solving the farm problem has not worked, all his recommendations involve further cutting of the price for wheat.

The Committee on Agriculture and Forestry has worked long and hard in trying to come forth with a sound program for dealing with the wheat crisis.

It is faced with an almost impossible task of molding the divergent views of the farm organizations.

Mr. President, the problems faced in solving this wheat situation can be capsuled into three or four areas.

First, we must take positive action to bring production in line with realistic need. There are two alternative ways of accomplishing this. One is to increase the use of wheat There are millions of hungry people throughout the world for whom our wheat would be a godsend. It is toward this end that I introduced a bill to require 25 percent of our foreign aid funds to be in the form of surplus agricultural commodities.

It is also toward this end that I joined the distinguished Senator from Minnesota [Mr. HUMPHREY] in sponsoring the food-for-peace bill.

As too often has been the case, the administration has opposed these bills, as well as other constructive approaches introduced both in the Senate and in the House.

Nevertheless, I am confident the leadership in Congress will take action on these and other measures designed to use greater quantities of wheat and other commodities as a blessing instead of an economic curse.

The best efforts along this line are not enough to utilize the productive capacity of the American wheat farmer. Therefore, it is essential that we take action to adjust production more nearly in line with requirements.

According to Department of Agriculture technicians, a reduction in acreage of approximately 20 percent below the 55 million national allotment now in effect would, under normal weather conditions, bring an approximate balance to supply and demand.

Mr. President, unless we take action and reduce production by at least this much, we will not have effectively dealt with the brunt of the wheat problem. Any lesser reduction will only add to the inventory. Wheat farmers, through their organizations, have indicated a willingness to make such a reduction.

As with all farmers, the wheat farmer is faced with high fixed and increasing variable costs. In order to meet his obligations and maintain a minimum standard of living for his family, he needs a certain minimum number of dollars. Volume times price minus costs gives him this minimum number of dollars. If his volume is to be reduced 20 percent, the wheat farmer needs a commensurate increase in price.

These are the basic economic facts of life facing the American farmer and which the administration in the Department of Agriculture has ignored during the past 6 years.

Therefore, if we are to solve the wheat problem, if we are to bring production into line with demand, then we must reduce allotments. To encourage compliance, price supports will be increased by 10 percent.

This is the type of proposal which I presented to the Committee on Agriculture and Forestry, and which a number of the members of the committee supported. It is now pending as an amendment to the bill.

This approach has the support of the National Association of Wheat Growers, the Farmers Union, and I believe the vast majority of the commercial wheat farmers in the United States.

If we really want to solve the wheat problem, the adoption of this amendment is of paramount importance.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield.

Mr. HUMPHREY. It is always gratifying to have the active support of the distinguished Senator from Missouri in matters of agricultural policy, and in other matters, as well.

The Senator from Missouri has discussed not only the amendment which is now before the Senate, but also the whole farm problem in its broadest dimensions. The truth is that once in this country when a farmer received some price support he complied with the program; he engaged in acreage reductions and marketing quotas; he limited his productive capacity; and the Nation had a good farm program.

This administration has sold the American people a bill of goods—and cheap goods, at that. It has proposed a pretty lousy bill, too; namely, that by reducing prices and price supports, production will be reduced. I challenge the administration to produce one scintilla of evidence in behalf of so fallacious an assumption.

What is more, the administration's program is bent in one direction—namely, toward lower price supports with, at the same time, no controls.

A referendum was taken among corn farmers in all the commercial corn areas of the Nation. They are spread throughout the Nation. The referendum was participated in by less than 20 percent of the eligible voters. Only 20 percent participated, because those who were eligible did not really have anything to vote on; they had only a choice between two bad programs. So they took the one that imposed the least control and provided a guaranteed price of approximately $1.10 a bushel.

Mr. President, if nothing else comes out of this debate, I want to go on record as follows: More corn will be produced this year than in any other year in the Nation's history, unless an act of God results in a drought or unless some pestilence limits production in the corn-producing areas.

Mr. President, in the State of Minnesota, which is known for its corn production, the largest acreage has been planted to corn this year in the history of the State. So there will be more corn production than ever, and under what terms? Under the terms of the administration's program; and although the administration says its program will result in a decrease in production, actually it will cut the heart out of the agricultural economy. Mr. President, more limitations of that sort are being proposed year after year. But, thank goodness, some of us are standing up and fighting to provide the agricultural minority of the people of the country with some protection and some help.

I thank the Senator from Missouri for yielding to me.

Mr. SYMINGTON. Mr. President, I thank the Senator from Minnesota for his remarks in regard to protecting the agricultural segment as well as other segments of the country's economy.

Mr. President, in February of this year the Secretary of Agriculture promised the distinguished chairman of the Committee on Agriculture and Forestry that he would submit an omnibus bill. That was 4 months ago, Mr. President; and the Secretary of Agriculture has not yet fulfilled that promise.

Mr. President, it has become clearer and clearer that the basic concept of price support and production adjustment are being disregarded. Certainly production controls are not being enforced. And certainly there cannot be price supports unless the controls are enforced.

Mr. President, I yield to the distinguished chairman of the Committee on Agriculture and Forestry the remainder of the time available to me.

Mr. HUMPHREY. Mr. President, at this time will the Senator from Missouri yield to me, so that I may ask that the yeas and nays be ordered on the question of agreeing to my amendment?

Mr. SYMINGTON. Mr. President, I have already yielded to the Senator from Louisiana the remainder of the time under my control.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 minutes.

Mr. ALLOTT. Mr. President, I am very happy to speak on a subject which probably is as close to my heart as any subject in the world. But I must decry some of the reasoning which Senators have stated in regard to what is a minority of the population of the country; and it has been becoming an increasing smaller and smaller minority, not only during the Republican administration of the last 6 years, but also during the preceding years since 1930, and even prior to that time.

Mr. President, I do not wish to discuss this subject on a political basis; but neither am I willing to remain silent when I hear the administration castigated. Instead, I rise to its defense.

I am sorry the Senator from Minnesota has had to leave the floor for a moment. I hope he will return before I conclude my remarks, because I wish to address myself particularly to some of the remarks he made.

Unfortunately, Mr. President, in dealing with this matter Senators have used false syllogistic reasoning. As you will recall, Mr. President, a syllogism includes a major premise, a minor premise, and a conclusion. Senators have stated fairly well the major premise; but when they came to the minor premise and the conclusion, they have fallen into error.

For many years we had what is known as a high, fixed parity in the case of wheat and other agricultural commodities. Then we provided for flexible supports. I believe the theory of all who supported the flexible supports, espe-

cially in connection with the soil bank program, was that the combination of the two would bring about a balance of demand and supply which would tend to raise the prices of the agricultural commodities over the supported prices.

The statement—which has been made over and over again on the floor of the Senate—about what will happen simply by raising the support prices of these agricultural commodities is false. Because the flexible supports have been accompanied by increases in production, it is assumed—and this is where Senators fall into error in their reasoning—that if the supports are raised, the quantity of agricultural production will be reduced.

Mr. President, that is the greatest mistake any person who approaches this problem could possibly make. The reduction of the support prices is not the only cause of the increase in agricultural production. Another cause is the improved technology which has been applied to farming, and has permitted farmers to produce more and more and more from the same acreage as time has passed. That has been true, not only in the case of wheat, but also in the case of corn, cotton, and potatoes.

So, Mr. President, this problem should not be approached on the basis of a belief that simply by raising the support prices it will be possible to take care of some of the major problems—namely, the huge surpluses now in the hands of the Government and also the overproduction of goods.

Mr. President, I was going to submit an amendment—which I shall not submit now—but one of the weaknesses of the amendment of the Senator from Minnesota is that it calls for payments in kind. Mr. President, what would become of those payments in kind? It is true that, under his amendment, they would not be subject to a support price. But what would the farmer do with the wheat paid to him in kind? The wheat producer is not a cattleman; and—contrary to what we sometimes hear—wheat does not make good feed; at best, it is only a substitute feed for cattle. So what would become of the wheat?

In other words, under such a program, nothing would be done about the oversupply of wheat, because the wheat would still be in sight, whether it was in the storage bins or whether certificates for it had been given by the Government agency to the farmer; in any case, the wheat would still be there; nothing would have been done with it.

Mr. CARLSON. Mr. President, on that point, will the Senator from Colorado yield to me?

Mr. ALLOTT. I yield.

Mr. CARLSON. I believe the Senator from Colorado has made a very pertinent statement in regard to the provision of the Humphrey amendment for payments in kind. The Senator from Colorado knows as well as I do that in the Wheat Belt such payments in kind could not be fed; all the farmers could do would be to sell the wheat or use it; as I understand, they would not be allowed to obtain a loan for it, but only to sell it or use it.

Mr. ALLOTT. The farmer could sell it, but he could not obtain a support loan on it.

Mr. CARLSON. And, of course, that would have a serious effect on the market for wheat, provided the payments in kind were substantial.

Mr. CARROLL. Mr. President, will my colleague yield to me?

Mr. ALLOTT. I yield.

Mr. CARROLL. I asked the Senator from Minnesota that very question, because I did not understand what he meant by "payment in kind." I may be mistaken; but I understand that the wheat could be given to the farmer from the wheat in the Commodity Credit Corporation warehouses; and, if the information which I have received is correct, the farmer could sell the wheat on the open market for the market price.

Mr. ALLOTT. Yes, he could sell the wheat or he could feed it or he could do anything else he wanted to do with it, except receive the support price for it.

The PRESIDING OFFICER. The time yielded to the Senator from Colorado has expired.

Mr. ALLOTT. Mr. President, will the Senator from Louisiana yield 5 additional minutes to me?

Mr. ELLENDER. Mr. President, I yield 5 additional minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Louisiana has 11 minutes remaining under his control, inasmuch as the Senator from Missouri [Mr. SYMINGTON] yielded 6 minutes of the time available to him to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I yield 5 additional minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 5 additional minutes.

Mr. ALLOTT. I thank the Senator from Louisiana.

The question of payment and repayment in kind is not new. It is a question which has been discussed at farm meetings all over the country. But the proposal will have a secondary effect which can be quite dangerous as far as the bill is concerned. If the great wheat producing areas of the country were to reduce acreage by 20 percent and the farmers were paid back in kind, the only thing they could do with the wheat is put it on the market as secondary feed. When they do that, it immediately affects prices of other grains and grain feeds, especially grains which are used as substitute feed in the great wheat producing areas. So not only would grain feed prices be affected, but we would get into the question of what would happen to the price of livestock.

I have discussed the latter problem with many economists. None of them are able to predict what will happen. The ones I have talked to think that eventually there will be a lowering of cattle prices, which at the present time are pretty good.

I agree that the purposes enumerated by the Senator from Minnesota are good. The objective is to cut back production, keep up income, reduce surpluses and Government stockpiles, and not support other surplus crops.

However, if the amendment of the Senator from Minnesota were adopted—and, of course, I am not in favor of the 22 percent provision for the same reasons the Senator from Kansas said he could not support the 20 percent provision—we would not be helping the problem of Government surpluses one iota. Instead, we would be opening a Pandora's box of other troubles with respect to secondary problems which would then plague us.

The Senator from Minnesota has said he will stand up and fight to protect the minority. Let me say to my friends in the Senate this is not a political question. The farmers of Louisiana are small farmers, as are the farmers of Colorado, the farmers of Kansas, the farmers of Indiana, and the farmers of other States. This is not a political question. The minute we put this question on a political basis, we shall get no farm legislation.

So far as making the administration the whipping boy on the question, let me say it is the responsibility of Congress to legislate on this subject. For 4 years, while I have been in the Senate, we have seen this problem growing and expanding. Congress has not legislated on the matter. I, for one, will not see the administration made the whipping boy when it is the responsibility of Congress to legislate in this field and when, so far, it has not done so.

I thank the Senator from Louisiana for yielding time to me.

Mr. SYMINGTON. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Missouri has 6 minutes remaining to him.

Mr. SYMINGTON. Mr. President, I favor the pending amendment because I believe it offers a real opportunity to reduce the current wheat inventory and, under the bill as it is now proposed, we do not have that opportunity.

Mr. ALLOTT. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. I yield for a question.

Mr. ALLOTT. If the Senator can show me how inventories can be reduced by paying back to the farmers in kind, to be disposed of as they see fit, I will concede him the point.

Mr. SYMINGTON. If we raise the price supports and reduce the allotments by 20 percent, the net inventory will be reduced. That is my position after studying the wheat situation. Therefore, I support the amendment proposed by the Senator from Minnesota and withdraw my amendment and yield back the time remaining to me.

The PRESIDING OFFICER. The Senator from Missouri has withdrawn his amendment.

Mr. MURRAY. Mr. President, I shall vote for the Humphrey amendment to the wheat bill, and will support the wheat bill if it is adopted, although I do not consider the level of price support being given the farmers—85 percent of parity—an adequate amount in view of the farmers' obligation to reduce wheat acreage by 20 percent.

We are asking the farmers, in effect, to pay for Ezra Taft Benson's blunders. Benson told us that lower price supports would result in decreased production of price-supported crops. Instead, there have been record crops as farmers have planted more acres in an effort to avoid bankruptcy. Wheat stocks are at an all-time high, and there is an obvious and urgent need for production control. But to cut the farmers' income further, after 6 years of continuing effort to subsist under Benson, will inevitably mean that many more families will have to leave the land.

I have long voted for 90 percent of parity farm price supports. The wheat farmers, for their part, have accepted acreage restrictions prescribed by law.

Now we are asking farmers to take deeper-than-usual acreage reductions and offering them, not 90-percent supports, but only 85-percent supports if they will accept the cuts. The offer should be 100 percent, but I recognize the impossibility of getting a bill which would be equitable to the farm people signed by the President and finally enacted into law.

In supporting the Humphrey amendment, I do so only because I believe it may prevent the complete collapse of a Federal wheat program, which appears to be the goal of the present administration.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY].

All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from Minnesota.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY]. The yeas and nays having been ordered, and all time on the amendment having been yielded back, the clerk will call the roll.

The legislative clerk called the roll.

Mr. HENNINGS. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting, the Senator from Alaska would vote "nay" and the Senator from Oklahoma would vote "yea."

On this vote the Senator from Virginia [Mr. BYRD] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Virginia would vote "nay" and the Senator from Massachusetts would vote "yea."

On this vote, the Senator from Idaho [Mr. CHURCH] is paired with the Senator from Rhode Island [Mr. PASTORE]. If present and voting, the Senator from Idaho would vote "yea" and the Senator from Rhode Island would vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Mississippi would vote "nay" and the Senator from Oklahoma would vote "yea."

On this vote, the Senator from Maine [Mr. MUSKIE] is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Maine would vote "nay" and the Senator from Alabama would vote "yea."

On this vote, the Senator from Montana [Mr. MANSFIELD] is paired with the Senator from Vermont [Mr. PROUTY]. If present and voting, the Senator from Montana would vote "yea" and the Senator from Vermont would vote "nay."

I further announce that, if present and voting, the Senator from Tennessee [Mr. KEFAUVER], would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from California [Mr. KUCHEL], and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Kentucky [Mr. COOPER] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Utah [Mr. BENNETT], is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Utah would vote "nay" and the Senator from Kentucky would vote "yea."

On this vote, the Senator from Vermont [Mr. PROUTY] is paired with the Senator from Montana [Mr. MANSFIELD].

If present and voting, the Senator from Vermont would vote "nay" and the Senator from Montana would vote "yea."

The result was announced—yeas 30, nays 48, as follows:

YEAS—30

Carroll	Jackson	Mundt
Case, S. Dak.	Johnson, Tex.	Murray
Clark	Johnston, S.C.	Neuberger
Douglas	Langer	O'Mahoney
Gore	Magnuson	Proxmire
Hart	McCarthy	Schoeppel
Hartke	McGee	Symington
Hennings	McNamara	Yarborough
Hill	Morse	Young, N. Dak.
Humphrey	Moss	Young, Ohio

NAYS—48

Aiken	Dworshak	Long
Allott	Ellender	Martin
Anderson	Engle	McClellan
Beall	Ervin	Morton
Bible	Frear	Randolph
Bush	Fulbright	Robertson
Byrd, W. Va.	Green	Russell
Cannon	Gruening	Saltonstall
Capehart	Hayden	Scott
Carlson	Hickenlooper	Smathers
Case, N.J.	Holland	Smith
Chavez	Hruska	Stennis
Cotton	Javits	Talmadge
Curtis	Jordan	Thurmond
Dirksen	Keating	Wiley
Dodd	Lausche	Williams, Del.

NOT VOTING—20

Bartlett	Eastland	Monroney
Bennett	Goldwater	Muskie
Bridges	Kefauver	Pastore
Butler	Kennedy	Prouty
Byrd, Va.	Kerr	Sparkman
Church	Kuchel	Williams, N.J.
Cooper	Mansfield	

So Mr. HUMPHREY's amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its amendment to the bill; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. RAINS, Mr. MCDONOUGH, Mr. WIDNALL, and Mr. BASS of New Hampshire were appointed managers on the part of the House at the conference.

HOUSING ACT OF 1959

Mr. ROBERTSON. Mr. President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives with regard to Senate bill 57, the Housing Act of 1959.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, which was to strike out all after the enacting clause and insert:

That this Act may be cited as the "Housing Act of 1959".

TITLE I—FHA INSURANCE PROGRAMS

Property improvement loans

SEC. 101. Section 2(a) of the National Housing Act is amended by striking out "September 30, 1959" and inserting in lieu thereof "October 1, 1960".

Section 203 residential housing insurance

SEC. 102. (a)(1) Section 203(b)(2) of the National Housing Act is amended by striking out "$20,000" and inserting in lieu thereof "$25,000".

(2) Section 203(b)(2) of such Act is further amended—

(A) by striking out "85 per centum" and inserting in lieu thereof "90 per centum";

(B) by striking out "$16,000" each place it appears and inserting in lieu thereof "$18,000"; and

(C) by striking out "70 per centum" and inserting in lieu thereof "75 per centum".

(3) Section 203(b)(2) of such Act is further amended by inserting after "unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance" the following: "or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction".

(b) Section 203(b)(3) of such Act is amended by striking out "thirty years" and inserting in lieu thereof "thirty-five years".

(c) Section 203(b)(8) of such Act is amended by striking out the period at the

end thereof and inserting in lieu thereof a colon and the following: *"Provided,* That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness."

(d) Section 203(c) of such Act is amended by striking out all that precedes the first colon and inserting in lieu thereof the following:

"(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments".

Low-cost housing in outlying areas

SEC. 103. Section 203(i) of the National Housing Act is amended—

(1) by striking out "$8,000" and inserting in lieu thereof "$9,000";

(2) by inserting after "97 per centum" the following: "(or, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction, 90 per centum)"; and

(3) by striking out ", and which is approved for mortgage insurance prior to the beginning of construction" and "the construction of".

Section 207 rental housing insurance

SEC. 104. (a) Section 207(c)(1) of the National Housing Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(b)(1) Section 207(c)(2) of such Act is amended by striking out "90 per centum" each place it appears and inserting in lieu thereof "95 per centum".

(c) Section 207(c)(3) of such Act is amended by striking out—

(1) "$2,250" each place is appears and inserting in lieu thereof "$2,850";

(2) "$8,100" each place it appears and inserting in lieu thereof "$9,000";

(3) "$2,700" and inserting in lieu thereof "$3,315";

(4) "$8,400" and inserting in lieu thereof "$9,500"; and

(5) "$1,000 per room" and inserting in lieu thereof "$1,250 per room";

(6) "$1,000 per space" and inserting in lieu thereof "$1,500 per space"; and

(7) "$300,000" and inserting in lieu thereof "$400,000".

(d) The last paragraph of section 207(c) of such Act is amended by striking out "4½ per centum per annum" and inserting in lieu thereof "5 per centum per annum".

(e) Section 207 of such Act is further amended by adding at the end thereof the following new subsection:

"(r) Notwithstanding any other provision of this Act, the Commissioner is authorized to include in any mortgage insured under any title of this Act after the effective date of the Housing Act of 1959 a provision requiring the mortgagor to pay a service charge to the Commissioner in the event such mortgage is assigned to and held by the Commissioner. Such service charge shall not exceed the amount prescribed by the Commissioner for mortgage insurance premiums applicable to such mortgage."

Cooperative Housing Insurance

SEC. 105. (a) Section 213(b)(1) of the National Housing Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(b) Section 213(b)(2) of such Act is amended to read as follows:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use, $2,910 per room (or $9,000 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided,* That if at least 50 per centum of the membership of the corporation or number of beneficiaries of the trust consists of veterans, the mortgage may involve a principal obligation not to exceed $2,970 per room (or $9,500 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further,* That as to projects which consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitation of $2,910 per room to not to exceed $3,395, the dollar amount limitation of $2,970 per room to not to exceed $3,465, the dollar amount limitation of $9,000 per family unit to not to exceed $9,400, and the dollar amount limitation of $9,500 per family unit to not to exceed $9,900, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further,* That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations by not to exceed $1,250 per room, without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require: *Provided further,* That in the case of a mortgagor of the character described in paragraph (3) of subsection (a) the mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further,* That upon the sale of a property or project by a mortgagor of the character described in paragraph (3) of subsection (a) to a nonprofit cooperative ownership housing corporation or trust within two years after the completion of such property or project the mortgage given to finance such sale shall involve a principal obligation in an amount not to exceed the maximum amount computed in accordance with this subsection without regard to the preceding proviso: *And provided further,* That for the purposes of this section the term 'veteran' shall mean persons who have served in the active military or naval service of the United States at any time on or after April 6, 1917, and prior to November 12, 1918, or on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to February 1, 1955."

(c) Section 213(d) of such Act is amended by adding at the end thereof a new sentence as follows: "Property held by a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section which is covered by a mortgage insured under this section may include such community facilities, and property held by a mortgagor of the character described in paragraph numbered (3) of subsection (a) of this section which is covered by a mortgage insured under this section may include such commercial and community facilities, as the Commissioner deems adequate to serve the occupants."

(d) Section 213 of such Act is further amended by adding at the end thereof the following new subsection:

"(i) Nothing in this Act shall be construed to prevent the insurance of a mortgage executed by a mortgagor of the character described in paragraph (1) of subsection (a) of this section covering property upon which dwelling units and related facilities have been constructed prior to the filing of the application for mortgage insurance hereunder: *Provided,* That the Commissioner determines that the consumer interest is protected and that the mortgagor will be a consumer cooperative: *Provided further,* That in the case of properties other than new construction, the limitations in this section upon the amount of the mortgage shall be based upon the appraised value of the property for continued use as a cooperative rather than upon the Commissioner's estimate of the replacement cost: *And provided further,* That as to any project on which construction was commenced after the effective date of this subsection, the mortgage on such project shall be eligible for insurance under this section only in those cases where the construction was subject to inspection by the Commissioner and where there was compliance with the provisions of section 212 of this title. As to any project on which construction was commenced prior to the effective date of this subsection, such inspection, and compliance with the provisions of section 212 of this title, shall not be a prerequisite."

(e)(1) Section 213 of such Act is further amended by adding after subsection (i) (as added by subsection (d) of this section) the following new subsections:

"(j) There is hereby created a Cooperative Management Housing Insurance Fund (herein referred to as the 'Management Fund') which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a)(1) and subsection (a)(3) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance or commitments reissued under subsection (n). The Commissioner is directed to transfer to the Management Fund the sum of $2,000,000 from the Housing Insurance Fund established pursuant to section 207(f). General expenses of operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Management Fund may be charged to the Management Fund.

(k) The Commissioner shall establish, as of the enactment of the Housing Act of 1959, in the Management Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Management Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amounts as the Commissioner may determine to be in accord with sound acturial and accounting practice. Upon termination of the insurance obligation of the Management Fund by payment of any mortgage insured thereunder and/or at such time or times prior to such termination as the Commissioner may determine, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such

manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided*, That, in no event shall the amount of such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of payment of such share less the total amount of any share or shares previously distributed by the Commisisoner to the mortgagor: *And provided further*, That in no event may any such distributive shares be distributed until any funds transferred to the Management Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account or be subject to any liability arising out of the mutuality of the Management Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"(1) There is hereby created a Cooperative Sales Housing Insurance Fund (herein referred as to the 'Sales Fund') which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a) (2) and individual mortgages insured under subsection (d) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance or commitments reissued under subsection (n). The Commissioner is directed to transfer to the Sales Fund the sum of $1,000,000 from the Housing Insurance Fund established pursuant to section 207(f). General expenses of the operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Sales Fund may be charged to the Sales Fund.

"(m) The Commissioner shall establish, as of the enactment of the Housing Act of 1959, in the Sales Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Sales Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve account in such manner and amounts as the Commissioner may determine to be in accordance with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Sales Fund by payment of any mortgage insured thereunder, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided*, That in no event shall any such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of termination of the insurance: *And provided further*, That in no event may any such distributive share be distributed until any funds transferred to the Sales Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account, or be subject to any liability arising out of the mutuality of the Sales Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"(n) The Commissioner shall be empowered to reissue under the Management Fund or the Sales Fund, as the case may be, commitments or the mortgage insurance for any mortgage insured under this section pursuant to a commitment issued prior to the date of the enactment of the Housing Act of 1959, provided the consent of the mortgagees to such reissuance is obtained, or a request by the mortgagee for such reissuance is received, by the Commissioner within ninety days after the date of the enactment of the Housing Act of 1959; but the mortgage insurance for any such mortgage shall not be reissued under this subsection if on the date of the enactment of the Housing Act of 1959 the mortgage is in default and the mortgagee has notified the Commissioner in writing of its intention to file claim for debentures. Any insurance or commitment not so reissued shall not be affected by the enactment of the Housing Act of 1959."

(2) Section 207(f) of such Act is amended by striking out "and section 213" each place it appears and inserting in lieu thereof "and (except with respect to mortgages the mortgage insurance for which is the obligation of the Cooperative Managament Housing Insurance Fund or the Cooperative Sales Housing Insurance Fund) section 213".

(3) Section 213(a)(3) of such Act is amended by striking out the semicolon at the end thereof and inserting in lieu of such semicolon a colon and the following: *"Provided*, That as to mortgages the mortgage insurance for which is the obligation of the Management Fund such stock or interest shall be paid for out of the Management Fund;".

(4) Section 213(a) of such Act is further amended by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: *"Provided*, That as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund, the reference to the Housing Fund in section 207(b)(2) shall refer to the Sales Fund: *Provided further*, That as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund, the reference to the Housing Fund in section 207(b)(2) shall refer to the Management Fund."

(5) Section 213(e) of such Act is amended to read as follows:

"(e)(1) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a)(1) and subsection (a)(3) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund pursuant to section 213(j), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Management Fund, and (B) all references to section 207 or 210 shall refer to subsection (a)(1) and subsection (a)(3) of this section.

"(2) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a)(2) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(l), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Sales Fund, and (B) all references to section 207 or 210 shall refer to subsection (a)(2) of this section.

"(3) The provisions of subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 and subsection (p) of section 207 shall apply to individual mortgages insured under subsection (d) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(l), (A) all references to the Housing Insurance Fund or the Housing Fund in subsections (c), (d), and (f) of section 204 and subsection (p) of section 207 shall refer to the Sales Fund, and (B) all references to section 207 or 210 in subsections (c), (d), and (f) of section 204 and subsection (p) of section 207 shall refer to subsection (d) of this section."

(6) Section 219 of such Act is amended by striking out "or the Servicemen's Mortgage Insurance Fund" and inserting in lieu thereof "the Servicemen's Mortgage Insurance Fund, the Cooperative Management Housing Insurance Fund, or the Cooperative Sales Housing Insurance Fund".

Increased mortgage amounts in Alaska, Guam, and Hawaii

SEC. 106. The first sentence of section 214 of the National Housing Act is amended by inserting after "maximum or maxima otherwise applicable" the following: "(including increased mortgage amounts in geographical areas where cost levels so require)".

FHA mortgage insurance authorization

SEC. 107. (a) Section 217 of the National Housing Act is amended by striking out "$7,000,000,000" and inserting in lieu thereof "$13,000,000,000".

(b) Section 217 of such Act is amended, effective July 1, 1959, by (1) striking out "July 1, 1956" and inserting in lieu thereof "July 1, 1959", and (2) striking out "$13,000,000,000" and inserting in lieu thereof "$4,000,000,000".

Repeal of obsolete provision

SEC. 108. Section 218 of the National Housing Act is repealed.

Section 220 mortgage insurance

SEC. 109. (a)(1) Clause (i) of subsection (d)(3)(A) of section 220 of the National Housing Act is amended by striking out "$20,000" and inserting in lieu thereof "$25,000".

(2) Subsection (d)(3)(A)(i) of section 220 of such Act is further amended—

(A) by striking out "85 per centum" and inserting in lieu thereof "90 per centum";

(B) by striking out "$16,000" each place it appears and inserting in lieu thereof "$18,000"; and

(C) by striking out "70 per centum" and inserting in lieu thereof "75 per centum".

(3) Subsection (d)(3)(A)(ii) of section 220 of such Act is amended by inserting before the semicolon at the end thereof a colon and the following: *"Provided*, That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness".

(b) Subsection (d)(3)(B)(i) of section 220 of such Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(c) Subsection (d)(3)(B)(iii) of section 220 of such Act is amended—

(1) by striking out "$2,250" each place it appears and inserting in lieu thereof "2,700";

(2) by striking out "$8,100" each place it appears and inserting in lieu thereof "$9,000";

(3) by striking out "$2,700" and inserting in lieu thereof "$3,150";

(4) by striking out "$8,400" and inserting in lieu thereof "$9,500"; and

(5) by striking out "$1,000" and inserting in lieu thereof "$1,250".

Section 221 relocation housing mortgage insurance

SEC. 110. (a) Section 221(d)(2) of the National Housing Act is amended by striking out "$9,000" and "$10,000" and inserting in lieu thereof "$10,000" and "$12,000", respectively.

(b) Section 221(d) of such Act is further amended—

(1) by striking out "$9,000" and "$10,000" in paragraph (3) and inserting in lieu thereof "$10,000" and "$12,000", respectively;

(2) by striking out "the Commissioner's estimate of the value of the property or project when constructed, or repaired and rehabilitated" in paragraph (3) and inserting in lieu thereof "the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed in the case of a property or project approved for mortgage insurance prior to the beginning of construction, or the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of the property or project";

(3) by striking out "and" at the end of paragraph (3) and inserting in lieu thereof "or"; and

(4) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following new paragraph:

"(4) if executed by a mortgagor which is not a nonprofit organization, and which is approved by the Commissioner—

"(i) not exceed $12,500,000;

"(ii) not exceed $10,000 per family unit for such part of such property or project as may be attributable to dwelling use, except that the Commissioner may by regulation increase this amount to not to exceed $12,000 in any geographical area where he finds that cost levels so require;

"(iii) not exceed (in the case of a property or project approved for mortgage insurance prior to the beginning of construction) 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, and shall include an allowance for builder's and sponsor's profit and risk of 10 per centum of all of the foregoing items except the land unless the Commissioner, after certification that such allowance is unreasonable, shall by regulation prescribe a lesser percentage); and

"(iv) not exceed 90 per centum of the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of a property or project:

Provided, That such property or project when constructed, or repaired and rehabilitated, shall be for use as rental accommodations for ten or more families eligible for occupancy as provided in this section: *And provided further*, That the Commissioner may, in his discretion, require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restrictions or regulations, with such stock or interest being paid for out of the Section 221 Housing Insurance Fund and being required to be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance; and".

(c) Section 221(g)(2) of such Act is amended by striking out "paragraph (3)" and inserting in lieu thereof "paragraph (3) or (4)".

(d) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: "The provisions of this section shall apply to the insurance under section 221 of any mortgage described in subsection (d)(4) thereof which covers property on which there is located a dwelling or dwellings designed principally for residential use for ten or more families."

Servicemen's housing mortgage insurance

SEC. 111. Section 222(b) of the National Housing Act is amended—

(1) by inserting "or 203(i)" after "203(b)" in paragraph (1); and

(2) by striking out "$17,100" in paragraph (2) and inserting in lieu thereof the following: "$20,000, except that in the case of a mortgage meeting the requirements of section 203(i) such principal obligation shall not exceed $9,000".

Builder's cost certification

SEC. 112. Section 227(a) of the National Housing Act is amended by striking out clause (iv) and inserting in lieu thereof the following: "(iv) under section 221 if the mortgagor meets the requirements of paragraph (3) or paragraph (4) of subsection (d) thereof,".

Mortgage insurance for nursing homes

SEC. 113. (a) Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"Mortgage insurance for nursing homes

"SEC. 229. (a) The purpose of this section is to assist the provision of urgently needed nursing homes for the care and treatment of convalescents and other persons who are not acutely ill and do not need hospital care but who require skilled nursing care and related medical services.

"(b) For the purposes of this section—

"(1) the term 'nursing home' means a proprietary facility, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services, in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to provide such care or services in accordance with the laws of the State where the facility is located; and

"(2) the terms 'mortgage' and 'mortgagor' shall have the meanings respectively set forth in section 207(a) of this Act.

"(c) The Commissioner is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgage prior to the date of its execution or disbursements thereon.

"(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers a new or rehabilitated nursing home, subject to the following conditions:

"(1) The mortgage shall be executed by a mortgagor approved by the Commissioner. The Commissioner may in his discretion require any such mortgagor to be regulated or restricted as to charges and methods of operation, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of returns. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Section 207 Housing Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

"(2) The mortgagor shall involve a principal obligation in an amount not to exceed $1,000,000, and not to exceed 75 per centum of the estimated value of the property or project when the proposed improvements are completed.

"(3) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such terms as the Commissioner shall prescribe; and

"(B) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum of the amount of the principal obligation outstanding at any time.

"(4) The Commissioner shall not insure any mortgage under this section unless he has received, from the State agency designated in accordance with section 612(a)(1) of the Public Health Service Act for the State in which is located the nursing home covered by the mortgage, a certification that there is a need for such nursing home.

"(e) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"(f) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under this section, and all references therein to section 207 shall refer to this section."

(b) Section 212(a) of such Act is amended by adding at the end thereof (after the sentence added by section 110(d) the following new sentence: "The provisions of this section shall also apply to the insurance of any mortgage under section 229."

Technical amendments

SEC. 114. (a) Section 8(g) of the National Housing Act is amended by striking out "and (h) of section 204" and inserting in lieu thereof "(h), (j), and (k) of section 204".

(b) Sections 220(f)(1), 221(g)(1), 222(e), and 809(e) of such Act are each amended by striking out "and (j) of section 204" and inserting in lieu thereof "(j) and (k) of section 204".

Inclusion of conveyance costs in debentures

SEC. 115. Section 204(k) of such Act is amended to read as follows:

"(k) Notwithstanding any other provision of this section or of section 604 or 904 and with respect to any debentures issued in exchange for properties conveyed to and accepted by the Commissioner after the effective date of the Housing Act of 1959 in accordance with such sections, the Commissioner may: (1) include in debentures reasonable payments made by the mortgagee with the approval of the Commissioner for the purpose of protecting, operating, or preserving the property, and taxes imposed upon any deed or any other instrument by which the property was acquired by the mortgagee and transferred or conveyed to the Commissioner; (2) include in debentures as a portion of foreclosure costs (to the extent that foreclosure costs may be included in such debentures by any other provision of this Act) payments made by the mortgagee for the cost of acquiring the property and conveying and evidencing title to the property to the Commissioner; and (3) terminate the mortgagee's obligation to pay mortgage insurance premiums upon receipt of an application for debentures filed by the mortgagee, or in the event the contract of insurance is terminated pursuant to section 230."

Voluntary termination of insurance

SEC. 116. Title II of the National Housing Act is further amended by adding after section 229 (as added by section 113 of this Act) the following new section:

"Voluntary termination of insurance

"SEC. 230. Notwithstanding any other provision of this Act and with respect to any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter

insured under this Act, the Commissioner is authorized to terminate any mortgage insurance contract upon request by the mortgagor and mortgagee and upon payment of such termination charge as the Commissioner determines to be equitable, taking into consideration the necessity of protecting the various insurance funds. Upon such termination mortgagors and mortgagees shall be entitled to the rights, if any, to which they would be entitled under this Act if the insurance contract were terminated by payment in full of the insured mortgage."

TITLE II—HOUSING FOR ELDERLY PERSONS

SEC. 201. (a) The purpose of this title is to assist private nonprofit corporations to provide housing and related facilities for elderly families and elderly persons.

(b) In order to carry out the purpose of this title, the Administrator may make loans to any corporation (as defined in section 204(2)) for the provision of rental housing and related facilities for elderly families and elderly persons, except that (1) no such loan shall be made unless the corporation shows that it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (2) no such loan shall be made unless the Administrator finds that the construction will be undertaken in an economical manner, and that it will not be of elaborate or extravagant design or materials.

(c) A loan to a corporation under this title may be in an amount not exceeding 98 per centum of the total development cost (as defined in section 204(3)), as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding fifty years, as may be determined by him; and shall bear interest at a rate determined by him which shall be not more than 3½ per centum per annum.

(d) There is authorized to be appropriated not to exceed $100,000,000, which shall constitute a revolving fund to be used by the Administrator in carrying out this title. The amount outstanding from such fund at any one time for related facilities (as defined in section 204(8) shall not exceed $10,000,000.

SEC. 202. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402 (except subsection (c)(2)) of the Housing Act of 1950.

SEC. 203. (a) Housing constructed with a loan made under this title shall not be used for transient or hotel purposes while such loan is outstanding.

(b) As used in subsection (a), the term "transient or hotel purposes" shall have such meaning as may be prescribed by the Administrator, but rental for any period less than thirty days shall in any event constitute use for such purposes. The provisions of subsections (f) through (j) of section 513 of the National Housing Act (as added by section 132 of the Housing Act of 1954) shall apply in the case of violations of subsection (a) as though the housing described in such subsection were multifamily housing (as defined in section 513(e)(2) of the National Housing Act) with respect to which a mortgage is insured under such Act, except that for purposes of this section the Administrator shall perform the functions vested in the Commissioner by such section 513.

(c) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this title shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (the Davis-Bacon Act); but the Administrator may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the corporation undertaking the construction.

SEC. 204. As used in this title—

(1) The term "housing" means (A) new structures suitable for dwelling use by elderly families and new structures suitable for such use by one or more elderly persons, and (B) dwelling facilities provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families and persons.

(2) The term "corporation" means any incorporated private institution or foundation no part of the net earnings of which inures to the benefit of any private shareholder, contributor, or individual, if such institution or foundation is approved by the Administrator as to financial responsibility.

(3) The term "development cost" means costs of construction of housing and of other related facilities, and of the land on which it is located, including necessary site improvement.

(4) The term "elderly families" means families the head of which (or his spouse) is sixty-two years of age or over; and the term "elderly persons" means persons who are sixty-two years of age or over. The Administrator shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, the eligibility of families and persons for admission to and occupancy of housing constructed with assistance under this title.

(5) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

(6) The term "Administrator" means the Housing and Home Finance Administrator.

(7) The term "construction" means erection of new structures, or rehabilitation, alteration, conversion, or improvement of existing structures.

(8) The term "related facilities" means (A) new structures suitable for use as cafeterias or dining halls, community rooms or buildings, or infirmaries or other inpatient or outpatient health facilities, or for other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.

TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

SEC. 301. Section 302(b) of the National Housing Act is amended by striking out "exceeds or exceeded $15,000 for each family residence or dwelling unit covered by the mortgage" and inserting in lieu thereof "exceeds or exceeded, for each family residence or dwelling unit covered by the mortgage, $18,000 in the case of a mortgage to be purchased under section 304 or $17,500 in the case of a mortgage to be purchased under section 305".

SEC. 302. (a) Section 301(a) of the National Housing Act is amended by inserting before the semicolon at the end thereof the following: ", and by aiding in the stabilization of the mortgage market".

(b) Section 304(a) of such Act is amended by striking out the last three sentences and inserting in lieu thereof the following: "The Association shall, from time to time, establish and publish prices to be paid by it for mortgages purchased by it in its secondary market operations under this section. The volume of the Association's purchases and sales and the establishment of purchase prices, sales prices, and charges or fees in its secondary market operations under this section shall be so conducted as to promote the interests of the national economy by aiding in the stabilization of the mortgage market to the maximum extent consistent with sound operation, and within the reasonable capacity of the Association to sell its obligations to private investors. The Association shall buy at such prices and on such terms as will reasonably prevent excessive use of the Association's facilities and permit the Association to operate within its income derived from such secondary market operations and to be fully self-supporting. Notwithstanding any other provision of this section, advance commitments to purchase mortgages in secondary market operations under this section shall be issued only at prices which are sufficient to facilitate advance planning of home construction, but which are sufficiently below the price then offered by the Association for immediate purchase to prevent excessive sales to the Association pursuant to such commitments."

(c) The last sentence of section 304(a) of such Act, as amended by subsection (b) of this section, is amended by striking out "advance planning of home construction" and inserting in lieu thereof "home financing".

SEC. 303. (a) Section 305(b) of such Act is amended—

(1) by striking out "August 7, 1958" and inserting in lieu thereof "September 30, 1960 (except in the case of mortgages purchased pursuant to contracts made on or after August 8, 1958, and prior to the date of the enactment of the Housing Act of 1959)";

(2) by striking out "1½ per centum" and inserting in lieu thereof "1 per centum"; and

(3) by striking out "one-half" and inserting in lieu thereof "one-fourth".

(b) Section 305(e) of such Act is amended—

(1) by striking out "which do not exceed $200,000,000 outstanding at any one time" and inserting in lieu thereof "not exceeding $200,000,000 at any one time, which limit shall be increased by such amounts, not exceeding $75,000,000, as may be specified from time to time in appropriation Acts";

(2) by inserting after "$20,000,000 outstanding at any one time" the following: ", which limit shall be increased by such amounts, not exceeding $7,500,000, as may be specified from time to time in appropriation Acts";

(3) by striking out "a consumer cooperative, and (2)" and inserting in lieu thereof the following: "a consumer cooperative, which amount shall be increased by such amounts, not exceeding $37,500,000, as may be specified from time to time in appropriation Acts, (2) of the total amount of advance commitment contracts and purchase transactions authorized by this subsection, such amounts not exceeding $37,500,000 as may be specified from time to time in appropriation Acts shall be available solely for commitments or purchases of mortgages where the cooperative involved is a builder-sponsor cooperative, and (3)"; and

(4) by striking out "which are not of the type described in clause (1) of this proviso" and inserting in lieu thereof "other than those certified by the Commissioner as consumer cooperatives under clause (1) of this proviso, which amount shall be increased by such amounts, not exceeding $7,500,000, as may be specified from time to time in appropriation Acts".

SEC. 304. (a) That part of the first sentence of section 302(b) of the National Housing Act which precedes the colon is amended by striking out "to make commitments to purchase and to purchase, service, or sell," and

by substituting therefor "to purchase, lend (under section 304) on the security of, service, or sell, pursuant to commitments or otherwise,".

(b) The first sentence of section 303(b) of such Act is amended by inserting immediately before the period at the end thereof the following: "; and by requiring each borrower to make such payments, equal to not more than one-half of 1 per centum of the amount lent by the Association to such borrower under section 304".

(c) The first sentence of section 303(c) of such Act is amended by inserting "or borrower" after "seller" each place it appears.

(d) Section 304(a) of such Act is amended by inserting "(1)" before "To carry out", and by adding at the end thereof the following new paragraph:

"(2) To carry out further the purposes set forth in paragraph (a) of section 301, the Association is authorized to make loans which are secured by residential or home mortgages insured or guaranteed under this Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code. In the interest of assuring sound operation, any loan made by the Association in its secondary market operations under this section shall not exceed 90 per centum of the unpaid principal balances of the mortgages securing the loan, shall bear interest at a rate consistent with general loan policies established from time to time by the Association's board of directors, and shall mature in not more than twelve months. The volume of the Association's lending activities and the establishment of its loan ratios, interest rates, maturities, and charges or fees, in its secondary market operations under this section, should be determined by the Association from time to time; and such determinations, in conjunction with determinations made under paragraph (1), should be consistent with the objectives that the lending activities should be conducted on such terms as will reasonably prevent excessive use of the Association's facilities, and that the operations of the Association under this section should be within its income derived from such operations and that such operations should be fully self-supporting. The aggregate amount of all loans outstanding at any one time under this paragraph shall not exceed 10 per centum of the Association's total borrowing authority under this section. Notwithstanding any Federal, State, or other law to the contrary, the Association is hereby empowered, in connection with any loan under this section, whether before or after any default, to provide by contract with the borrower for the settlement or extinguishment, upon default, of any redemption, equitable, legal, or other right, title, or interest of the borrower in any mortgage or mortgages that constitute the security for the loan; and with respect to any such loan, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such security shall become the absolute property of the Association."

(e) Section 304(b), section 309(c), and section 310 of such Act are each amended by inserting "or other security holdings" after "mortgages".

SEC. 305. (a) Sections 304(b) and 306(b) of the National Housing Act are amended by striking out "and bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States" and inserting in lieu thereof "and obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds".

(b) Section 310 of such Act is amended by striking out "in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States" and inserting in lieu thereof "in obligations of the United States or guaranteed thereby, or in obligations which are lawful investments for fiduciary, trust, or public funds".

SEC. 306. (a) Section 306 of the National Housing Act is amended by adding at the end thereof the following subsection:

"(e) Notwithstanding any of the provisions of this Act or of any other law, the Association is authorized, under the aforesaid separate accountability, to make commitments to purchase and to purchase, service, or sell any mortgages offered to it by the Housing and Home Finance Administrator or the Housing and Home Finance Agency, or by such Agency's constituent units or agencies or the heads thereof, after such Administrator has found the acquisition thereof by the Association to be in the interest of the efficient management and liquidation of the mortgages. There shall be excluded from the total amounts set forth in subsection (c) hereof the amounts of any mortgages purchased by the Association pursuant to this subsection."

(b) In connection with the sale of any mortgages to the Federal National Mortgage Association pursuant to section 306(e) of the Federal National Mortgage Association Charter Act, the Housing and Home Finance Administrator is authorized, and any other official, unit, or agency selling such mortgages thereunder is directed, to transfer to the Association from time to time, from authorizations, limitations, and funds available for administrative expenses of such official, unit, or agency in connection with the same mortgages, such amounts thereof as said Administrator determines to be required for administrative expenses of the Association in connection with the purchase, servicing, and sale of such mortgages: *Provided*, That no such transfer shall be made after a budget estimate of the Association with respect to the same mortgages has been submitted to and finally acted upon by the Congress.

TITLE IV—URBAN RENEWAL

Statewide planning

SEC. 401. Section 101(b) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "The Administrator shall particularly encourage the utilization of local public agencies established by the States to operate on a statewide basis in behalf of smaller communities within the State which are undertaking or propose to undertake urban renewal programs whenever that arrangement facilitates the undertaking of an urban renewal program by any such community, or provides an effective solution to community development or redevelopment problems in such communities, and is approved by resolution or ordinance of the governing bodies of the affected communities."

Clarifying amendment

SEC. 402. Section 102(a) of the Housing Act of 1949 is amended by striking out in the second sentence the words "as part of the gross project cost" and inserting in lieu thereof "for such purposes".

Borrowing by local agencies

SEC. 403. (a) Section 102(c) of the Housing Act of 1949 is amended by—

(1) inserting "feasibly, as determined by the Administrator," after "obtain";

(2) striking out "it may do so with the consent of" and inserting in lieu thereof "it shall do so under terms approved by"; and

(3) striking out "repayment of" and inserting in lieu thereof "repayment of the principal of and the interest on".

(b) Section 102(e) of such Act is amended to read as follows:

"(e) The total amount of loan contracts outstanding at any one time under this title shall not exceed the aggregate of the estimated expenditures to be made by local public agencies as part of the gross project cost of the projects assisted by such contracts. To obtain funds for advance and loan disbursements under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount which shall not exceed $1,000,000,000, it being the intention of this section that, to the fullest extent determined to be feasible by the Administrator, local public agencies shall obtain loan funds from sources other than the Federal Government, including such funds obtained in accordance with subsection (c). For the purpose of establishing unpaid obligations as of a given date against the authorization contained in the preceding sentence, the Administrator shall estimate the maximum amount to be required to be borrowed from the Treasury and outstanding at any one time with respect to loan commitments in effect on such date."

Capital grants

SEC. 404. Section 103 of the Housing Act of 1949 is amended—

(1) by inserting after the first sentence of subsection (b) the following new sentence: "In addition to amounts otherwise authorized to be appropriated for such purpose, there are authorized to be appropriated for the purpose of making contracts, after appropriations therefor, for grants with respect to projects or programs assisted under this title, the sum of $1,000,000,000 for the period ending June 30, 1960, and the sum of $500,000,000 for the fiscal year 1961; and any such sums so appropriated shall remain available until expended.";

(2) by striking out the period at the end of the second sentence of subsection (b) and inserting in lieu thereof a colon and the following: "*Provided*, That any amounts so appropriated shall also be available for repaying to the Secretary of the Treasury, for application to notes of the Administrator, the principal amounts of any funds advanced to local public agencies under this title which the Administrator determines to be uncollectible because of the termination of activities for which such advances were made, together with the interest paid or accrued to the Secretary (as determined by him) attributable to notes given by the Administrator in connection with such advances, but all such repayments shall constitute a charge against the authorization to make contracts for grants contained in this section: *Provided further*, That no such determination of the Administrator shall be construed to prejudice the rights of the United States with respect to any such advance."; and

(3) by adding at the end thereof the following new subsections:

"(c) Notwithstanding any other provision of this or any other Act, if financial assistance authorized by this title to be made available to a locality or local public agency may be made available to any locality or local public agency within the limitations provided in sections 102(e), 103(b), and 106(e) and the second paragraph following the paragraph numbered (6) of section 110(c), the amount of such financial assistance made available to any locality or local public agency upon submission and processing of proper application therefor shall not otherwise be restricted and, so long as such financial assistance is so available, applications therefor submitted by localities and local public agencies shall be processed, so far as practicable, in the order of their receipt, and there shall not be imposed any limitations upon the size of any urban renewal project which otherwise meets the requirements of this title.

"(d) The Administrator may contract to make grants for the preparation or completion of community renewal programs, which may include, without being limited to, (1) the identification of slum areas or blighted, deteriorated, or deteriorating areas in the community, (2) the measurement of the

nature and degree of blight and blighting factors within such areas, (3) determination of the financial, relocation, and other resources needed and available to renew such areas, (4) the identification of potential project areas and, where feasible, types of urban renewal action contemplated within such areas, and (5) scheduling or programing of urban renewal activities. Such programs shall conform, in the determination of the governing body of the locality, to the general plan of the locality as a whole. The Administrator may establish reasonable requirements respecting the scope and content of such programs. No contract for a grant pursuant to this subsection shall be made unless the governing body of the locality involved has approved the preparation or completion of the community renewal program and the submission by the local public agency of an application for such a grant. Notwithstanding section 110(h) or the use in any other provision of this title of the term 'local public agency' or 'local public agencies', the Administrator may make grants pursuant to this subsection for the preparation or completion of a community renewal program to a single local public body authorized to perform the planning work necessary to such preparation or completion. No grant made pursuant to this subsection shall exceed two-thirds of the cost (as such cost is determined or estimated by the Administrator) of the preparation or completion of the community renewal program for which such grant is made."

Public improvements by Federal agencies in urban renewal areas

SEC. 405. Section 105(b) of the Housing Act of 1949 is amended by adding the following before the semicolon at the end thereof: ": *And provided further,* That, with respect to any improvements of a type which it is otherwise authorized to undertake, any Federal agency (as defined in section 3(b) of the Federal Property and Administrative Services Act of 1949, as amended, and also including the District of Columbia or any agency thereof) is hereby authorized to become obligated in accordance with this subsection, except that clause (ii) of this subsection shall apply to such Federal agency only to the extent that it is authorized (and funds have been authorized or appropriated and made available) to make the improvements involved".

Public disclosure by redevelopers

SEC. 406. Section 105 of the Housing Act of 1949 is amended by adding at the end thereof the following new paragraph:

"(e) No contract or commitment of any nature whatever shall be made between the local public agency and any person for redevelopment of any part of an urban renewal area unless—

"(1) such person shall have theretofore submitted to the local public agency, at such time and in such manner and form as such agency (under regulations of the Administrator) may require, a prospectus setting forth in detail—

"(A) the name of the person proposing to redevelop the area and the names of its members, officers, and principal investors or shareholders;

"(B) the proposed financing and estimated total cost of any redevelopment to be carried out by such person;

"(C) the schedule of estimated rents per room or sales prices per unit, as the case may be, to be charged, and the estimated profit or rate of return to be derived, by such person with respect to all housing proposed for such redevelopment; and

"(D) such other information as the local public agency may require in order to insure that all interested parties in possession of such prospectus may be in a position intelligently to evaluate the proposed redevelopment before any such contract or commitment is made; and

"(2) the local public agency shall have theretofore made copies of such prospectus fully available to the public in such manner and for such period as the Administrator by regulation may prescribe."

Relocation payments

SEC. 407. (a) (1) The first sentence of section 106(f) (2) of the Housing Act of 1949 is amended to read as follows: "As used in this subsection, the term 'relocation payments' means payments by a local public agency to individuals, families, and business concerns for their reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made) resulting from their displacement from an urban renewal area made necessary by (i) the acquisition of real property by a local public agency or by any other public body, (ii) code enforcement activities undertaken in connection with an urban renewal project, or (iii) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan: *Provided,* That such payments shall not be made after completion of the project or if completion is deferred solely for the purpose of obtaining further relocation payments."

(2) No relocation payments under section 106(f) of the Housing Act of 1949 shall be made for expenses or losses incurred prior to the date of the enactment of the Housing Act of 1959, except to the extent that such payments were authorized by such section as it existed prior to such date.

(b) Section 106(f) (2) of such Act is further amended by striking out "$100" each place it appears and inserting in lieu thereof "$200", and by striking out "$2,500" and inserting in lieu thereof "$3,000".

Hotels and other transient housing

SEC. 408. Section 106 of the Housing Act of 1949 is further amended by adding at the end thereof the following new subsection:

"(g) the provision of assistance under this title is intended to bring about the redevelopment of urban renewal areas for permanent residential use; and no provision permitting the new construction of hotels or other housing for transient use in the redevelopment of any such area shall be included in the urban renewal plan unless the community in which the project is located, under regulations prescribed by the Administrator, has caused to be made a competent independent analysis of the local supply of transient housing and as a result thereof has determined that there exists in the area a need for additional units of such housing."

Low-rent housing in urban renewal areas

SEC. 409. Section 107 of the Housing Act of 1949, as amended, is hereby amended to read as follows:

"Payment for land used for low-rent public housing

"SEC. 107. When it appears in the public interest that land to be acquired as part of an urban renewal project should be used in whole or in part as a site for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, the site shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to the amount, as determined by the Administrator, which would be charged if it were disposed of to private enterprise for rental housing with physical characteristics similar to those of the proposed low-rent housing project, and such amount shall be included as part of the development cost of such low-rent housing project: *Provided,* That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act with respect to the low-rent housing project into which such land is incorporated shall (if covered by a contract which, in the determination of the Public Housing Commissioner, and without regard to the requirements of the first proviso of such section 10(h), will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act) be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such site (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act."

Requirements for urban renewal plan

SEC. 410. Section 110(b) of the Housing Act of 1949 is amended by inserting after "to indicate" in clause (2) the following: ", to the extent required by the Administrator for the making of loans and grants under this title,".

Nonresidential redevelopment

SEC. 411. Section 110(c) of the Housing Act of 1949 is amended by striking out the second paragraph following the paragraph numbered (6) and inserting in lieu thereof the following:

"Financial assistance shall not be extended under this title with respect to any urban renewal area which is not predominantly residential in character and which, under the urban renewal plan therefor, is not to be redeveloped for predominantly residential uses: *Provided,* That, if the governing body of the local public agency determines that the redevelopment of such an area for predominantly nonresidential uses is necessary for the proper development of the community, the Administrator may extend financial assistance under this title for such a project: *Provided further,* That the aggregate amount of capital grants contracted to be made pursuant to this title with respect to such projects after the date of the enactment of the Housing Act of 1959 shall not exceed 20 per centum of the aggregate amount of grants authorized by this title to be contracted for after such date."

Local grants

SEC. 412. (a) Section 110(d) of such Act is further amended by adding at the end thereof the following new paragraph:

"Notwithstanding any other provision of this subsection, in any community for which there exists a community renewal program meeting the requirements of the Administrator established pursuant to section 103(d), no subsequent donation or provision of a public improvement or a public facility of a type falling within the purview of this subsection shall be deemed to be ineligible as a local grant-in-aid for any project in conformity with such community renewal program solely on the basis that the construction of such improvement or facility was commenced prior to Federal recognition of such project, if such construction was commenced not more than five years prior to the authorization by the Administrator of a contract for loan or capital grant for the project."

(b) The requirement in section 110(d) of the Housing Act of 1949 that the assistance provided by a State, municipality, or other public body under that section, in order to qualify as a local grant-in-aid, shall be in connection with a project on which a contract for capital grant has been made under title I of that Act, shall not apply to assist-

ance provided during the period from July 1, 1957, through December 31, 1957, in connection with urban renewal activities which were extended Federal recognition within 60 days after the provision of such assistance was initiated.

Credit for loss of interest

SEC. 413. Section 110(e) of the Housing Act of 1949 is amended by striking out the first sentence and inserting in lieu thereof the following: "'Gross project cost' shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash. There may be included as part of the gross project cost, under any contract for loan or grant heretofore or hereafter executed under this title, with respect to moneys of the local public agency which are actually expended and outstanding for undertakings (other than in the form of local grants-in-aid) necessary to carry out the project, in the absence of carrying charges on such moneys, an amount in lieu of carrying charges which might otherwise have been payable thereon for the period such moneys are expended and outstanding but not beyond the point where the project is completed, computed for each six-month period or portion thereof, at an interest rate to be determined by the Administrator after taking into consideration for each preceding six-month period the average interest rate borne by any obligations of local public agencies for short-term funds obtained from sources other than the Federal Government in the manner provided in section 102(c): *Provided,* That such amount may be computed on the net total of all such moneys of the local public agency remaining expended and outstanding, less other moneys received from the project undertaken in excess of project expenditures, in all projects of the local public agency under this title, and allocated, as the Administrator may determine, to each of such projects. With respect to a project for which a contract for capital grant has been executed on a three-fourths basis pursuant to the proviso in the second sentence of section 103(a), gross project cost shall include, in lieu of the amount specified in clause (1) above, the amount of the expenditures by the local public agency with respect to the following undertakings and activities necessary to carry out such project:

"(i) acquisition of land (but only to the extent of the consideration paid to the owner and not title, appraisal, negotiating, legal, or any other expenditures of the local public agency incidental to acquiring land), disposition of land, demolition and removal of buildings and improvements, and site preparation and improvements, all as provided in paragraphs (1), (2), (3), (4), and (6) of section 110(c); and

"(ii) the payment of carrying charges related to the undertakings in clause (i) (including amounts in lieu of carrying charges as determined above), exclusive of taxes and payments in lieu of taxes but not beyond the point where such a project is completed;

but not the cost of any other undertakings and activities (including, but without being limited to, the cost of surveys and plans, legal services of any kind, and all administrative and overhead expenses of the local public agency) with respect to such project."

Uniform date for interest rate determination

SEC. 414. Section 110(g) of the Housing Act of 1949 is amended—

(1) by striking out of the first sentence "is approved" and inserting in lieu thereof "for any project under this title is authorized";

(2) by inserting in the second sentence after "Any" the word "such"; and

(3) by striking out of the second sentence "contract is revised or superseded by such later contract" and inserting in lieu thereof "later contract is authorized".

Conforming amendments

SEC. 415. The Housing Act of 1949 is amended—

(1) by striking out the word "capital" in section 100, in the second sentence of section 103(b), and in sections 106(a)(3), 106(b), 106(c)(6), 106(c)(8), and 106(e);

(2) by inserting in section 101(a) after the word "title" in the first place where it appears therein "or for grants pursuant to section 103(d)"; and

(3) by adding at the end of section 110 the following new subsection:

"(k) 'Federal recognition' means execution of any contract for financial assistance under this title or concurrence by the Administrator in the commencement, without such assistance, or surveys and plans."

Urban renewal areas involving colleges or universities

SEC. 416. Title I of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"Urban renewal areas involving colleges or universities

"SEC. 112. In any case where an educational institution is located in or near an urban renewal area and the governing body of the locality determines that, in addition to the elimination of slums and blight from such area, the undertaking of an urban renewal project or projects in such area will further promote the public welfare and the proper development of the community (1) by making land in such area available for disposition, for uses in accordance with the urban renewal plan, to such educational institution for redevelopment in accordance with the use or uses specified in the urban renewal plan, (2) by providing, through the redevelopment of the area in accordance with the urban renewal plan, a cohesive neighborhood environment compatible with the functions and needs of such educational institution, or (3) by any combination of the foregoing, the Administrator is authorized to extend financial assistance under this title for an urban renewal project or projects in such area without regard to the requirements in section 110 hereof with respect to the predominantly residential character or predominantly residential reuse of urban renewal areas: *Provided,* That the aggregate amount of any expenditures made by such educational institution (either directly or through a redevelopment corporation) for the acquisition, from others than the local public agency, of land and buildings and structures within the area of any urban renewal project undertaken by the local public agency in such urban renewal area or within the urban renewal area and adjacent to, or in the immediate vicinity of, the area of any such urban renewal project (which land and buildings and structures is or are to be retained and redeveloped or rehabilitated by such educational institution for use or uses in accordance with the urban renewal plan), and for the demolition of such buildings and structures (including expenditures made to assist in relocating tenants therefrom) if, pursuant to the urban renewal plan, the land is to be cleared and redeveloped, as certified by such educational institution to the local public agency and approved by the Administrator, shall be a local grant-in-aid in connection with any urban renewal project being undertaken by the local public agency in such urban renewal area: *Provided further,* That no such expenditures shall be deemed ineligible as a local grant-in-aid in connection with any such project if made not more than five years prior to the authorization by the Administrator of a contract for a loan or capital grant for such urban renewal project: *And provided further,* That the term 'educational institution' as used herein shall mean any educational institution of higher learning, including any public educational institution or any private educational institution, no part of the net earnings of which shall inure to the benefit of any private shareholder or individual."

Urban planning

SEC. 417. Section 701 of the Housing Act of 1954 is amended to read as follows:

"Urban planning

"SEC. 701. (a) In order to assist State and local governments in solving planning problems resulting from increasing concentration of population in metropolitan and other urban areas, including smaller communities, to facilitate comprehensive planning for urban development by State and local governments on a continuing basis, and to encourage State and local governments to establish and develop planning staffs, the Administrator is authorized to make planning grants to—

"(1) State planning agencies, or (in States where no such planning agency exists) to agencies or instrumentalities of government designated by the Governor of the State and acceptable to the Administrator as capable of carrying out the planning functions contemplated by this section, for the provision of planning assistance to (A) cities, other municipalities, and counties having a population of less than 50,000 according to the latest decennial census, (B) any group of adjacent communities, either incorporated or unincorporated, having a total population of less than 50,000 according to the latest decennial census and having common or related urban planning problems resulting from rapid urbanization, and (C) cities, other municipalities, and counties referred to in paragraph (3) of this subsection and areas referred to in paragraph (4) of this subsection;

"(2) official State, metropolitan, and regional planning agencies empowered under State or local laws or interstate compact to perform metropolitan or regional planning;

"(3) cities, other municipalities, and counties which have suffered substantial damage as a result of a catastrophe which the President, pursuant to section 2(a) of 'An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes', has determined to be a major disaster;

"(4) to official governmental planning agencies for areas where rapid urbanization has resulted or is expected to result from the establishment or rapid and substantial expansion of a Federal installation; and

"(5) State planning agencies for State and interstate comprehensive planning (as defined in subsection (d)) and for research and coordination activity related thereto.

Planning assisted under this section shall, to the maximum extent feasible, cover entire urban areas having common or related urban development problems.

"(b) A grant made under this section shall not exceed 50 per centum of the estimated cost of the work for which the grant is made. All grants made under this section shall be subject to terms and conditions prescribed by the Administrator. No portion of any grant made under this section shall be used for the preparation of plans for specific public works. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advances or progress payments on account of any planning grant made under

this section. There is hereby authorized to be appropriated not exceeding $20,000,000 to carry out the purposes of this section, and any amounts so appropriated shall remain available until expended.

"(c) The Administrator is authorized, in areas embracing several municipalities or other political subdivisions, to encourage planning on a unified metropolitan basis and to provide technical assistance for such planning and the solution of problems relating thereto.

"(d) It is the further intent of this section to encourage comprehensive planning for States, cities, counties, metropolitan areas, and urban regions and the establishment and development of the organizational units needed therefor. In extending financial assistance under this section, the Administrator may require such assurances as he deems adequate that the appropriate State and local agencies are making reasonable progress in the development of the elements of comprehensive planning. Comprehensive planning, as used in this section, includes the following, to the extent directly related to urban needs: (1) preparation, as a guide for long range development, of general physical plans with respect to the pattern and intensity of land use and the provision of public facilities, together with long-range fiscal plans for such development; (2) programming of capital improvements based on a determination of relative urgency, together with definitive financing plans for the improvements to be constructed in the earlier years of the program; (3) coordination of all related plans of the departments or subdivisions of the government concerned; (4) intergovernmental coordination of all related planned activities among the State and local governmental agencies concerned; and (5) preparation of regulatory and administrative measures in support of the foregoing.

"(e) In the exercise of his function of encouraging comprehensive planning by the States, the Administrator shall consult with those officials of the Federal Government responsible for the administration of programs of Federal assistance to the States and municipalities for various categories of public facilities."

TITLE V—COLLEGE HOUSING

SEC. 501. Section 401(d) of the Housing Act of 1950 is amended—

(1) by inserting after "$825,000,000" the following: ", which limit shall be increased by such amounts, not exceeding $400,000,000, as may be specified from time to time in appropriation Acts";

(2) by inserting after "$100,000,000" the following: ", which limit shall be increased by such amounts, not exceeding $40,000,000, as may be specified from time to time in appropriation Acts"; and

(3) by inserting after "$25,000,000" the following: ", which limit shall be increased by such amounts, not exceeding $40,000,000, as may be specified from time to time in appropriation Acts".

SEC. 502. (a) Section 404(b) of the Housing Act of 1950 is amended by striking out "and (4)" and inserting in lieu thereof "(4)" and by inserting before the period at the end thereof the following: ", and (5) any nonprofit student housing cooperative corporation established for the purpose of providing housing for students or students and faculty of any institution included in clause (1) of this subsection".

(b) Section 401 of such Act is amended by adding at the end thereof the following new subsection:

"(g) In the case of any loan made under this section to a nonprofit student housing cooperative corporation referred to in clause (5) of section 404(b), the Administrator shall require that the note securing such loan be co-signed by the educational institution (referred to in clause (1) of such section) at which such corporation is located; and in the event of the dissolution of such corporation, title to the housing constructed with such loan shall vest in such educational institution."

SEC. 503. Section 402 of such Act is amended by adding at the end thereof the following new subsection:

"(e) The Administrator shall take such action as may be necessary to ensure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this title shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (the Davis-Bacon Act); but the Administrator may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the educational institution undertaking the construction."

TITLE VI—LOW-RENT PUBLIC HOUSING

Declaration of policy

SEC. 601. Section 1 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentences: "In the development of low-rent housing it shall be the policy of the United States to make adequate provision for larger families and for families consisting of elderly persons. It is the policy of the United States to vest in the local public housing agencies the maximum amount of responsibility in the administration of the low-rent housing program, including responsibility for the establishment of rents and eligibility requirements (subject to the approval of the Authority), with due consideration to accomplishing the objectives of this Act while effecting economies."

Central administrative office facilities

SEC. 602. The last sentence of paragraph (5) of section 2 of the United States Housing Act of 1937 is amended—

(1) by inserting after "1949" the following: ", or in cases where the public housing agency and the local public agency for purposes of such title I operate under a combined central administrative office staff,"; and

(2) by striking out "its functions as such local public agency" each place it appears and inserting in lieu thereof "the functions of such local public agency".

Rents and income limits

SEC. 603. (a) Paragraph (1) of section 2 of the United States Housing Act of 1937 is amended to read as follows:

"(1) The term 'low-rent housing' means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. The dwellings in low-rent housing shall be available solely for families of low income. Income limits for occupancy and rents shall be fixed by the public housing agency and approved by the Authority after taking into consideration (A) the family size, composition, age, physical handicaps, and other factors which might affect the rent-paying ability of the family, and (B) the economic factors which affect the financial stability and solvency of the project."

(b) Paragraph (7)(b) of section 15 of such Act is amended by inserting after "a gap of at least 20 per centum" the following: "(or 10 per centum in the case of any family entitled to a first preference as provided in section 10(g))".

Minimum age for admission of single persons and elderly families to low-rent projects

SEC. 604. The second and third sentences of paragraph (2) of section 2 of the United States Housing Act of 1937 are amended to read as follows: "The term 'families' means families consisting of two or more persons, a single person who has attained retirement age as defined in section 216(a) of the Social Security Act or who has attained the age of fifty and is under a disability as defined in section 223 of that Act, or the remaining member of a tenant family. The term 'elderly families' means families the head of which (or his spouse) has attained retirement age as defined in section 216(a) of the Social Security Act or has attained the age of fifty and is under a disability as defined in section 223 of that Act."

Low-rent housing authorization

SEC. 605. (a) Section 10(i) of the United States Housing Act of 1937 is amended to read as follows:

"(i) Notwithstanding any other provision of law, the Authority may enter into new contracts for loans and annual contributions for not more than thirty-five thousand additional dwelling units after July 1, 1958, which limit (within the limit provided by subsection (e)) shall be increased by thirty-five thousand additional dwelling units on the first day of each fiscal year beginning after such date, and may enter into only such new contracts for preliminary loans in respect thereto as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into hereunder. Notwithstanding the authorization contained in the preceding sentence or in any other provision of this Act, no contract for annual contributions which binds the Government to pay out money for subsidized housing units shall be entered into after the date of the enactment of the Housing Act of 1959 unless at least the full amount of the contributions required for the first year of occupancy under such contract shall theretofore have been provided in appropriation Acts enacted after the date of the enactment of the Housing Act of 1959. Notwithstanding any other provision of law, no new contract for annual contributions for additional dwelling units shall be entered into after July 31, 1956, except with respect to low-rent housing for a locality respecting which the Housing and Home Finance Administrator has made the determination and certification relating to a workable program as described in section 101(c) of the Housing Act of 1949, as amended."

(b) The last proviso under the heading "Public Housing Administration, Annual Contributions" in title I of the First Independent Offices Appropriation Act, 1954 (67 Stat. 307), is repealed.

(c) Notwithstanding the amendments made by this section, the Public Housing Administration shall not enter into any new contract for a loan or for annual contributions under section 10(i) of the United States Housing Act of 1937 (unless such contract could have been entered into under such section as in effect immediately prior to the enactment of this Act) until such Administration has first come to an agreement with the Committees on Banking and Currency of the Senate and House of Representatives (after the enactment of this Act) with respect to the need for and desirability of entering into such contract.

Payment for services

SEC. 606. Section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(10) Notwithstanding any other provision of law or any contract or other arrangement made pursuant thereto, any public housing

agency which utilizes public services and facilities of a municipality or other local governmental agency making charges therefor separate from real and personal property taxes shall be authorized by the Authority (without any amendment to the contract for annual contributions or deductions from payments in lieu of taxes otherwise payable) to pay to such municipality or other local governmental agency the amount that would be charged private persons or dwellings similarly situated for such facilities and services."

Amendment of existing contracts

SEC. 607. The United States Housing Act of 1937 is amended by redesignating sections 30 and 31 as sections 31 and 32, respectively, and by inserting after section 29 a new section as follows:

"SEC. 30. Upon the request of any public housing agency the Authority is authorized and directed to amend any or all of its contracts with the public housing agency so as to bring such contracts into conformity with the amendments made to this Act by the Housing Act of 1959: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved which are secured by any of the provisions of such contracts."

TITLE VII—ARMED SERVICES HOUSING

SEC. 701. (a) Section 803(a) of the National Housing Act is amended by striking out "June 30, 1959" and inserting in lieu thereof "September 30, 1960".

(b) The second sentence of section 803 (b)(3) of such Act is amended by striking out "have a maturity not to exceed twenty-five years" and inserting in lieu thereof "but not to exceed thirty years from the beginning of amortization of the mortgage".

(c) Section 803(b)(3) of such Act is further amended by adding at the end thereof the following: "The property or project may include such nondwelling facilities as the Commissioner deems adequate to serve the occupants."

(d) Section 803(c) of such Act is amended by adding at the end thereof the following new sentence: "The Commissioner is further authorized to reduce the amount of the premium charge below one-half of 1 per centum per annum with respect to any mortgage on property acquired by the Secretary of Defense or his designee if the mortgage is insured pursuant to provisions of this title as in effect prior to August 11, 1955."

(e) Section 803 of such Act is further amended by adding at the end thereof the following new subsection:

"(k) The Commissioner shall not insure any mortgage under this title unless the principal contractor or contractors engaged in the construction of the project involved file a certificate or certificates (at such times, in the course of construction or otherwise, as the Commissioner may prescribe) certifying that the laborers and mechanics employed in the construction of such project have been paid not less than one and one-half times the regular rate of pay for employment in exces of eight hours in any one day or in excess of forty hours in any one week."

SEC. 702. (a) The first sentence of section 404(a) of the Housing Amendments of 1955 is amended to read as follows: "Whenever the Secretary of Defense or his designee deems it necessary for the purpose of this title, he may acquire by purchase, donation, condemnation, or other means of transfer, any land or (with the approval of the Federal Housing Commissioner) (1) any housing financed with mortgages insured under title VIII of the National Housing Act as in effect prior to August 11, 1955, or (2) any housing situated adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) certified by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 207 of the National Housing Act."

(b) Section 404(b) of the Housing Amendments of 1955 is amended by striking out "constructed under the mortgage insurance provisions of title VIII of the National Housing Act (as in effect prior to the enactment of the Housing Amendments of 1955)", and inserting in lieu thereof the following: "described in clause (1) and (2) of subsection (a) of this section".

(c) Section 407(f) of the Act entitled "An Act to authorize certain construction at military installations, and for other purposes", approved August 30, 1957, is amended to read as follows:

"(f) This section shall have no application to any housing described in clause (1) or (2) of section 404(a) of the Housing Amendments of 1955, as amended."

SEC. 703. (a) Title VIII of the National Housing Act is amended by adding at the end thereof the following new section:

"SEC. 810. (a) Notwithstanding any other provision of this title, the Commissioner may insure and make commitments to insure any mortgage under this section which meets the eligibility requirements hereinafter set forth.

"(b) No mortgage shall be insured under this section unless the Secretary of Defense or his designee shall have certified to the Commissioner that (1) the housing which is covered by the insured mortgage is necessary in the interest of national defense in order to provide adequate housing for military personnel and essential civilian personnel serving or employed in connection with an installation of one of the armed services of the United States, (2) there is no present intention to curtail substantially the number of such personnel assigned or to be assigned to the installation, (3) adequate housing is not available for such personnel at reasonable rentals within reasonable commuting distances of such installation, and (4) the mortgaged property will not so far as can be reasonably foreseen susbtantially curtail occupancy in any existing housing in the vicinity of the installation if such housing is covered by mortgages insured under this Act. Any such certificate issued by the Secretary of Defense or his designee shall be conclusive evidence to the Commissioner of the eligibility of the mortgage for insurance in accordance with the requirements of this subsection.

"(c) The Commissioner may accept any mortgage for insurance under this section without regard to any requirement in any other section of this Act that the property or project be economically sound.

"(d) The Commissioner shall require each project covered by a mortgage insured under this section to be held for rental for a period of not less than five years after the project or dwelling is made available for initial occupancy or until advised by the Secretary of Defense or his designee that the housing may be released from such rental condition. The Commissioner shall prescribe such procedures as in his judgment are necessary to secure reasonable preference or priority in the sale or rental of dwellings covered by a mortgage insured under this section for military personnel and essential civilian employees of the armed services, and employees of contractors for the armed services, as evidenced by certification issued by the Secretary of Defense or his designee. Such certificate shall be conclusive evidence to the Commissioner of the employment status of the person requiring housing and of such person's need for the housing.

"(e) For the purpose of providing multifamily rental housing projects or housing projects consisting of individual single family dwellings for sale, the Commissioner is authorized to insure mortgages (including advances on such mortgages during construction) which cover property held by a private corporation, association, cooperative society, or trust. Any such mortgagor shall possess powers necessary therefor and incidental thereto and shall until the termination of all obligations of the Commissioner under such insurance be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation to such extent and in such manner as to provide reasonable rentals to tenants and a reasonable return on the investment. The Commissioner may make such contracts with, and acquire for not to exceed $100 such stock or interest in, any such corporation, association, cooperative society, or trust as he may deem necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the Armed Services Housing Mortgage Insurance Fund, and shall be redeemed by the corporation, association, cooperative society, or trust at par upon the termination of all obligations of the Commissioner under the insurance.

"(f) To be eligible for insurance under this section, a mortgage on any multifamily rental property or project shall involve a principal obligation in an amount (1) not to exceed $5,000,000 or (2) not to exceed, for such part of such property or project as may be attributable to dwelling use, $2,250 per room (or $8,100 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 90 per centum of the estimated value of the property or project when the proposed physical improvements are completed. The Commissioner may increase any of the foregoing dollar amount limitations per room contained in this paragraph by not to exceed $1,000 per room in any geographical area where he finds that cost levels so require.

"(g) To be eligible for insurance under this section a mortgage on any property or project constructed for eventual sale of single family dwellings shall involve a principal obligation in an amount not to exceed $5,000,000 and not to exceed a sum computed on the basis of a separate mortgage for each single family dwelling (irrespective of whether such dwelling has a party wall or is otherwise physically connected with another dwelling or dwellings) comprising the property or project equal to the total of each of the maximum principal obligations of such mortgages which would meet the requirements of section 203(b)(2) of this Act, if the mortgagor were the owner and occupant who had made the required payment on account of the property prescribed in such paragraph.

"(h) Any mortgage insured under this section shall provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe but not to exceed the maximum term applicable to mortgages under section 207 of this Act and shall bear interest (exclusive of premium charges for insurance) at not to exceed the rate applicable to mortgages insured under section 207, except that individual mortgages of the character described in subsection (g) covering the individual dwellings in the project may have a term not in excess of the maximum term applicable to mortgages insured under section 203 of this Act or the unexpired term of the project mortgage at the time of the release of the mortgaged property from such project mortgage, whichever is the greater, and shall bear interest at not to exceed the rate applicable to mortgages insured under section 203. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe

and the mortgage may provide for such release, and a mortgage of the character described in subsection (g) of this section may provide that, at any time after the release of the project from the rental period prescribed by subsection (d), such mortgage may be replaced, in whole or in part, by individual mortgages covering each individual dwelling in the project in amounts not to exceed the unpaid balance of the blanket mortgage allocable to the individual property. Each such individual mortgage may be insured under this section. Property covered by a mortgage insured under this section may include eight or more family units and may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants.

"(i) The aggregate number of dwelling units (including all units in multifamily projects or individual dwellings) covered by outstanding commitments to insure and mortgages insured under this section shall at no time exceed four thousand dwelling units.

"(j) The provisions of subsections (d), (e), (g), (h), (l), (j), (k), (l), (m), (n), and (p) of section 207 of this title shall be applicable to mortgages insured under this section except individual mortgages of the character described in subsection (g) of this section covering the individual dwellings in the project, and as to such individual mortgages the provisions of subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 shall be applicable: *Provided*, That wherever the words 'Fund', 'Mutual Mortgage Insurance Fund', or 'Housing Insurance Fund' appear in section 204 or 207, all such reference shall refer to the Armed Services Housing Mortgage Insurance Fund with respect to mortgages insured under this section.

"(k) The provisions of sections 801, 802, 803(c), 803(i), 803(j), 804(a), 804(b), and 807 and the provisions of section 803(a) relating to the aggregate amount of all mortgages insured and the expiration date of the Commissioner's authority to insure under this title shall be applicable to mortgages insured under this section.

"(l) If the Commissioner determines that insurance of mortgages on any housing of the type described in this section is not an acceptable risk, he may require the Secretary of Defense to guarantee the Armed Services Housing Mortgage Insurance Fund from loss with respect to mortgages insured pursuant to this section. There are hereby authorized to be appropriated such sums as may be necessary to provide for payment to meet losses arising from such guaranty."

(b) Section 808 of such Act is amended by striking out "The" and inserting in lieu thereof the following: "Except in the case of mortgages on multifamily rental housing projects insured under section 810, the".

(c) Section 212(a) of such Act is amended by striking out "or under title VIII" and inserting in lieu thereof "or under section 803 or 810 of title VIII".

TITLE VIII—AVOIDANCE OF FORECLOSURE

SEC. 801. Section 204(a) of the National Housing Act is amended by inserting immediately before the last proviso the following: ": *And provided further*, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this title, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor and it is probable that the mortgage will be restored to good standing within a reasonable period of time, he may, under such regulations and conditions as he may prescribe, extend the time for curing default and enter into an agreement with the mortgagee providing that if the mortgage is subsequently foreclosed, any interest accruing after the date of the agreement which is not paid by the mortgagor may be included in the debentures".

SEC. 802. Title II of the National Housing Act is further amended by adding after section 230 (as added by section 116 of this Act) the following new section:

"Acquisition of mortgages to avoid foreclosure

"SEC. 231. Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this title, the Commissioner, in his discretion and for the purpose of avoiding foreclosure of the mortgage, may acquire the loan and the security therefor upon issuance to the mortgagee of debentures having a total face value equal to the unpaid principal balance of the loan plus any accrued interest and any proper advances theretofore made by the mortgagee under the provisions of the mortgage; and after the acquisition of such mortgage by the Commissioner such mortgagee shall have no further rights, liabilities, or obligations with respect thereto. The provisions of section 204 relating to the issuance of debentures incident to the acquisition of foreclosed properties shall apply with respect to debentures issued under this subsection, and the provisions of section 204 relating to the rights, liabilities, and obligations of a mortgagee shall apply with respect to the Commissioner when he has acquired an insured mortgage under this section, in accordance with and subject to regulations (modifying such provisions to the extent necessary to render their application for such purposes appropriate and effective) which shall be prescribed by the Commissioner."

TITLE IX—MISCELLANEOUS

Reacquisition by former owners

SEC. 901. (a) Title IX of the National Housing Act is amended by adding at the end thereof the following new section:

"SEC. 909. Notwithstanding any other provision of law the Commissioner is authorized, in the disposal of properties acquired by him in insurance operations under the provisions of this title, to give former mortgagor-owners a preference and priority of opportunity to reacquire such properties: *Provided*, That such former mortgagor-owners shall be required, under such procedures as may be established from time to time by the Commissioner, to offer prices and terms reasonably commensurate with the value of such properties and not less favorable than prices and terms offered by other prospective purchasers."

(b) Section 608 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(h) Notwithstanding any other provision of law the Commissioner is authorized, in the disposal of properties acquired by him in insurance operations under this section, to give former mortgagor-owners a preference and priority of opportunity to reacquire such properties: *Provided*, That such former mortgagor-owners shall be required, under such procedures as may be established from time to time by the Commissioner, to offer prices and terms reasonably commensurate with the value of such properties and not less favorable than prices and terms offered by other prospective purchasers."

Surveys of public works planning

SEC. 902. Section 702 of the Housing Act of 1954 is amended by adding at the end thereof the following new subsection:

"(f) The Administrator is authorized to use during any fiscal year not to exceed $50,000 of the moneys in the revolving fund (established under subsection (e)) to conduct surveys of the status and current volume of State and local public works planning and surveys of estimated requirements for State and local public works: *Provided*, That the Administrator, in conducting any such survey, may utilize or act through any Federal department or agency with its consent."

Disposal of Passyunk and Newport war housing projects

SEC. 903. (a) The use of projects PA-36011 and PA-36012 (which were conveyed to the Housing Authority of Philadelphia, Pennsylvania, under section 406(c) of the Housing Act of 1956) for the housing of military personnel and civilians employed in defense activities without regard to their income, and the giving of a preference in respect of 700 dwelling units in such projects for such military personnel as the Secretary of Defense or his designee prescribes, for a period of five years after the date of the conveyance of such projects, is hereby authorized; and such use and the giving of such preferences shall not deprive such projects of their status as "low-rent housing" as that term is used and defined in the United States Housing Act of 1937 and within the meaning of that term as used in section 606(b) of the Act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended. The Housing and Home Finance Administrator is authorized and directed to agree to any amendments to the instruments of conveyance which may be required to give effect to the purposes of this section.

(b) Section 406(c) of the Housing Act of 1956 is amended by striking out "three years" in the first proviso and inserting in lieu thereof "five years".

Farm housing research

SEC. 904. Section 603(c) of the Housing Act of 1957 is amended to read as follows:

"(c) The authority of the Housing and Home Finance Agency to make grants under subsection (b) shall expire June 30, 1962. The total amount of such grants shall not exceed $300,000 during each of the fiscal years ending June 30, 1958, and June 30, 1959, and shall not exceed $50,000 during each of the fiscal years ending June 30, 1960, and June 30, 1961."

SEC. 905. Paragraph (1) of Sec. 1803(d) of title 38, United States Code, is amended by striking out "thirty years" and inserting in lieu thereof "thirty-five years".

Hospital construction

SEC. 906. (a) Section 605(b) of the Housing Act of 1956 is amended by striking out "1958" and inserting in lieu therof "1960".

(b) Section 605(c) of the Housing Act of 1956 is amended by inserting before the period at the end thereof the following: ", and the sum of $7,500,000 for the purposes of this section for each of the fiscal years ending June 30, 1959, and June 30, 1960".

Real estate loans by national banks

SEC. 907. Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(j) Loans secured by mortgages insured under this section shall not be taken into account in determining the amount of real estate loans which a national bank may make in relation to its capital and surplus or its time and savings deposits."

Savings and loan associations

SEC. 908. (a) Section 5(c) of the Home Owners Loan Act of 1933 is amended by inserting before the colon at the end of the first proviso a comma and the following: "and additional sums not exceeding 20 per centum of the assets of an association may be used without regard to such area restriction for the making or purchase of participating interests in first liens on one- to four-family homes, except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association:".

(b) Section 5(c) of such Act is further amended by adding at the end thereof the following new sentence: "Participating interests in loans secured by mortgages which have the benefit of insurance or guaranty (or a commitment therefor) under the National Housing Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code, shall not be taken into account in determining the amount of loans which an association may make within any of the percentage limitations contained in the first proviso of this subsection."

Voluntary home mortgage credit program

SEC. 909. Section 610(a) of the Housing Act of 1954 is amended by striking out "July 31, 1959" and inserting in lieu thereof "July 31, 1961".

Housing for migratory farm labor

SEC. 910. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"Insurance of farm housing loans made by private lenders

"SEC. 514. (a) The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to farmers, associations of farmers, and county governments for the purpose of providing dwelling accommodations and related buildings and structures for migratory farm labor in accordance with terms and conditions substantially identical with those specified in section 502; except that—

"(1) no such loan shall be insured in an amount in excess of 90 per centum of the value of the farm involved less any prior liens in the case of a loan to an individual farmer, or 90 per centum of the total value of the structures and facilities with respect to which the loan is made in the case of a loan to an association of farmers or a county government;

"(2) no such loan shall be insured if it bears interest at a rate in excess of 6 per centum per annum;

"(3) the borrower shall be required to pay such insurance charges as the Secretary deems proper, taking into account the amount of the loan and any prior liens. The initial insurance charge shall be at a rate not to exceed 1 per centum on the principal amount of the loan, and additional charges annually thereafter shall be at a rate not to exceed 1 per centum of the outstanding principal balance of the loan after each annual installment due date;

"(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

"(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

"(b) The Secretary shall utilize the insurance fund created by section 11 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005a) and the provisions of section 13 (b) and (c) of such Act (7 U.S.C. 1005c (b) and (c)) to discharge obligations under insurance contracts made pursuant to this section, and

"(1) The Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

"(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

"(3) one-half of all insurance charges shall become a part of the insurance fund. The other half of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers' Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

"(c) Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

"(d) The aggregate amount of the principal obligations of the loans insured under this section shall not exceed $25,000,000 in any one fiscal year.

"(e) Amounts made available pursuant to sections 511 and 513 of this Act shall be available for administrative expenses incurred under this section."

(b) The first paragraph of section 24 of the Federal Reserve Act (12 U.S.C., sec. 371) is amended by inserting after "the Act of August 28, 1937, as amended" the following: ", or title V of the Housing Act of 1949, as amended".

Mr. ROBERTSON. Mr. President, I move that the Senate disagree to the amendment of the House, agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. SPARKMAN, Mr. FULBRIGHT, Mr. DOUGLAS, Mr. CLARK, Mr. WILLIAMS of New Jersey, Mr. MUSKIE, Mr. CAPEHART, Mr. BENNETT, and Mr. BUSH as conferees on the part of the Senate.

DEATH OF HON. OSWALD D. HECK, SPEAKER OF THE NEW YORK STATE HOUSE OF REPRESENTATIVES

Mr. JAVITS. Mr. President, on behalf of my distinguished colleague [Mr. KEATING] and myself, I regret to announce to the Senate the death in Schenectady, N.Y., of the speaker of the State assembly, Oswald D. Heck, who was very well known to Members of the Senate. He was the speaker of our State assembly for 22 years, the longest period of service in that office of anyone in New York. He was a most enlightened legislator, a leader, and a man of great wit, who gave our State very liberal leadership, which placed the State of New York in a position of leadership among the States of the Nation in connection with such measures as compulsory auto insurance. He was one of the leaders in the fight for antidiscrimination statutes, in which field New York has led the other States of the Union. He was also active in connection with workmen's disability compensation laws, and other forward-looking measures.

I believe it is fair to say that among his colleagues in New York his rank in their affections was equal to that of the famous JOE MARTIN and "Mr. SAM" RAYBURN.

The State of New York has suffered a great loss, and I believe our Nation has suffered a great loss in losing this very distinguished, lovable, and extremely able citizen.

I ask unanimous consent to have printed in the RECORD as a part of my remarks an article from the New York Times on his death, and editorials eulogizing him from the New York Times, the New York Herald Tribune, and the New York Daily Mirror.

There being no objection, the article and editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times]

OSWALD HECK DIES, SPEAKER 22 YEARS—CHIEF OF ASSEMBLY, 57, HAD SET A RECORD IN POST—LED GOP LIBERALS

(By Douglas Dales)

Oswald D. Heck, speaker of the assembly for 22 years, died of a heart attack yesterday morning at Ellis Hospital in Schenectady, N.Y. He was 57 years old.

A Republican and a lifelong resident of Schenectady, Mr. Heck had been presiding officer of State's lower house longer than anyone else. His ability to muster support for controversial measures made him a dominant figure on the Albany scene.

The speaker had been in the hospital for most of the period since the legislature adjourned late in March.

In the last 2 years, he had suffered periods of ill health resulting from a circulatory ailment. He was hospitalized at Boston for 3 weeks during the last legislative session.

Mr. Heck's greatest aspiration, one he never realized, was to become Governor. He was an avowed candidate last year, but swung his support early in the preconvention period to Nelson A. Rockefeller.

AIDED GOVERNOR

With the election of Mr. Rockefeller the two worked closely in putting the administration program through the legislature. One of the speaker's toughest assignments was gathering the Republican votes needed to enact the Governor's tax program.

Mr. Rockefeller visited Mr. Heck at Ellis Hospital just before leaving May 6 for a vacation at his farm in Venezuela. He learned of the speaker's death yesterday afternoon as he returned from a horseback ride up a mountain ridge near his Monte Sacro farm.

The Governor immediately dictated a tribute in which he referred to Mr. Heck's service as unique and unprecedented.

"His passing leaves a void in the Republican Party and in our legislature which will take years to fill," he said.

Mr. Rockefeller is scheduled to arrive at New York International Airport, Idlewild, Queens, this morning.

The death of Mr. Heck confronts the Governor with a major political problem in the election of a successor. The speakership is filled by a majority vote of the assembly.

Mr. Heck was the leader of a liberal wing of the party dominating the northeast quadrant of the State. That group, in alliance with downstate liberal forces, was able to dominate the assembly under Governors Thomas E. Dewey and W. Averell Harriman.

Assemblyman Joseph F. Carlino, of Long Beach, Long Island, who was appointed majority leader by Mr. Heck in 1954, is the leading candidate for speaker. But opposition from upstate rural counties may put his election in doubt.

Potential rivals for the speakership include Assemblymen Robert Main, a relative newcomer, from Franklin County; Charles Schoeneck, of Onondaga, also a relative newcomer, who helped stem the revolt against

Governor Rockefeller's tax program last winter; Charles Cusick, of Auburn, now chairman of the banking committee; and Julius Volker, of Erie, one of the leaders of the tax revolt at the last session.

In Mr. Carlino's favor is the fact that he comes from a New York City suburban county, Nassau. The suburban counties constitute a main source of Republican strength now. Mr. Rockefeller's margin in Nassau, Suffolk, and Westchester wiped out Mr. Harriman's New York City margin.

Whether the speakership will be filled before the next regular session of the legislature in January was uncertain yesterday. One view was that the statutory duties of the office made it necessary to fill the post as soon as possible.

If the office is filled before the session, it could be achieved by the circulation of a petition among Republican assemblymen. The selection would become effective by filing the petition with the clerk of the assembly.

WIELDED WIDE POWER

As speaker of the assembly for more than two decades, Mr. Heck wielded more power over more years than any other man in New York's legislative history.

Elected speaker in 1937, he was the 92d person to hold the office. His predecessors over a period of 160 years had averaged less than 2 years in office. The longest tenure had been 6 years.

Mr. Heck enjoyed a bipartisan popularity that is not commonly the lot of such powerful politicians. This was demonstrated in the spring of 1956 when 2,500 Republicans and Democrats turned out for a testimonial dinner in his honor at the Waldorf-Astoria Hotel. The affair was regarded generally as the opening gun of his bid for the Republican nomination for Governor in 1958.

Never coy about his ambition, Mr. Heck desired to top his public career in the executive mansion. He was often mentioned for membership on the public service commission and for secondary spots on State tickets. These did not interest him.

His political star was in the ascendency in the late thirties at a time when another young Republican, Thomas E. Dewey, was moving into the forefront as a result of his prosecution of rackets in New York City.

In his second year as Speaker, Mr. Heck had hoped to be his party's choice for Governor in 1938, but the nomination went to Mr. Dewey. Mr. Heck was permanent chairman of the convention and later was chosen by Mr. Dewey as his upstate campaign manager.

AN AVOWED CANDIDATE

Mr. Heck made no move to get the nomination in 1954, when Mr. Dewey elected not to seek a fourth term, but 2 years later, he became an avowed candidate for the nomination in 1958. However, in the spring of the election year, another political star, Nelson A. Rockefeller, began to rise.

A portly man, nearly 6 feet tall, Mr. Heck tipped the scales at 265 pounds until, on the advice of his physicians, he trimmed down to 225. He was an able, persuasive and articulate speaker, with a facility for wit, which he frequently used to lighten the atmosphere of the assembly.

The source of his power was his authority to name the chairmen of all assembly committees and his role as chairman of the Rules Committee, which controls the fate of all legislation during the closing weeks of the session.

Mr. Heck was a progressive Republican. For this reason, he frequently was at odds with Senate Majority Leader Walter J. Mahoney, a conservative, who was his Republican counterpart in the upper house. Mr. Heck strongly supported the compulsory automobile insurance bill for several years before Mr. Mahoney finally capitulated. He steered the telephone bill—designed to prevent a rate increase—through the assembly twice, only to have Mr. Mahoney kill it in committee.

[From the New York Times, May 21, 1959]

OSWALD D. HECK

He was one of the finest public servants of New York State. A member of the assembly since 1932, speaker since 1937—the longest service in that office by far for any man—Oswald D. Heck enjoyed the respect and affection of members of both sides of party aisle. He was a man of high principle, yet shrewd in the art of politics. Jolly and companionable, he was nevertheless deeply serious about issues that mattered, ready to take the floor with a strength of conviction that carried the day when a question of importance was at stake. He stood courageously for the liberal cause in lawmaking. Governors came and went; he remained as one of the few symbols of permanence on the Albany scene, a stanch defender of common sense, always to be depended on. He was, to a degree unusual in political life, a man of character.

[From the New York Herald Tribune, May 22, 1959]

OSWALD D. HECK: A LIFE OF SERVICE

Few other political figures in our State will be mourned more deeply or sincerely than Oswald D. Heck, who died yesterday in Schenectady at the untimely age of 57. For 23 years he was speaker of the assembly—longer than any individual had served in that job before him, or is likely to do in years to come. It was a job that Ozzie Heck held with pride, independence and a profound sense of responsibility. Being an official of his State was nothing casual or incidental to Mr. Heck. It was his life.

It was a measure of his personal character and his political skill that Mr. Heck held not only the respect but the affection of members of both parties—as was reflected yesterday in the tributes paid to him. Being speaker of the assembly is a partisan job, but Mr. Heck knew how to be partisan and a square-shooter at the same time. Some evidence of how successful he was came at a testimonial dinner at the Waldorf in 1956, when 2,000 guests, Republicans and Democrats alike, cheered him on this 20th anniversary as speaker.

Oswald Heck had an ambition to be Governor of New York, and a very good one he would have made. Political fortunes and, in recent years, his own health, ruled otherwise and he never made the campaign. But he could look back, as few men could, to a lifetime of devoted service, memorialized both in achievement and friendship.

[From the New York Mirror, May 22, 1959]

A POLITICAL HERO

Oswald D. Heck, 57, died too soon yesterday. Speaker of the New York State Assembly for a record 22 years, Ozzie Heck was a politician in the finest sense of the word.

He was skilled in the arts of government. He served the people. His honesty was legendary, although few men of his age have lived long enough to create legends.

Leaders of his own Republican Party and the Democratic opposition have rushed to pay tribute to his virtues.

There is evidence that his fatal illness may have been occupational. He had suffered from circulatory troubles, had undergone an operation for a related foot infection, and finally succumbed to an acute coronory attack.

Politics, too, has its heroes. Ozzie Heck was one of them.

Mr. KEATING. Mr. President, I desire to join my distinguished colleague in paying tribute to Oswald D. Heck, who served for so many years as speaker of the New York State Assembly.

He was for a long time a close associate of my predecessor in the Senate, Irving Ives, who is known and beloved by many Members of this body. They rose in the State legislature together. I believe Mr. Heck succeeded Irving Ives as both Republican floor leader and speaker.

As my colleague has pointed out, Speaker Heck sponsored much important legislation, and was one of the architects of legislation which placed New York State in the forefront of the progressive States of the Nation. He was a hard fighter for the things in which he believed, but he was able to fight in a manner which in no way detracted from the high regard and affection which was felt for him by members of all parties.

He was, to an unusual degree, a man of character in public life. I join in this tribute to him, and in extending to Mrs. Heck and the other members of his family our deepest sympathy.

WHEAT ACT OF 1959

The Senate resumed the consideration of the bill (S. 1968) to strengthen the wheat marketing quota and price support program.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CAPEHART. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That (a) notwithstanding any other provision of law, no agricultural commodities, title to which has been or is hereafter acquired by the Commodity Credit Corporation, shall be sold or otherwise disposed of, except as provided in subsection (b).

(b) Commodities referred to in subsection (a) may be disposed of, in accordance with directions of the President, as follows:

(1) Donation, sale, or other disposition for disaster or other relief purposes outside the United States pursuant to and subject to the limitations of title II of the Agricultural Trade Development and Assistance Act of 1954;

(2) Sale or barter (including barter for strategic materials) to develop new or expanded markets for American agricultural commodities, including but not limited to disposition pursuant to and subject to the limitations of title I of the Agricultural Trade Development and Assistance Act of 1954;

(3) Donation to school-lunch programs;

(4) Transfer to the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U.S.C. 98–98h), without reimbursement from funds appropriated for the purposes of that Act;

(5) Donation, sale, or other disposition for research, experimental, or educational purposes;

(6) Sale for new or byproduct uses;

(7) Donation, sale, or other disposition for disaster relief purposes in the United States or to meet any national emergency declared by the President;

(8) Sales at not less than the current parity price for such commodity, plus reasonable carrying charges, whenever the President determines that because of a shortage

of the commodity such sale is necessary to prevent hardship;

(9) Donations to penal and correctional institutions in accordance with section 210 of the Agricultural Act of 1956;

(10) Sales for export;

(11) Dispositions authorized by section 416 of the Agricultural Act of 1949; and

(12) Sales for the purpose of rotating stocks or consolidating inventories, any such sale to be offset by purchase of the same commodity in a substantially equivalent quantity or of a substantially equivalent value.

(c) Strategic materials acquired by the commodity Credit Corporation under paragraph (2) of subsection (b) shall be transferred to the national stockpile established pursuant to the Act of June 7, 1939, as amended, or to the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954, and the Commodity Credit Corporation shall be reimbursed for the value of the commodities bartered for such strategic materials from funds appropriated pursuant to section 8 of such Act of June 7, 1939, as amended. For the purpose of such reimbursement, the value of any commodity so bartered shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of such barter, as determined by the Secretary of Agriculture. In order to make payment to the Commodity Credit Corporation for any commodities so transferred to the national stockpile or the supplemental stockpile, there are hereby authorized to be appropriated amounts equal to the value of any commodities so transferred. The value of any commodity so transferred, for the purpose of this section, shall be the lower of the domestic market price or the Commodity Credit Corporations investment therein as of the date of transfer to the stockpile, as determined by the Secretary of Agriculture.

SEC. 2. Notwithstanding any other provisions of law, all provisions of the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, and any other Act of Congress, relating to acreage allotments, marketing quotas, and price supports for any agricultural commodity shall be ineffective with respect to the 1960 and subsequent crops of such commodities; but any right, claim, or action which accrued under any such provisions with respect to any crop prior to the 1960 crop shall not be affected.

Amend the title so as to read: "A bill to provide for a new farm program."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. It is my understanding, under the unanimous-consent agreement which was reached last evening, that 3 hours are to be allowed on the Capehart substitute, to be equally divided.

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. I should like to ask the Senator whether he expects to make an extended general statement at this time on his amendment.

Mr. CAPEHART. Ordinarily I do not talk too long. I do not think I shall require very long, unless there are interruptions. I hope there will be considerable discussion of the amendment, because it is certainly far-reaching, and it should be debated. However, I do not believe I shall take much time.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. I make this inquiry only in the interest of Senators.

Does the Senator from Indiana expect all the time on the substitute to be consumed?

Mr. CAPEHART. I cannot answer that question, because I do not know what questions will be asked, and I do not know which direction the debate will take. However, I should say not. If I can explain what I am trying to do, perhaps we can get through in a fairly short time.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. YOUNG of North Dakota. As a matter of clarification, would the Senator abolish all types of aid on all agricultural commodities, including dairy products, sugar, and wool?

Mr. CAPEHART. The Senator is correct.

Mr. President, I am not unmindful of the fact that my amendment is a very far-reaching one, and Senators will want to give very careful consideration to their votes on the amendment.

The proposed legislation before us as amended up to this time makes the situation much worse than it was before. In other words, the pending legislation, as amended by the so-called Williams amendment, does not do the small farmer any good at all. The small farmer will not have any more corn or peanuts or wheat or cotton to sell or to put under loan or deliver than he had before we adopted the amendment. It will hurt the middle-class farmer or the large farmer, because it practically takes him out of participating in the so-called price support program. Therefore, outside the crops on which there are mandatory acreages, he will be in the position of growing as much as he wishes, and till as many acres as he wishes, and grow as much as he wishes to grow. It affects the large farmer and the fairly large farmer. I am delighted that it has happened, because heretofore I have felt duty-bound to cooperate in the program by participating in the program and because no longer will I personally feel in conscience that I should participate in the program, which reduces my acres of soybeans, wheat, and other things, if I participate.

What the Senate has done in my opinion, has not helped the small farmer. We have increased the production, and we will further lower the farmer's prices. The pending bill calls for 65 percent of parity on wheat. Yet there is a law on the statute books which provides that the Commodity Credit Corporation, the Department of Agriculture, is authorized to sell at 5 percent above the existing support price. That means that the market price on wheat will be set at 70 percent, plus a little interest and some carrying charges.

That means, if history repeats itself, as it always does, that the small farmer will have about 20 percent of parity. With 1,300 million bushels of wheat in the hands of the Government, out of a total of 1,600 million bushels of visible supply, plus what is raised this year, we will further reduce to the farmer the price of wheat. We will further increase the surplus. We will further make the program more unworkable than it has been heretofore.

I wish the RECORD to show that the Williams amendment, in my opinion—and I refrained from voting on it by reason of the fact that I farm on a rather large scale—is the best reason why the Senate should adopt my amendment.

We are further complicating the farm problem and further reducing the farmers' prices and likewise increasing the surpluses.

My amendment would do this: It would freeze the currently Government-held $9 billion to $10 billion farm surplus. It would repeal, as of January 1, 1960, or at the end of the current crop year, all agricultural price support programs.

It would in effect, Mr. President, remove the depressing price effect of the current surplus and, more importantly, let the American farmer conduct his own business.

No one disputes the fact that the currently held surplus is one of the principal reasons why farm prices are too low.

Whether the Senate adopts my amendment or does not adopt it, whether the Senate passes the pending bill or whether it does not pass it, there is one thing, in my opinion, that we must do, and that is to repeal the part of the law which provides that the Commodity Credit Corporation can sell at the minimum of 5 percent above the existing support price. We set the market price, when we reduce the support price. With a support price of 65 percent, when we say to the Government, "You can sell it at 70 percent or 5 percent above the existing support price," we set the market price. That is particularly true so long as the Government has control of 1,300 million bushels of wheat of a visible supply of 1,600 million bushels. The same is true of corn, soybeans, and other crops, although it is not true quite to the degree that it is of wheat.

We will never get the market price to the farmers above the support price so long as we have that provision in the law.

My amendment would freeze the surplus—$9 billion or $10 billion worth, or whatever it is—which we will have on hand at the end of this year. Price supports would not be eliminated until the first of January, but we would say to the President of the United States, "You can dispose of the $9 billion or $10 billion surplus in an orderly way. You can sell it in export trade. You can sell it through the school lunch program. You can give it to hungry people in the United States. You can give it to hungry people

anywhere. You can sell it under Public Law 480. You can dispose of it in all the ways you can dispose of it now."

My amendment would say to the President that in case of an emergency, such as the price of agricultural commodities going too high, or in case of a drought, he could sell it in the domestic market; but he could sell it only at 100 percent of parity, because the purpose of the amendment is to take the stockpile completely out of competition with what the farmers grow beginning January 1 of next year. Under the amendment, on January 1 of next year, the farmers would start as though there had never been any farm programs. The Government would be permitted to sell commodities from the stockpile in the export market. It could likewise sell any merchandise from the stockpile which is deteriorating or spoiling. However, if it did that, it would have to buy an equal amount of the commodities in the open market at the market price to replace it.

The operation of the plan may take 5 years, in order to dispose of the surpluses. However, in the meantime we would eliminate the surpluses from competing with the farmers and competing with the farmers' prices.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. ELLENDER. I am sure the Senator would not want to leave the impression that the wheat under the control of the Commodity Credit Corporation at the present time, if the bill should be enacted, would be sold at 70 percent of parity.

Mr. CAPEHART. It would be sold at 5 percent above the existing support price.

Mr. ELLENDER. Evidently my good friend has overlooked the last sentence of the first paragraph on page 4 of the bill, which reads:

For the purposes of section 407 of the Agricultural Act of 1949 the current support price shall for each of the 1960 and 1961 crops of wheat be deemed to be a price determined on the basis of a level of support of 75 percent of the parity price as of the beginning of the marketing year.

Mr. CAPEHART. At what percent?

Mr. ELLENDER. 75 percent.

Mr. CAPEHART. It would sell at 5 percent above 75 percent.

Mr. ELLENDER. Yes.

Mr. CAPEHART. The Senator agrees with me that under existing law the Commodity Credit Corporation is authorized to sell it at 5 percent above the existing support price.

Mr. ELLENDER. That is correct.

Mr. CAPEHART. That was all right when the support price was 90 percent. It meant that it could be sold at 95 percent. But as support prices are pushed down and the law is maintained, then, in my opinion, the market price will be pushed down. And what private businessman will pay more than 5 percent above the support price? He will not pay even that much when he knows that he can buy commodities out of the big stockpile at any time he wishes, at 5 percent above the support price.

Mr. ELLENDER. Mr. President, will the Senator further yield?

Mr. CAPEHART. I yield.

Mr. ELLENDER. I am certain the Senator recalls that the law further provides that to this price are added——

Mr. CAPEHART. Interest and carrying charges.

Mr. ELLENDER. Yes; interest and carrying charges, which amount to a considerable sum.

Mr. CAPEHART. That is correct; I should have said that. It is 5 percent of the total amount.

Let me give an example of what I am talking about. I had a visit from a friend the other day. He sat opposite me at my desk. He has a grain elevator and a feed mill, and he is a successful businessman.

I asked him, "How much Government grain do you have on hand?"

He said, "I have only corn. I have 100,000 bushels of Government-stored corn. The Government pays me a cent a bushel a month for storing it and 7 cents a bushel for moving it in and out. So in the first year I made 19 cents a bushel on 100,000 bushels."

Then I asked him, "How much corn do you have for your own purposes? How much do you own? You have a fairly large feed mill."

He replied, "I have only 30,000 bushels."

I asked, "Why don't you buy 100,000 bushels?"

He said, "Why should I buy 100,000 bushels when the Government is paying me 1 cent a bushel a month for storing it and 7 cents a bushel for moving it in and out? I know I can buy it at any time I want it at 5 percent above the support price plus some interest and carrying charges, and the corn is in my elevators."

I then asked him, "What do you pay the farmers for corn?"

He said, "We are certainly not going to pay any more than the support price for corn. That is what is being paid."

Mr. President, that will always be the situation. If the support price were 90 percent, the buyer would pay 90 percent. If the support price were 60 percent, he would pay 60 percent. This program is not working. It cannot possibly work.

What is happening is that the Government is paying private enterprises all over the United States 1 cent a bushel to store shelled corn. I think the Government pays more than that on wheat, to carry the inventory which in former years private enterprise carried itself. Yet under the law we are putting a ceiling on the free market price.

If my amendment to eliminate price supports is not adopted, the Committee on Agriculture and Forestry at this session of Congress should propose to repeal the law which freezes or sets a ceiling on the free market price at 5 percent plus interest and carrying charges above the support price.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CASE of South Dakota. Whatever else may be accomplished by the Senator's presentation and his amendment, I trust the Senate and the country will not lose sight of the point he has brought out by relating his experience with his friend the other day. As the law now stands, a new business has been built into the economy, the business of storing surplus commodities. A vested interest has been created in that field. So long as the law stands as it is today, the man to whom the Senator from Indiana referred will have a good business if he can collect storage fees on 100,000 bushels.

Mr. CAPEHART. One hundred thousand bushels of shelled corn.

Mr. CASE of South Dakota. He will have a vested interest in the perpetuation of a system which supplies grist for his mill, to wit, the storage of this commodity.

The Senator's illustration dealt with corn. The same illustration could be applied to wheat. I think a vested interest has been built into the present economy through the storage of wheat. It has been some time since I saw the figures, but, as I recall, the Government is paying about 18 cents a bushel for the storage of wheat. That amount does not go to the farmer.

Mr. CAPEHART. I think the estimate is that it costs about a billion dollars a year to store the surplus, and the farmer gets none of that amount.

Mr. CASE of South Dakota. It costs about a billion dollars a year to store all surplus commodities.

Mr. CAPEHART. Yes, and the farmer gets none of that.

Mr. CASE of South Dakota. He might if he had some storage facilities on his farm and could store the surplus there. But the wheat charge alone is about $500,000 a day.

To that extent, I think the Senator's presentation certainly is worth while, because it ought to drive home to the country the fact that there is a new business in the farm program, namely, the business of storing the surplus, which is now large and is growing larger.

There is one point I hope the Senator will bring out in his discussion; that is, what he thinks the price of wheat would be under the amendment he has offered. He has indicated what he thinks it would be under the bill now before the Senate. But under the amendment in the nature of a substitute, what clue can he give us as to the price of wheat?

Mr. CAPEHART. My best judgment is that it will not have any effect this year. But beginning next year, when the surplus has been frozen and can only be sold in the domestic market for 100 percent of parity, when the Government has about 1,300 million bushels, and 1,600 million bushels are left, and nearly 300 million bushels in the visible supply are for private enterprisers to buy, my guess is that the price will go up very substantially. It will have to go up very substantially.

I remember that years ago—and so do most other Senators—one could pick up a newspaper and read occasionally that the visible supply of wheat or corn in the United States was so much or so many bushels. That meant the number of bushels on farms, other bushels in the

elevators, and a number of bushels in boxcars. That was the visible supply.

Now it is called surplus. I am inclined to believe that $9 billion or $10 billion of surplus commodities may be a good thing. Perhaps that is not too large a surplus. But the trouble is that we try to help the farmer by buying his commodities and putting them in surplus, and then pass a law providing that they can be sold at 5 percent above the support price, which is entirely too low. That is the weakness of the whole proposition.

The amendment I am offering has two parts to it. I repeat: The surplus would be frozen and disposed of in an orderly way, so that it would not interfere with that which the farmers grow, beginning next January 1. The Government would keep the surplus. Perhaps that is a good thing.

We then say to the President, "If the price of wheat gets too high, or if there is a drought and a part of the wheat is needed, you may sell a portion of it at 100 percent of parity." That is provided so as not to run down the price of the farmer's commodity in the open market.

I am certain that Senators realize that if the free market price during the past 6 years had been higher than the support price, there would not be a nickel's worth of commodities in the so-called Government surplus pile. It is only when the support price is higher than the free market price that the commodities are put into the stockpile.

Therefore, what Congress ought to do is to enact legislation and adopt policies which will keep the market price above the support price. Then the farmer sells his commodities in the open market. That is what we ought to try to do. That is the kind of legislation we should have.

This legislation in the beginning, back in 1938, never was intended to help the small farmer, the big farmer, or the in between farmer. The size of the farms had absolutely nothing to do with the question. It ought never to have anything to do with it today.

The purpose of the agriculture legislation in 1938 was to reduce the farmer's production by saying to him, "If you will reduce the number of acres you till, we will lend you X amount a bushel or a pound. You can sell the commodity you produce in the open market and pay off your loan at any time you wish. Or if the support price is higher than the market price, you can deliver the merchandise or commodities to us, and we will pay off your bank loan." It was not a program to help the little fellow or the big fellow; it was a program to keep up the prices of agricultural commodities.

The original idea was to keep the prices of agricultural commodities within 100 percent of parity. Parity is a formula which is based on keeping the prices of agricultural commodities comparable to the prices the farmers have to pay for all the things they buy. That was the only purpose. But to judge by what some Senators say today, the program was enacted to help the small farmer. Today Senators talk about helping the small farmers. Of course, I am in favor of helping the small farmers. But today, by means of an amendment which the Senate has adopted, the maximum amount which can be received by any farmer who participates in the program has been limited to $35,000.

Yet the statistics show that the large farmers, who constitute 25 percent of the entire number of farmers, produce 75 percent of all agricultural commodities grown in the United States, and farm 75 percent of the total acreage. So what the Senate has done is to remove 75 percent—the exact figure may be somewhat larger or somewhat smaller; in any event, it is a very large amount—completely from the program, with the result that those who farm 75 percent of the total acreage will be allowed to produce as much as they wish.

Mr. President, the present farm program has outlived its usefulness. Something is wrong with it. There is ample proof of that.

Mr. President, I am amazed that so few Senators are on the floor to listen to the debate. What is wrong with Senators? Are they afraid of the issue? Are they afraid to face the facts in connection with a program which has proven to be a failure?

Mr. President, what is this program? It has been voted for by both Democratic Members of Congress and Republican Members of Congress. In 1938 the Democratic Party gave us the price support law. Later on, Mr. Benson proposed the soil-conservation law; and it was added to the price-support law. Both of them had the same purpose, namely, to reduce agricultural commodity production by reducing the number of tillable acres, in order that the free market prices of agricultural commodities might be comparable to the prices the farmers had to pay for the things they had to buy.

So, Mr. President, this program is not a partisan one, because all of us have been involved in it. But the program is not working.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Indiana yield to me?

The PRESIDING OFFICER (Mr. CANNON in the chair). Does the Senator from Indiana yield to the Senator from South Carolina?

Mr. CAPEHART. I yield.

Mr. JOHNSTON of South Carolina. Have any hearings been held on the bill?

Mr. CAPEHART. Of course they have.

Mr. JOHNSTON of South Carolina. I refer to the proposal of the Senator from Indiana which now is before us.

Mr. CAPEHART. Hearings were held on the amendment of the Senator from Minnesota [Mr. HUMPHREY], which was submitted yesterday. My amendment was printed and was lying on the table yesterday, and was before the committee yesterday morning, when the committee met; and hearings could have been held on it.

Mr. JOHNSTON of South Carolina. But I do not think the Committee on Agriculture and Forestry has held any hearings on it; neither has the committee looked into the Senator's proposal, to see just what it would do.

Mr. CAPEHART. Of course, I think perhaps the wisest thing to do would be to return the wheat bill to the committee, and have the committee study it further.

Mr. JOHNSTON of South Carolina. But my question is whether the Senator's amendment has been studied in connection with hearings.

Mr. CAPEHART. No; I do not think hearings have been held on it. About a month ago I introduced an omnibus farm bill; and I do not think any hearings have been held on it.

Mr. CARLSON. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. CARLSON. The Senator has discussed the effects of some of the farm legislation. I wonder whether it dates back to the attempts of the Government to assure production during the emergency war period; and, later, the surpluses built up, and we got into the program of restricting the acreage.

Mr. CAPEHART. Undoubtedly that is true.

Mr. President, let us consider the facts regarding the existing situation; let us forget who was responsible for the program in the first place. I do not know that, and I do not care. But I do know that, as one of the 98 Members of the Senate, I have a responsibility to the taxpayers of the Nation, including the farmers of the Nation, to try to reach a proper solution of this problem, which at present is the subject of a very expensive program.

It is a fact that this year the Department of Agriculture will spend $6,500 million—approximately $5 billion of it to support farm-commodity prices—in order to support a net income of all farmers in the Nation which last year amounted to $13 billion; and the Department of Agriculture tells us that this year their net income will be $1 billion less. Yet the stockpile or the surplus has increased to between $9 billion and $10 billion worth. In other words, under the existing program the cost to the taxpayers is rising every year, the surplus is increasing every year, and the expenses of the Department of Agriculture are increasing; but agricultural commodity prices are remaining where they were, or are going down; and, at least, Mr. President, the farmers' net income this year will be $1 billion less than it was last year.

Furthermore, since 1953, and through 1958—and for the first time in the history of the Nation—the increase in the farmers' income has been less than the increase in the income of the rest of the American people. The farmers received $2 billion less income.

Furthermore, since 1933 the Government has spent, in supporting the prices of agricultural commodities, $30 billion. Yet $15 billion of that has been spent in the past 6 years.

Mr. President, those are facts. Yet today the Senate is considering a bill which calls for the same, old program; it calls for no change except one which would make the program even worse.

I heard Senators talk about their desire to help the small farmers; and they thought the small farmers would be helped by imposing a limitation of $35,000 on the amount which could be

loaned to any one farmer. Mr. President, how would that give any farmer an additional bushel of wheat or corn or an additional pound of cotton or peanuts? It would not help the farmers any, although it might reduce the cost to the taxpayers.

But I predict that unless there is a drought this year, the prices of agricultural commodities will go down.

As we know, the agricultural commodities which are supported by means of this program constitute only a very small percentage of the total of agricultural commodities, in terms of the total income of the farmers. Three commodities—corn, wheat, and cotton—are responsible for 85 percent of the total of $10 billion.

On the other hand, the prices of livestock and poultry—which are responsible for approximately 75 percent, more or less, of the income of the farmers—are not supported. The prices of livestock and poultry are fairly satisfactory; at least, hog prices and cattle prices are.

Mr. President, why do Senators hesitate to change something which they know is wrong? Why is this Chamber almost empty at this time? Why do not Senators have the courage to face the issue? Is it a political issue?

Mr. President, all Senators are doing now is sweeping their troubles under the bed—in the way a housewife may sometimes sweep a little dirt under the bed, and think she has cleaned the room.

This problem will be back to haunt Senators next year, in my opinion, in a bigger way than it is haunting them this year—or, if not next year, then certainly in 1961 or 1962.

The only thing that could possibly save us, in this situation, would be a severe drought or a great many floods which would prevent very much production for several years. Certainly that would be an exteremely cruel way to correct the situation. It might be corrected on that basis; but certainly it will not be corrected otherwise, under the present program.

Mr. President, what is the answer? Why do not the Senate and the House of Representatives do something to correct the situation? Why does not the Democratic Party, which is so much interested in the farmers—and I say that sincerely—do something to correct it?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAPEHART. Yes, I am happy to yield.

Mr. DOUGLAS. I wanted to know about the grammar used by the Senator from Indiana. Did he say the "Democratic Party," which is the proper term or "Democrat Party"?

Mr. CAPEHART. Either one; whatever name one calls it by——

Mr. DOUGLAS. Hereafter would the Senator from Indiana please stick to the rules of correct grammar and please say Democratic Party?

Mr. CAPEHART. Very well, I will say Democratic Party. I am not trying to be critical. I would say the same thing if those on this side of the aisle were in the majority. We are talking about $5 billion. I get letters from all over the United States, mostly from Indiana, saying to me, "Reduce expenditures. Cut taxes. Cut the foreign aid program." They do not seem to understand we have a Department of Agriculture which is spending $6 billion, $5 billion of that for price support, all of which, in my opinion, could be eliminated in a short time.

I would not regret the expenditure of $5 billion, and I do not think the taxpayers would, if the prices of the grains we are supporting were at figures comparable with the prices farmers have to pay for the things they buy. But that is not so. So, if we are going to do something about this program, now is the time to do it.

When I sent my amendment to the desk to be printed, which I think was on Wednesday, the able Senator from Minnesota, in a colloquy with me, said, "Well, we will take care of this in 18 months." I presume he meant that when we get a Democrat President they will take care of it. The problem ought to be taken care of today.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAPEHART. Yes.

Mr. DOUGLAS. Once again the Senator has violated the rules of syntax by saying "Democrat" President, whereas the word should be "Democratic" President. The Chairman of the Republican National Committee, our good friend the Senator from Kentucky [Mr. MORTON], has observed the rules of politeness, and refers to the "Democratic" Party. I want to congratulate cur colleague from Kentucky. I say to my friend from Indiana, please do not downgrade your opposition by dropping off the last two letters, "i-c." We are the "Democratic" Party and not the "Democrat" Party.

Mr. CAPEHART. I do not think the farmers or taxpayers care whether I say "Democrat" or "Democratic," so long as the farmers can get higher prices and the taxpayers can get some tax relief.

Mr. DOUGLAS. Will the Senator yield?

Mr. CAPEHART. I have said several times I was not blaming any particular party.

Mr. DOUGLAS. Will the Senator yield?

Mr. CAPEHART. But I am appealing to the people who control the votes and saying that if we do not do something about this problem, we are going to be in very great trouble.

Mr. DOUGLAS. Will the Senator yield?

Mr. CAPEHART. Yes.

Mr. DOUGLAS. The Senator from Illinois is trying to save the grammatical reputation of the Senator from Indiana, and yet the Senator from Indiana persists in making the same blunder over and over again.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. CAPEHART. Let me say to the able Senator from Illinois that I would much prefer not to be saved by him, since I do not consider it will add to my reputation in the least to be helped or saved by him, because he possibly is one who does not have the courage to face this issue. Like a good lawyer, when he does not want to face the issue, he wants to divert attention in other directions.

I am talking about a farm program which, in my opinion, is not working, and there is not a Member of the U.S. Senate who will not admit it is not working.

Let me quote the last sentence of President Eisenhower's message to Congress on January 29. Some people said to me the other day, "Well, you are a Republican and you are saying that this program is not working and won't work," and so forth.

Let me quote what the President said last January:

> Continuation of the price support and production control programs in their present form would be intolerable.

That is what the President of the United States said on January 29. In a few moments I shall read some other statements he has made.

Mr. CASE of South Dakota. Mr. President, if the Senator will yield, I am not sure that the rules of the Senate require one to be either grammatical or to speak in accordance with any rules of syntax; but if we are going to get down to fine points, I think we ought to know, when we use the term "Democratic," whether it should be spelled with a capital "D" or a small "d."

Mr. CAPEHART. Let me say to the Senator that no two persons have any more enjoyment out of getting into a colloquy than do the Senator from Illinois and myself. We thoroughly and completely understand each other. I always derive great enjoyment from his feeble attempts to correct the Senator from Indiana, and I know he gets much enjoyment from my feeble efforts to correct him.

Mr. CASE of South Dakota. Mr. President, since the Senator from Indiana has used the word "feeble" in referring to himself as well as to the Senator from Illinois, I trust it will not be regarded as violating the rule that a Senator must not speak disrespectfully of a colleague.

Mr. CAPEHART. I am sure in this instance the word "feeble" was meant to be praise both on my part and the part of the Senator from Illinois.

Mr. CASE of South Dakota. It was a term indicating modesty.

Mr. CAPEHART. Yes.

I now read something else the President said about this question:

> The price-support and production-control program has not worked.

Is there a Senator who believes it has? Is there a newspaper that believes it has? Is there a farmer who believes it has worked?

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. YOUNG of North Dakota. The Senator knows, does he not, that the average production of wheat for the past 4 years, under quotas, despite the unusually big crops of last year, has been about 300 million bushels a year less than previous to the imposition of quotas?

Mr. CAPEHART. Yes. The overall production is somewhat greater today than it was 20 years ago, but the produc-

tion is not any greater in proportion to the increase in population in the United States and the increase in the standard of living of our people. It is, therefore, better proof and more proof of the fact that the program is not working.

Mr. CASE of South Dakota. Mr. President, will the Senator yield to me for a serious observation with reference to his proposal?

Mr. CAPEHART. I yield 2 minutes to the Senator from South Dakota, or such time as he may find necessary.

Mr. CASE of South Dakota. I think what the able Senator from Indiana overlooks or does not credit is the value of a price support program in taking care of seasonal gluts in marketing. I agree with him that the big surplus on hand has got to be disposed of and has got to be taken out of the market. It is hanging over the market. But, without any price support program at all, what does the Senator think would happen to prices in the market if there were no way of putting crops into storage or diverting the marketing of products at harvest time?

Mr. CAPEHART. I think if our present surpluses could be eliminated, or at least the great bulk of them, so that they would not compete with what the farmers will grow next year, the prices of farm products would be much higher than they are now.

I am one who believes that prices of farm products would increase if we could get rid of the $9 billion worth of surplus products and started all over again.

Mr. CASE of South Dakota. Unquestionably that would be true for a short period of time; that is, if we could be sure that none of the present surpluses were going to be available to the market, except at 105 percent of parity, there should be some bringback to the market. However, it seems to me a device is needed to protect the farmer against the drop in price which would take effect during the glut of seasonable marketing at harvest time.

Mr. CAPEHART. Perhaps, a lower floor under the price of farm products is needed; but I am not one who particularly believes that the present surplus is too large, big as this Nation is today, and with as many people in it as there are.

The trouble with the present surplus is that we have low support prices, and we permit sales from the surplus stocks at 5 percent above the support price, which sets the market price. That is the trouble.

Years ago those engaged in private enterprise carried the inventory or the surplus. Today the Government has it. The Government either has under its own control in outright ownership or under loan 1.3 billion bushels of the 1.6 billion bushels of supplies of wheat. That leaves only 300 million bushels under private control.

Mr. CASE of South Dakota. That is not the proposal the able Senator from Indiana is making. The Senator is not making a proposal that we freeze or set aside the current stock, but the Senator has proposed a section 2.

Mr. CAPEHART. That is correct.

Mr. CASE of South Dakota. Section 2 would wipe out all price supports.

Mr. CAPEHART. That is correct.

Mr. CASE of South Dakota. If the Senator would strike out section 2 of his substitute he would be presenting a proposition more in line with the description he just gave.

Mr. CAPEHART. In the statement I prepared I said that if any Senator has a better idea I hope he will say so.

The problem simply cannot be ignored any longer. I said, when I introduced the omnibus bill a month ago, I think, and the other night when I submitted this particular proposal, that I have no particular pride of authorship. All I have been trying to do is accomplish something.

I have tried for some 5 years to get through the Senate and through the Congress a bill to spend $100 million a year on research to find new uses for farm products and new markets, and I could not get the bill passed primarily because the Department of Agriculture was opposed to certain features of it.

I care not how we handle this situation, so long as we handle it. I have offered my proposal. Let us hear the other ideas. Perhaps others have better ideas than my own; I do not know. There is not a man who knows the facts who can successfully contradict the statement that the present program is not working. It is getting worse instead of better.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. YOUNG of North Dakota. I will agree that the present program is not working as well as it should, but I think to abolish all price supports would be far worse. All we have to do is look back to see what happened in the 1920's and the 1930's. We had no price supports then. Oats were selling at about 6 cents, and corn at about 12 to 15 cents, but that did not solve the surplus problem or the cash price problem.

Mr. CAPEHART. I will say to the able Senator that the Senate voted this afternoon to eliminate price supports for a great number of our farmers in the United States, when the Senate put a limit of $35,000 on their participation. Those who grow products worth more than $35,000 were eliminated from participating in any price supports.

If such a procedure is good for the fellow who grows products worth more than $35,000, then my best judgment is it would be better for the fellow who grows products worth less than $35,000.

A farmer cannot participate in price support programs unless he reduces his production. The small farmer is in no position to reduce his production. He has too few acres on which to produce as the situation is. When we ask him to reduce X number of the acres he has, and the price is very low, we put him in a bad position.

We voted this afternoon to remove completely from participation in price supports every farmer who grows products worth more than $35,000. I do not have the figures here—I wish I had—but my best judgment is that we took action with respect to at least 60 percent of the acres in the United States when we adopted that provision. That figure perhaps is too high, but possibly it is too low. That is what we did this afternoon. Why did we do it? I think one of the reasons why we did it was that there was a mistaken idea that the farm program we have under consideration will be of help to the small farmer. It will not necessarily help him. The way we could help the small farmer is by providing a program which would keep the free market price up to the point where it should be, namely, around 100 percent of parity in respect to the things the farmer buys. Then we would be helping the small farmer.

We did not help the small farmer today, because we did not help him grow a single bushel of corn or wheat, or peanuts or cotton. We did not do anything to enable him to have an extra bushel or an extra unit to sell. We did not do that at all. We merely turned the big farmers loose. They are the farmers who till possibly 60 or 75 percent of our acreage. We said, "No longer do we expect you to participate. You can till all your acres. You can grow all you want. You can run up a big production and run down the free market price, so that the small farmer will get less and less and less."

The chances are that the small farmers—at least those who are in Indiana—do not have granaries in which to store the grains when they harvest them. They cannot seal them. If they seal the grain in elevators it will cost them about 1½ cents a bushel a month to store the wheat, which is 18 cents a bushel a year. If I am not correct on that figure it can be corrected.

There are many peculiar ideas about the farm program. I participated in the program for many years. I did so because I thought I ought to cooperate with the Government and with the other farmers in attempts to decrease production. I have been criticized for doing it. I understand the program.

For example, I suggested that the $35,000 be limited to the commodities which the farmers deliver to the Government, for the commodities which go into the stockpile. That proposal was turned down. The Senate wanted the language to refer to loans.

When the farmer gets a loan on his corn or his wheat or his cotton, it is at the local bank, and the farmer pays interest on it. The farmer might pay off the loan in 30 days, 60 days, or 90 days.

Why do we want to limit this restriction to loans? If we did as suggested, we would permit the larger farmers to hold the commodities back and market them in an orderly fashion.

I agree with the statements made about the delivery of huge amounts of farm commodities to the Government. I think those deliveries ought to be limited. However, there is a great deal of misunderstanding about this program.

I should like now to refer to another matter. There are many who will not like the statement, and perhaps that is one reason why there are so few Senators present to listen to me, but we had better face the issue. I say to Senators, as a farmer who has been a farmer all his life, the lower we reduce the support prices the more products the farmer, as

a farmer, is going to be forced to grow. If the farmer has an 80-acre field, or a 160-acre field, or a 40-acre field, and if we reduce the support prices, he will work harder. Those who say that by reducing support prices—getting them low enough—we can discourage the farmer from growing commodities, are not correct.

Will any Senator undertake to tell me that if a farmer has an 80-acre field, and has a tractor and does the work himself, he is going to plant only 40 acres of that 80-acre field because the price is low? He will not put the tractor in the corner and plant only 40 acres. He will plant the 80 acres, and he may even plant another 20 acres.

Why will the farmer do that? He will do it because he has to have a lot of production, multiplied by a smaller amount per unit, in order to get the money he needs to meet his banknote or to pay his farm expenses.

It does not work the way it has been stated. The theory is, of course, 100 percent true in the manufacturing business. If I, as a manufacturer, am losing money, or if I cannot sell my products, because there is no market for them, I will quit. I will close down the factory. If I am a retailer and I cannot sell what I have, I will quit until I can sell it. The same is true of the wholesalers. However, it is not true of the farmer.

It takes a year to produce most farm commodities. The farmer has his equipment. If I am a farmer, and if I am doing my own work, as many farmers do, I am going to make the farm produce. What else can I do? I simply cannot quit, and I will not quit. I will not say, "I will not plant my 100 acres because the price is low." I have to plant the 100 acres. I am forced to plant the 100 acres. I will possibly even use additional fertilizer on the land, and possibly will try to raise more on the same acreage. The theory which has been stated is simply a mistaken one. I wish we could print it in bold type in the CONGRESSIONAL RECORD.

We should do what I am recommending today, or we should go back to 90 or 100 percent of parity price supports. We should at least repeal the law which provides that the Commodity Credit Corporation may sell at 5 percent above the support price, plus interest and carrying charges. That sets the market price. I ask Senators to get out their pencils and go through the figures for the various years, as I have done, and see if that is not what sets the market price. Why should a private enterpriser pay more than that? When we set the support price, we set the floor, at 75 or 80 percent on wheat. Then, when we say to the Commodity Credit Corporation, "You can sell at 5 percent above that price, plus certain costs," we set a ceiling. If there is a great deal of grain in storage, we know that that must be the answer.

This is what the President said, in his message of January 29, 1959, on the agricultural program:

When the 1958 crops have come into Government ownership, the costs, in terms of storage, interest, and other charges, of managing our inventory of supported crops, for which commercial markets do not exist at the support levels—

He says "markets do not exist at support levels"—

will be running at a staggering rate, in excess of a billion dollars a year.

Those are not my words. They are the words of the President of the United States. Some of my colleagues have criticized me for saying some of the things I said the other day. The President said them. Secretary Benson has said repeatedly that the present program is no good. I do not know how he would correct it. He has not come forward with a program as I have. I wish he would. He says he wants to get the Government out of the farming business and return it to the farmers, so that they may have freedom of action. Here is a plan which would give them 100 percent freedom of action. It would freeze surpluses.

The President says:

Unless fundamental changes are made, this annual cost will rise.

The President continues:

Heavy costs might be justifiable if they were temporary, if they were solving the problems of our farmers, and if they were leading to a better balance of supplies and markets. But unfortunately this is not true.

Those are the words of the President of the United States in a message to Congress on January 29 of this year.

I do not know whose back the monkey will be on if we in Congress do not come forward with some sort of plan to solve this problem. I do not know who will be responsible. I do not believe the farmers or the taxpayers will care much, because I think they are looking to us for action.

The Farm Journal, which I believe is the largest of our farm magazines, recently conducted a poll. The poll showed that 55 percent of the farmers were in favor of no supports, no controls, no floors; free market prices; and getting the Government out of the business of farming.

Fifteen percent favored emergency supports to prevent disaster from a huge crop or sudden loss of markets; floors set at, say, 50 percent of parity, or 75 percent of the average 3-year market price, and no controls. Eight percent were in favor of adjustment supports, such as 90 percent of the average 3-year market price. Fourteen percent were in favor of high price supports, 90 percent to 100 percent, on a graduated scale.

Eight percent voted for production payments.

Mr. President, I ask unanimous consent to have this chart printed in the RECORD at this point as a part of my remarks.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

THE FARM PLAN YOU VOTED FOR

(By Claude W. Gifford)

Eight out of ten Farm Journal readers want lower price supports and fewer controls in the future—instead of higher price supports and strict controls.

And more than half (55 percent) want the Government to get clear out.

That's the way farmers voted who mailed in ballots printed on page 41 in the February issue. The article accompanying the ballot sized up the situation this way:

Farm productive capacity is racing ahead faster than the growth in population and demand. This tightens the squeeze on farm prices. At the same time, support programs are piling up Government surpluses at an alarming rate. So, the article asked, which of five general directions (see choices left and below), do you think future Government price support policy should take?

Results from the first 10,000 ballots mailed by farmers show that 78 percent favor the first three choices—each of which calls for less support and more freedom than past or present support programs. By all odds the most popular choice is to chuck all supports and get the Government clear out—let farmers' own decisions and management ability determine who'd produce what.

This poll reveals that the South's Farm Journal readers are no longer the "high price support and strict control" advocates they were once assumed to be. Midwestern States gave high price supports a larger vote than the other three regions—but still only one midwestern farmer out of five favors 90 percent to 100 percent of parity. It may surprise you that Iowans, who are often held up as typical of all farmers, are less inclined to "kick the Government out" than farmers in any other State.

Among the different commodities, farmers specializing in either poultry, beef, or fruit and vegetables are the most inclined to chuck supports. Wheatgrowers and feed grain producers are least disposed to do this—although nearly half of them think it's the thing to do.

How dependable are these figures? Statisticians say, "they're sound." The ballot tabulations were checked in these ways:

Tentative percentages were figured after the first 2,000 ballots were counted. These "percentages" proved highly accurate when 10,000 had been tabulated.

Farm Journal statisticians say that counting several thousand more ballots wouldn't change the regional and national percentage figures except possibly by one or two points here and there. Percentage figures from the small States with fewer farms have the best possibility of being nonrepresentative.

The results are a pretty good barometer of farm thinking across the Nation for these reasons:

Farm Journal's circulation—a whopping 3.1 million—covers all parts of the country.

The number of ballots mailed is amazingly close to the proportion of circulation in each State—there was no run on the ballot box from one State or region to upset the final percentages.

When the vote of readers is adjusted for the actual number of farms in each region (1954 census figures), the final percentages are almost identical to the ones from our sample. The difference: 2 percent more in favor of the no-support choice, and 1 percent fewer in favor of high supports.

As a further check a 14-State survey was made among fathers of vocational agriculture students—some Farm Journal readers, and some not. Eight out of ten (82 percent) favored the first three choices (compared with 78 percent by mail).

This poll also checks closely with a survey made in the December 1957 Farm Journal when 50 percent of the readers responding voted that the Government should get clear out of farming.

Age makes little difference in the attitude of the readers voting. The slight difference is that young farmers in the 20- to 30-year-old bracket and farmers 60 and over are slightly more in favor of lower supports and fewer controls.

Two ballots were returned from Alaska, one by a haygrower and one by a potato

grower—both voted for no supports. One Illinois corngrower mailed his ballot from Canada. The oldest voter was an Idaho wheatgrower at an even 100 years. Five said their most important farm product is children.

HOW THE UNITED STATES VOTED ON THE FIVE CHOICES

No supports—no controls, no floors; free market prices; get the Government clear out: 55 percent.

Emergency supports—to prevent disaster from a huge crop or sudden loss of markets; floors set at, say, 50 percent of parity, or 75 percent of the average 3-year market price. No controls: 15 percent.

Adjustment supports—such as 90 percent of the average 3-year market price. Permits gradual adjustment to normal markets. Moderate production control when necessary to ease adjustments: 8 percent.

High price supports—90 percent to 100 percent of parity. Cross-compliance and tight production controls to restrict output to available markets—bushel-and-pound allotments to limit what you could sell: 14 percent.

Production payments—let markets fall, then pay farmers in cash to make up the difference between the market price and the support level. Extend supports to perishables, such as beef, pork, eggs, and fruit. Strict bushel-and-pound controls to hold down costs of the program: 8 percent.

[In percent]

	No supports	Emergency	Adjustment	High supports	Production payments
Connecticut	50	25	5	0	20
Delaware	91	5	0	4	0
Maine	71	9	5	4	11
Maryland	70	19	8	2	1
Massachusetts	77	18	5	0	0
New Hampshire	62	33	5	0	0
New Jersey	84	7	1	3	5
New York	78	12	5	2	3
Pennsylvania	80	13	3	2	2
Rhode Island	57	43	0	0	0
Vermont	72	28	0	0	0
West Virginia	75	17	6	0	2
Eastern States	77	14	4	2	3
Illinois	44	20	7	20	9
Indiana	57	13	8	12	10
Iowa	24	17	13	33	13
Kansas	46	20	10	19	5
Michigan	66	14	8	5	7
Minnesota	30	15	13	25	17
Missouri	52	15	7	15	11
Nebraska	38	15	13	25	9
North Dakota	34	14	11	31	10
Ohio	71	12	4	8	5
South Dakota	39	16	9	26	10
Wisconsin	45	12	13	14	16
Central States	47	16	9	18	10
Alabama	61	15	9	8	7
Arkansas	56	18	9	9	8
Florida	79	9	2	8	2
Georgia	62	3	16	11	8
Kentucky	51	6	22	16	5
Louisiana	51	17	20	5	7
Mississippi	57	14	14	12	3
North Carolina	61	4	6	23	6
Oklahoma	53	22	5	14	6
South Carolina	71	17	7	5	0
Tennessee	65	8	7	11	9
Texas	54	12	10	13	11
Virginia	72	15	2	10	1
Southern States	59	13	9	12	7
Arizona	48	21	24	4	3
California	73	13	6	3	5
Colorado	58	11	5	18	8
Idaho	51	15	9	16	9
Montana	55	17	5	18	5
Nevada	90	5	5	0	0
New Mexico	55	21	13	6	5
Oregon	63	12	7	6	12
Utah	71	9	9	6	5
Washington	70	15	6	6	3
Wyoming	53	18	8	18	3
Western States	63	14	7	10	6

What different commodity groups want

CENTRAL

[In percent]

Kind of farmers	No supports		Emergency		Adjustment		High supports		Production payments	
	United States	Central	United States	Central	United States	Central	United States	Centra.	United States	Central
Beef	69	59	14	15	6	8	7	11	4	7
Dairy	59	50	14	13	8	9	9	13	10	15
Feed grains	50	44	14	15	7	8	20	22	9	11
Fruit and vegetables	69	63	12	15	6	8	5	8	8	6
General	66	55	12	12	7	10	9	16	6	7
Hogs	44	40	19	19	11	12	14	16	12	13
Poultry	77	73	14	14	1	2	3	5	5	6
Sheep	64	42	14	29	6	3	6	13	10	13
Wheat	43	41	18	16	9	11	24	25	6	7

EAST

Kind of farmers	United States	East	United States	East	United States	East	United States	East	United States	East
Beef	69	76	14	22	6	2	7	0	4	0
Dairy	59	68	14	19	8	7	9	2	10	4
Feed grains	50	87	14	6	7	2	20	4	9	1
Fruit and vegetables	69	80	12	8	6	5	5	2	8	5
General	66	86	12	12	7	2	9	0	6	0
Hogs	44	88	19	6	11	0	14	0	12	6
Poultry	77	80	14	14	1	1	3	3	5	2
Sheep	64	81	14	8	6	4	6	0	10	7
Wheat	43	78	18	17	9	5	24	0	6	0

WEST

Kind of farmers	United States	West	United States	West	United States	West	United States	West	United States	West
Beef	69	77	14	11	6	5	7	3	4	4
Cotton	41	33	17	33	16	21	15	9	11	4
Dairy	59	62	14	15	8	7	9	7	10	9
Feed grains	50	68	14	12	7	3	20	11	9	6
Fruit and vegetables	69	65	12	14	6	6	5	6	8	9
General	66	68	12	12	7	8	9	7	6	5
Poultry	77	76	14	12	1	3	3	0	5	9
Sheep	64	70	14	10	6	8	6	5	10	7
Wheat	43	44	18	20	9	8	24	23	6	5

SOUTH

Kind of farmers	United States	South	United States	South	United States	South	United States	South	United States	South
Beef	69	78	14	13	6	5	7	2	4	2
Cotton	41	43	17	13	16	15	15	15	11	14
Dairy	59	72	14	14	8	3	9	8	10	3
Feed grains	50	68	14	11	7	5	20	10	9	6
General	66	64	12	8	7	9	9	6	6	13
Peanuts and rice	42	39	21	18	21	23	12	16	4	4
Poultry	77	74	14	17	1	2	3	2	5	5
Tobacco	60	51	2	2	16	19	21	26	1	2
Wheat	43	49	18	22	9	4	24	21	6	4

Mr. CAPEHART. So we have the problem of doing something about a bad situation.

I think I made the statement a moment ago—and I wish to repeat it—that the period 1953 to 1958, inclusive, is the only period in history when agriculture did not share in the increase in national income. In fact, during those years agriculture received $2 billion a year less than it did in 1952.

Is not that fact alone proof that the present farm program is not working? What further proof do we need that the program is not working, than the fact that the farmers received $2 billion a year less in the period referred to than they did in 1952? Agriculture did not share in the national increase.

In my opinion the time has come to make some changes. At least the time has come for this Congress, before it adjourns in 2 or 3 months, to change the so-called farm law. I am hopeful that Senators will have the courage to vote their convictions, because my best judgment is that their political future would be much better served by facing this issue than by trying to avoid it.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a statement by me in regard to the amendment I submitted earlier today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART

Before the Senate is an amendment in the form of a substitute for the bill under consideration.

This amendment, introduced by me on Wednesday evening just before we recessed, represents a sincere effort to help the American farmer in particular, and the American taxpayer generally, by taking the Federal

Government completely out of the farm business.

It provides for:

1. Freezing the currently Government-held $9 billion to $10 billion farm surplus.

2. Repealing as of January 1, 1960, or at the end of the current crop year, all agricultural price support programs.

It would, in effect, remove the depressing price effect of the current surplus and, more importantly, let the American farmer run his own business.

Why?

1. Nobody disputes the fact that the currently held surplus is one of the principal reasons farm prices are too low.

2. The system of price supports we have had, in one form or another, for many, many years in this country is not working.

President Eisenhower recognized this fact when he said to the Congress in his annual message:

"Continuation of the price support and production control programs in their present form would be intolerable."

Whether or not you agree with his methods, Secretary of Agriculture Benson always has announced as the aim of his administration the removal of all Government control from the farming business.

Here is a way to do both—discontinue "intolerable" price support and production control programs and get the Government completely out of the farming business.

Let me make it clear here that the proposal I have made is wholly mine and has not been discussed with either the President or the Secretary of Agriculture.

We cannot go on spending $6½ billion a year to finance a program of the Department of Agriculture under which—

1. Farm surpluses continue to increase.

2. Farm prices continue to be too low.

3. Net farm income drops, as it has estimated that it will this year from $13 billion to $12 billion or a drop of $1 billion.

4. The cost of approximately $6½ billion to the taxpayers of running the Department of Agriculture continues to increase primarily because of the increasing cost of price support programs.

My substitute bill provides the orderly method of disposing of the surplus under methods which have been approved time and again by the Congress and which are in the present law—for export, for distribution under Public Law 481, to the needy at home and abroad, for school lunch programs, for distribution to charitable organizations and, under certain emergency conditions, for sale on the market. It can be done, for all practical purposes, within 5 years.

The American farmer wants to be free.

The American taxpayer wants relief.

If the Congress adopts my substitute, the American farmer will be free to run his own business, plant what he wants, in any amount he wants to, when and where he wants to.

The American taxpayer will be relieved of the more than $5 billion annual expense of a price support program which has been working to the detriment of both the farmer and the taxpayer generally.

To adopt such a program takes statesmanlike courage.

If any Senator has a better idea, I hope he will say so. This problem simply cannot be ignored any longer.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

I cannot believe that my good friend from Indiana is serious in offering this amendment. The Congress enacted new legislation some time ago relating to rice, cotton, and corn, and other feed grains, which had the blessing of the President as well as of the Secretary of Agriculture. This amendment is so sweeping that it would even repeal the Sugar Act, the Wool Act, and many other similar programs.

Section 2, on page 4, reads in part as follows:

Notwithstanding any other provisions of law, all provisions of the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, and any other act of Congress relating to acreage allotments, marketing quotas, and price supports for any agricultural commodity shall be ineffective with respect to the 1960 and subsequent crops—

And so forth. I have nothing further to say except that I hope the amendment will be voted down.

I now yield back all my remaining time.

The PRESIDING OFFICER. Does the Senator from Indiana yield back his remaining time?

Mr. CAPEHART. I do.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. DIRKSEN. Mr. President, I yield 2 minutes on the bill to the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, I have long contended that the present price-support program was not working. I think we should long ago have started to roll back support prices until we can get back once more to a free American farm. I look forward to the day when we can eliminate all subsidies, not only on the farm program but subsidies to all segments of our society.

Ten years ago we had about a $1 billion inventory, and then I suggested that we should repeal some of these price supports. Today we have an inventory of about $10 billion. We cannot suddenly stop this program by repealing all supports in the face of such inventory. It would demoralize every market in the country. In the face of a $9 billion or $10 billion inventory, I am fearful that a chaotic condition would be created, not only in the domestic market, but also in the international market. The way to do this is to start a systematic reduction in support levels. It is like driving down the highway at 80 miles an hour. It is too fast but if we wish to stop, we should slow down before applying the brakes. You just cannot afford to suddenly dump $9 billion in inventories on the market regardless of how we feel on price supports.

I shall support amendments to reduce support prices. I have supported such amendments in the past. I think we should work toward the goal the Senator from Indiana wishes to reach, but I do not advocate doing it all at once.

I make that statement as one who has never supported the high price supports for agriculture commodities. In my opinion all subsidies, those being paid to agriculture as well as those being paid to all segments of industry, should be rolled back. Certainly we cannot repeal them overnight; but we can start a systematic reduction. Later today I shall support the administration's farm proposal which will be offered by the senior Senator from Illinois [Mr. DIRKSEN] as a substitute for the pending bill.

This proposal will be a start in the right direction by lowering these support prices.

If this proposal is rejected I shall vote against the pending bill because I do not feel that the bill as reported by the committee effectively provides a solution to our problem of surpluses. However, I earnestly hope that the administration's bill will be accepted for the good of American farmers as well as for the good of the taxpayers. I repeat, regardless of how one may feel as to the price support program you just cannot stop overnight and turn $9 billion in inventory loose overnight.

It is all right to say we will freeze it but that does not mean it will vanish. It is still there.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. The Senator from Delaware has exactly stated my sentiments. The objectives of this amendment are directly in line with what I feel should be done. However I would be reluctant to see it all done at once. If we did it all at once it might result in more harm than good. I shall support the efforts which the administration is making to reduce the parity figures along the lines set out by the Senator from Delaware.

Mr. WILLIAMS of Delaware. I fear its effect on the domestic situation, as well as its international effects.

The PRESIDING OFFICER (Mr. CANNON in the chair). The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HENNINGS. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tenessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MANSFIELD], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from California [Mr. KUCHEL],

and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Kentucky [Mr. COOPER] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent by leave of the Senate.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. COOPER], and the Senator from Vermont [Mr. PROUTY] would each vote "nay."

The result was announced—yeas 5, nays 69, as follows:

YEAS—5

Bush	Cotton	Scott
Capehart	Hayden	

NAYS—69

Aiken	Green	Martin
Allott	Gruening	Morse
Anderson	Hart	Morton
Beall	Hartke	Moss
Bible	Hennings	Mundt
Byrd, W. Va.	Hill	Murray
Cannon	Holland	Neuberger
Carlson	Hruska	O'Mahoney
Carroll	Humphrey	Proxmire
Case, N.J.	Jackson	Randolph
Case, S. Dak.	Javits	Robertson
Clark	Johnson, Tex.	Russell
Curtis	Johnston, S.C.	Schoeppel
Dirksen	Jordan	Smathers
Dodd	Keating	Smith
Douglas	Langer	Stennis
Dworshak	Lausche	Symington
Ellender	Long	Talmadge
Engle	McCarthy	Thurmond
Ervin	McClellan	Williams, Del.
Frear	McGee	Yarborough
Fulbright	McNamara	Young, N. Dak.
Gore	Magnuson	Young, Ohio

NOT VOTING—24

Bartlett	Eastland	Monroney
Bennett	Goldwater	Muskie
Bridges	Hickenlooper	Pastore
Butler	Kefauver	Prouty
Byrd, Va.	Kennedy	Saltonstall
Chavez	Kerr	Sparkman
Church	Kuchel	Wiley
Cooper	Mansfield	Williams, N.J.

So Mr. CAPEHART's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HART. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 7, after line 24, insert a new subsection, as follows:

(h) Section 335(f) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;".

Mr. HART. Mr. President, this amendment would remove the 30-acre limitation that now exists on the amount of wheat a farmer can grow to be used for feed and seed purposes on his own farm during the crop years 1960–61.

An agricultural control program presents enough problems to the American farmer and to the American public and goes to the post with enough handicaps without the added burden of having to explain why a farmer, by Federal law, cannot grow on his own land such wheat as he can use to feed his own livestock.

How does the 30-acre limitation now work? Under the present provisions, a farmer makes application to the Department of Agriculture to grow up to 30 acres of feed wheat. For the crop year 1959, 2,546 applications were made to the Department by farmers desiring to grow feed wheat under this limitation or exemption. The total acreage involved was about 56,179 acres, or about 22 acres to be grown on each farm.

We have not found any magic answer to the wheat problem. Neither the present law nor the one we are now debating has the complete answer. I think none of us will suggest that either of them does. But as I see it, the American farmer and our American economy require continuation of this basic approach until we can come up with the long-term answer. But the continuance of any wheat program is jeopardized by the 30-acre limitation. Those who would destroy the wheat program are capitalizing on this provision. They are dramatizing this issue. Whatever slight problem might be created by removing the 30-acre limitation would be much easier to live with than America with no wheat program at all. I emphasize that this amendment will apply to the crop years 1960–61 only.

Many Senators must know of a constituent of mine. His name is Yankus. Let us be clear about this. Mr. Yankus' problem did not arise under the 30-acre limitation, but prior to the time the 30-acre provision was adopted. The Yankus case has been used by the opponents of the wheat program and the whole farm program to build in the public mind the specter of the omnipotent Federal Government dictating to every farmer the amount of wheat which can be grown for use on his own farm.

Actually, the damage that has been done by this limitation can certainly be overcome without any substantive harm to the program by the adoption of my amendment. There is no particular reason to believe that a great deal more wheat would be grown on farms if the 30-acre limitation were removed. To take a few typical States for example: In my State of Michigan, for the crop year 1959, the Department of Agriculture received 36 applications from farmers to grow an average of 22 acres of wheat for farm purposes. In South Dakota, there were nine applications to grow an average of 23 acres per farmer. In North Dakota, there were five applications to grow an average of 26 acres. In Illinois, there were 64 applications to grow an average of 24 acres.

It is my hope that by the removal of this provision of the wheat program in this stopgap legislation we are debating, it will be possible to remove at least one of the factors which unfortunately has been used so successfully by the opponents of any reasonable farm program to distort the farm picture in the American public's mind. In addition, I believe it is only a matter of fair play that a farmer should be able to grow all the wheat he can use for feed purposes, if he restricts that use to his own farm. It is because most Americans have this basic feeling, this instinctive belief that a man should be able to feed his stock from grains grown on his own soil, that the continuance of the 30-acre limitation jeopardizes the whole farm program. The amendment will get rid of this unfair limitation, and the time to accomplish this result is now.

Mr. President, I hope the amendment will be adopted.

Mr. ELLENDER. Mr. President, the committee considered the amendment submitted by the Senator from Michigan. The membership of the committee was divided regarding the amendment.

Since the submission of the amendment, I have had occasion to talk again with several members of the committee.

Inasmuch as any wheatgrower who desires to plant wheat for feed must obtain permission from the Department of Agriculture—and whether the acreage involved is 30, 75, or 100 makes no difference, because the wheat cannot be used for any other purpose—it is my hope that if the amendment is adopted the Secretary of Agriculture will do a better job in administering it than has been done in the past with the 30-acre limitation.

Mr. President, so far as I am concerned—and I believe I speak for the majority of the committee—we accept the amendment.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. Mr. President, I would have no objection to the amendment, either, if the Department strictly enforced it.

I understand there are now quite a few cases involving farmers who have planted with the intention of feeding the grain, but some of the grain finds its way into the marketplace for human consumption.

If the Department of Agriculture will strictly enforce this provision, I believe it will be a good one.

Mr. DIRKSEN. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. DIRKSEN. Mr. President, I believe I am authorized to say that the Department not only has no objection to the amendment, but favors the amendment.

Mr. ELLENDER. That is correct.

Mr. DIRKSEN. Because in the substitute which I shall offer, there is a comparable provision.

I need only add that, on occasion, the Department has been thoroughly embarrassed by some of the cases which have arisen. In one case the Department had to proceed against a monastery, because of wheat which was grown on the grounds of the monastery. Such cases are extremely awkward.

I believe I express the feeling of the Secretary of Agriculture when I say that he has no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan [Mr. HART].

The amendment was agreed to.

Mr. CARLSON. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment submitted by the Senator from Kansas will be stated.

Mr. CARLSON. Mr. President, my amendment calls for striking out all of Senate bill 1968 following the enacting clause, and substituting therefor the text of Senate bill 1484.

The PRESIDING OFFICER. The amendment submitted by the Senator from Kansas will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause of Senate bill 1968, and to substitute in lieu thereof the text of Senate bill 1484, entitled "To amend the Agricultural Adjustment Act of 1938, as amended."

Mr. CARLSON. Mr. President, I ask unanimous consent that the reading of the text of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed at this point in the RECORD.

The amendment submitted by Mr. CARLSON is as follows:

Strike out all after the enacting clause, and insert the following:

"That this Act may be cited as the 'Wheat Stabilization Act of 1959'.

"SEC. 2. Title III of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

"'SUBTITLE D—MARKETING QUOTA AND INCOME STABILIZATION PLAN FOR WHEAT

"'*Legislative findings*

"'SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is essential to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. That small percentage of wheat which is produced and consumed within the confines of any State is normally commingled with, and always bears a close and intimate commercial and competitive relationship to, that quantity of such commodity which moves in interstate and foreign commerce. For this reason, any regulation of intrastate commerce in wheat is a regulation of commerce which is in competition with, or which otherwise affects, obstructs, or burdens interstate commerce in that commodity. In order to provide an adequate and balanced flow of wheat in interstate and foreign commerce thereby assist farmers in obtaining parity of income by marketing wheat for domestic consumption at parity prices and by increased exports at world prices, and to assure consumers an adequate and steady supply of wheat at fair prices, it is necessary to regulate all commerce in wheat in the manner provided by this subtitle.

"'*National marketing quota*

"'SEC. 379b. Not later than May 15 of each calendar year, the Secretary shall proclaim a national marketing quota which shall be in effect with respect to the marketing of wheat during the marketing year beginning on July 1 of the next succeeding calendar year. The national marketing quota for any marketing year shall be a number of bushels equal to the sum of the number of bushels which he determines will be consumed as human food in the continental United States, or outside the continental United States by members of the Armed Forces, during such marketing year and the number of bushels which he determines will be exported during such marketing year, less seventy-five million bushels.

"'*Apportionment of national marketing quota*

"'SEC. 379c. (a) The national marketing quota for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States in such manner that the quota of any State will bear the same ratio to the national quota as a figure determined by multiplying the base acreage of such State by its average yield bears to the corresponding figure for all of the States. For the purpose of this subsection, the base acreage of a State shall be the average number of acres planted to wheat in such State for the 1952 and 1953 crops, and the average yield of a State shall be the average, weighted by the county base acres, of the average yields of the counties in the State as determined in accordance with subsection (b) of this section. The reserve set aside herein for apportionment by the Secretary shall be used to make increases in quotas apportioned to counties under subsection (b) of this section, on the basis of the relative needs of counties for additional quota because of reclamation and other new areas coming into the production of wheat after 1953.

"'(b) The State marketing quota for wheat, less a reserve of not to exceed 2 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State in such manner that the quota of any county will bear the same ratio to the State quota as a figure determined by multiplying the base acreage of such county by its average yield bears to the corresponding figure for all of the counties in such State. For the purpose of this subsection, the base acreage of a county shall be the average number of acres planted to wheat in such county for the 1952 and 1953 crops, and the average yield of a county shall be the highest annual average number of bushels of wheat per acre harvested in such county during five consecutive years within the twenty-five year period immediately preceding the year in which the first such apportionment is made.

"'(c) The county quota shall be apportioned by the Secretary, through the county committees, among the farms within the county on which wheat has been planted during any one of the three marketing years immediately preceding the marketing year in which the apportionment is made and on which wheat was planted for the 1952 or 1953 crop, in such manner that the quota of any farm shall bear the same ratio to the county quota as a figure determined by multiplying the base acreage of such farm by its average yield bears to a corresponding figure for all of the farms in such county entitled to receive a farm marketing quota for wheat. For the purpose of this subsection the base acreage of a farm shall be the average number of acres planted to wheat on such farm for the 1952 and 1953 crops, with adjustments for abnormal weather conditions during such years, tillable acres, crop rotation practices, type of soil and topography. The average yield of a farm shall be the average annual yield in bushels per harvested acre of such farm for the five years immediately preceding the year in which such apportionment is made on the basis of actual or estimated yields for such years with appropriate adjustments as prescribed by regulations issued by the Secretary, for abnormal weather or other conditions affecting yields in any of the years. Not more than 2 per centum of the State quota shall be used for apportionment to farms on which wheat has been planted during any of the three marketing years immediately preceding the marketing year in which the apportionment is made but upon which wheat was not planted for the 1952 or 1953 crops. The Secretary may by regulations provide for the distribution of the farm marketing quota among individual producers on the farm on the basis of their respective shares in the wheat crop, or the proceeds thereof.

"'*Marketing of wheat*

"'SEC. 379d. (a) For the purposes of this subtitle, wheat marketed by a producer with respect to a farm after the beginning of the first marketing year for which a marketing quota and stabilization program is in effect under this subtitle shall be considered to be marketing quota wheat if—

"'(1) the amount of such wheat when added to any other wheat marketed by the producer with respect to such farm as marketing quota wheat subsequent to the beginning of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, does not exceed the total amount of wheat allotted to such farm as farm marketing quota (or portion thereof distributed to such producer) under this subtitle for such year and any subsequent marketing year or years up to and including the marketing year which begins in the calendar year in which the wheat is marketed: *Provided,* That such quota or quotas have been determined as herein provided, and a marketing card or cards or similar instruments for such quota or quotas have been issued to the producer, or

"'(2) such wheat was harvested prior to the calendar year in which the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle begins, and could have been sold prior to the beginning of such marketing year without payment of a marketing penalty under Act of May 26, 1941 (7 U.S.C. 1340), and

"'(3) such wheat is identified by such producer and by any subsequent seller or other transferor as marketing quota wheat in such manner as shall be prescribed by regulations of the Secretary.

"'(b) For the purposes of this subsection, wheat marketed prior to the beginning of a marketing year shall be considered to have been marketed subsequent to the beginning of such marketing year if it is harvested during the calendar year in which such marketing year begins.

"'(c)(1) Except as provided in this subsection and in section 379g, nothing contained in this subtitle shall be construed to prohibit or restrict the transfer or use of wheat other than marketing quota wheat.

"'(2) Any person who, in connection with the sale or other transfer of wheat, represents such wheat to be marketing quota wheat and such wheat does not meet all the applicable requirements of subsection 379d (a) hereof, shall forfeit to the United States a sum equal to three times the number of bushels of wheat involved in such misrepresentation, multiplied by the price support per bushel in effect under section 379m hereof for the marketing year in which the misrepresentation occurs. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

"'(d) Beginning with the first day of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, no person who first processes wheat into food products composed wholly or partly of wheat for domestic food consumption or export, shall process any such wheat, and no person shall export unprocessed wheat, unless such person has in

his possession evidence satisfactory to the Secretary that such wheat is either (1) marketing quota wheat, (2) imported wheat, (3) wheat sold by the Commodity Credit Corporation, or (4) wheat which was marketed by the producer thereof prior to the beginning of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, and is not considered to have been marketed in such marketing year under the provisions of subsection (b) hereof.

"'Domestic food quota

"'SEC. 379e. Not later than May 15 of each calendar year the Secretary shall determine and proclaim the domestic food quota for wheat for the marketing year beginning in the next calendar year. Such domestic food quota shall be that number of bushels of wheat which the Secretary determines will be consumed as human food in the continental United States, and outside the continental United States by members of the Armed Forces, during such marketing year.

"'Stabilization certificates

"'SEC. 379f. (a) The Secretary shall prepare for each marketing year stabilization certificates which shall be issued for each farm to which a farm marketing quota has been assigned under section 379c(c) for such year, and on which an amount of acreage equal to not less than 20 per centum or more than 50 per centum of the wheat base acreage of the farm under section 379c(c) has been placed in the conservation reserve under the Soil Bank Act for such year: *Provided,* That no farm shall be ineligible for receipt of stabilization certificates by reason of the placing of more than 50 per centum of the wheat base of such farm in the conservation reserve if the placing of such acreage was provided for under a contract entered into prior to the beginning of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle. The certificates issued for any farm shall be in an amount which bears the same ratio to such farm marketing quota as the domestic food quota proclaimed under section 379e bears to the national marketing quota proclaimed under section 379b for such year. Stabilization certificates shall not be issued with respect to any farm in an amount in excess of the number obtained by multiplying the acreage planted to wheat by the average yield of such farm determined in accordance with section 379c(c). The stabilization certificates for a farm shall be issued to the farm operator, but the Secretary may authorize the issuance of stabilization certificates to individual producers on any farm on the basis of their respective shares in the wheat crop, or the proceeds thereof, produced on the farm. The Secretary shall also issue and sell stabilization certificates to processors and importers in such quantities as are required by them in order to meet the requirements of subsections (a) and (b) of section 379g. Stabilization certificates shall be transferable only in accordance with regulations issued by the Secretary.

"'(b) When the domestic food quota is proclaimed for any marketing year pursuant to section 379e hereof, the Secretary shall determine and proclaim the estimated parity price for wheat as of the beginning of the marketing year for which the domestic food quota is proclaimed. The value of any stabilization certificate issued for such marketing year shall be equal to 35 per centum of such estimated parity price of wheat per bushel, multiplied by the number of bushels of wheat with respect to which it is issued. The value of any stabilization certificate so determined shall remain constant and shall remain in effect until redeemed.

"'(c) The Secretary is authorized and directed through the Commodity Credit Corporation to buy and sell stabilization certificates issued for any marketing year at the value proclaimed pursuant to subsection (b) of this section. For the purpose of facilitating the purchase and sale of certificates, the Secretary may establish and operate a pool or pools and he may also authorize public and private agencies to act as his agents, either directly or through the pool or pools. Certificates shall be valid to cover sales and importations of products made during the marketing year with respect to which they are issued and after being once used to cover such sales and importations shall be canceled by the Secretary. Any unused certificates shall be redeemed by the Secretary at the price established for such certificates.

"'Acquisition of stabilization certificates by processors

"'SEC. 379g. (a) Beginning with the first day of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle and except as provided in subsection (d) hereof, no person shall process wheat into food products composed wholly or partly of wheat for domestic food consumption or export in excess of the quantity for which stabilization certificates issued pursuant to section 379f hereof have been acquired by such person.

"'(b) Beginning with the first day of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, and except as provided in subsection (d) hereof, no person shall import or bring into the continental United States any food products containing wheat in excess of the quantity for which stabilization certificates issued pursuant to section 379f of this Act have been acquired by such person.

"'(c) Upon the exportation from the continental United States of any food product containing wheat, with respect to which stabilization certificates as required herein have been acquired, the Secretary shall pay to the exporter an amount equal to the value of the certificates for the quantity of wheat so exported in the food product. For the purposes of this subsection, the consignor named in the bill of lading, under which the article is exported, shall be considered the exporter: *Provided, however,* That any other person may be considered to be the exporter if the consignor named in the bill of lading waives claim in favor of such other person.

"'(d) Upon the giving of a bond satisfactory to the Secretary under such rules and regulations as he shall prescribe to secure the purchase of any payment for such stabilization certificates as may be required, any person required to have a stabilization certificate in order to process wheat or import a food product composed wholly or partly of wheat may process or import any such commodity without having first acquired a stabilization certificate.

"'(e) As used in this section and section 379d(d), (1) the term "food" means human food but shall not be deemed to include liquor or beverages, and (2) the term "export" shall not be deemed to include the shipment of food products for consumption by the Armed Forces of the United States outside the continental United States.

"'Conversion penalties

"'SEC. 379h. The Secretary shall ascertain and establish conversion factors showing the amount of wheat contained in food products processed wholly or partly from wheat. The conversion factor for any such product shall be determined upon the basis of the weight of wheat used in the processing of such product.

"'Civil penalties

"'SEC. 379i. Any person who violates or attempts to violate, or participates or aids in the violation of any of the provisions of subsections (a) or (b) of section 379g, or of subsection (d) of subsection 370d hereof, shall forfeit to the United State a sum equal to three times the number of bushels of wheat involved in such violation, including the wheat in any product composed wholly or partly of wheat, multiplied by the price support per bushel in effect under section 379m hereof, for the marketing year in which such violation occurs. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

"'Adjustments in national marketing and domestic food quotas

"'SEC. 379j. If the Secretary has reason to believe that because of a national emergency or because of a material increase in demand for wheat, the national marketing quota or the domestic food quota for wheat should be increased or suspended, he shall cause an immediate investigation to be made to determine whether the increase or suspension is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such increase or suspension is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quotas shall be increased or shall be suspended, as the case may be. In case any national marketing quota is increased under this section, each farm marketing quota for wheat shall be increased in the same ratio. In case any domestic food quota for wheat is increased under this section, the amount of the stabilization certificates for each farm shall be increased in the same ratio.

"'Reports and records

"'SEC. 379k. (a) The provisions of section 373(a) of this Act shall apply to all persons, except wheat producers, who are subject to the provisions of this subtitle, except that any such person failing to make any report or keep any record as required by this section or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $2,000 for each such violation.

"'(b) The provisions of section 373(b) of this Act shall apply to all wheat farmers who are subject to the provisions of this subtitle.

"'Referendum

"'SEC. 379l. In the first referendum, held pursuant to section 336 hereof, following the enactment of this subtitle for the purpose of determining whether farmers eligible to vote in such referendum and voting on the question favor a marketing quota and stabilization certificate program under this subtitle in lieu of marketing quotas under subtitle B hereof, the Secretary shall submit on separate ballots the question of whether such farmers favor a marketing quota and stabilization certificate program under this subtitle in lieu of marketing quotas under subtitle B. If the Secretary determines that a majority of eligible farmers voting on such question favor such marketing quota and stabilization certificate program under this subtitle D, the Secretary shall, prior to the effective date of the national marketing quota proclaimed under subtitle B, hereof, suspend the operation of such quota and place into effect a marketing quota and stabilization certificate program for the crop with respect to which the referendum is held and subsequent wheat crops under the provisions of this subtitle, in which event the provisions of subtitle B relating to marketing quotas and acreage allotments for wheat shall no longer be in effect. If a majority of such farmers do not favor such program the provisions of this subtitle shall be of no further force or effect. The determinations of the Secretary pursuant to this section shall be final and not subject to judicial review.

"'Price support

"'SEC. 379m. Notwithstanding any other provision of law—

"'(a) whenever a wheat marketing quota and stabilization certificate program under this subtitle is in effect, price support for wheat shall be determined in accordance with the provisions of subsection (b) of this section;

"'(b) the Commodity Credit Corporation is directed to make available, through loans, purchases, or other operations, price support to producers of wheat at a level not less than 65 per centum of the parity price for wheat as determined by the Secretary of Agriculture as of May 1 prior to the beginning of the marketing year on the amounts of the farm marketing quotas of such producers for such year.

"'Security reserve for wheat

"'SEC. 379n. (a) The Secretary is authorized and directed to establish a security reserve for wheat, and to transfer to such reserve five hundred million bushels of wheat owned by the Commodity Credit Corporation. Wheat placed in such reserve shall remain the property of the Commodity Credit Corporation and, except for rotation to prevent spoilage, shall not be removed from such reserve except in case of war or other national emergency proclaimed by the President.

"'(b) The Commodity Credit Corporation shall enter into contracts for the storage of wheat placed in the reserve established by this Act for such periods of time and on such terms as will result in the most economical cost. Such contracts shall be awarded on a basis which will provide adequate dispersal for security purposes among the producing States, having regard for the proportionate production of such State. Such contracts shall provide for the rotation of stocks to prevent spoilage and for such purpose shall contain a schedule of premiums and discounts for differences in quality.

"'SEC. 379o. The provisions of sections 361 to 368, each inclusive, shall apply to farm marketing quotas established under this subtitle D'."

Mr. CARLSON. Mr. President, today the Senate has been considering a temporary bill dealing with the problem of wheat. The chairman of the Senate Committee on Agriculture and Forestry has stated on several occasions that this measure is a temporary one, and that it will apply for 2 years, namely, 1960 and 1961.

It is my contention that if we are to deal with this situation, we need a program which will be more permanent.

It is for that reason that I have submitted this amendment, based on the bill which now involves what is known as a two-price system.

Accurately and correctly stated, this is a marketing-control measure, rather than a production-control measure.

I believe the Senate should be reminded of the fact that today we have actually begun a two-price system for agricultural commodities, by adopting the amendment of the Senator from Delaware [Mr. WILLIAMS]. From now on, there will be one price—the supported price—for such commodities, subject to the $35,000 limitation, for any individual farmer or organization that produces that amount; and there will be another price—a market price, probably a world price—for such agricultural commodities as will be supported above the $35,000 limitation.

The bill I have submitted as an amendment to the pending bill—and let me state that Senate bill 1484 was introduced on March 20, by me, on behalf of myself, the Senator from Oregon [Mr. MORSE], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. NEUBERGER], the Senator from Nebraska [Mr. CURTIS], The Senator from South Dakota [Mr. CASE], the Senator from Washington [Mr. JACKSON], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from North Dakota [Mr. YOUNG]—will, I contend, solve the wheat problem; and I also predict that that problem will not be solved until we actually adopt a program of this type.

Mr. CASE of South Dakota. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. Mr. President, I have only 5 minutes; I yield myself only 5 minutes. I neglected to state that when I began to speak. However, I yield briefly to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I do not wish to trespass on the time available to the Senator from Kansas.

However, I wish to state that I am happy to be associated with him in sponsoring the bill which he has now submitted as an amendment to the pending bill. As he has stated, I was one of the co-sponsors of Senate bill 1484.

I wish to point out that it is impossible successfully to control production. As the Senator from Kansas has well stated, the measure he has submitted is a plan to control marking. Marketing can be controlled; production cannot be controlled.

Mr. AIKEN. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I am very happy to yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I do not wish to say anything about the merits of this proposal; I simply desire to point out that only 1 week remains for the enactment of legislation to affect the crop for 1960. For that reason, it would be impossible to put into effect the proposal of the Senator from Kansas, even if it were passed by both Houses of Congress, because more time than the amount of time available would be required to set up the necessary machinery.

I suggest that the Congress enact legislation in this field within the coming week, if possible; and that must be legislation which will be signed and go into effect in time to alleviate the situation beginning with the 1960 crop.

Then, if the Congress is willing to take up the proposal of the Senator from Kansas, and if the Congress approves it, it could be put into effect the following year. But that simply could not be done within the 1 week which remains.

I am not expressing any opinion in regard to the merits of the Senator's proposal; I am pointing out the mechanical difficulties involved in putting such a program into operation in time to affect this year's plantings for the 1960 crop.

Mr. CARLSON. Mr. President, I am well aware of the problem to which the Senator from Vermont has referred; and it is a problem of immediate concern.

However, I did not want the RECORD of today's proceedings to be closed without advancing this proposal, which I believe must be adopted if the problem is ever to be solved.

Mr. President, in view of the high production costs of today and the high taxes which farmers have to pay and the present high cost of farm machinery, I believe we cannot expect the farmer to operate on a basis other than one which will give him the protections which must be given to him.

Mr. JACKSON. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I yield.

Mr. JACKSON. Mr. President, I wish to commend the Senator from Kansas for taking the leadership in offering this amendment in the nature of a substitute. I believe it is the only answer to this most difficult problem.

Mr. CARLSON. I thank the Senator from Washington.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I yield.

Mr. YOUNG of North Dakota. I, too, wish to commend the Senator from Kansas for submitting his amendment in the nature of a substitute, which comprises the text of Senate bill 1484. If time permitted me to do so, I would deal at length with the merits of this proposal. I do not think the wheat producers of the Nation will ever be satisfied until this proposal has been tried out. To me it makes more sense than any other proposal which has been suggested.

Mr. AIKEN. Mr. President, will the Senator yield so I may make a correction of my statement?

Mr. CARLSON. I yield to the Senator from Vermont.

Mr. AIKEN. In the statement I just made, I said it could not be put into effect in time to affect this year's crop. I should have said this year's planting, because the Secretary has just 1 week left to issue allotments for this year's planting, beginning with the fall season.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from Oregon.

Mr. MORSE. I should like to have the RECORD show that once again I stand shoulder to shoulder with the Senator from Kansas in support of the so-called domestic parity wheat program.

I agree with the comment which was made by the Senator from North Dakota [Mr. YOUNG]. I do not believe we will reach a successful solution of the wheat production problem until we adopt the domestic parity program.

I thought the Senator from South Dakota [Mr. CASE] put his finger on the true situation when he said we are not going to solve the problem of wheat from a production standpoint at all;

we are going to have to face up to it from the marketing standpoint.

That is what our proposal over the years, which the Senator from Kansas is now urging again, has sought to do.

The record will show—and I shall not take the time to do more than make a passing reference to the position I took last year—that, as a member of the Foreign Relations Committee, I have urged this proposal as a very important foreign policy proposal, because, in my judgment, here is a potential program which will make it possible for us to make use of our surplus of wheat, until we need it ourselves, as one of our most effective weapons against the threat of communism in the underdeveloped areas of the world where the lack of food is really the major foreign policy problem that confronts the world.

As I said last year, and I repeat it today, the Senator from Kansas and I traveled together in India a couple of years ago, and we saw with our own eyes what happens when a wheat-consuming program is set up in that part of the world. Once the people become accustomed to wheat as a part of their diet, they will not go back to rice, because they see the great advantage of wheat.

Here we have proposed a program which is certainly worth a trial. I hope, if we are not successful today because of any such procedural problem as the Senator from Vermont [Mr. AIKEN] has raised, there will not be foreclosed a further consideration of this proposal before the end of this session, because we are not going to settle the wheat problem today by any stopgap program.

In closing, I wish to add, with regard to the need for wheat, that we ourselves are going to need the wheat in the not too distant future. Once agricultural production patterns are destroyed, they are not easily revived. We keep talking about surplus wheat, and yet all our population experts point out to us that it is not going to be many years before the real problem confronting the United States will be whether we can raise enough food to meet the population needs of our own people.

I look at the surplus wheat as a great storehouse which ought to be emptied into the empty stomachs of people in the underdeveloped areas of the world as a foreign policy program of the United States, until such time as our own people need the wheat.

I am proud again to join the Senator from Kansas in urging the adoption of the domestic parity wheat program.

The PRESIDING OFFICER. All time yielded to the Senator has expired.

Mr. CARLSON. Mr. President, may I inquire if I have used all 15 minutes.

The PRESIDING OFFICER. The Senator from Kansas has 5 minutes remaining to him.

Mr. CARLSON. I yield the 5 minutes to myself.

Does the Senator from Washington [Mr. MAGNUSON] wish me to yield to him?

Mr. MAGNUSON. I wanted to have a little time. I know the Senator from Louisiana wishes to make a statement. I wished to add something to what has been said about the proposal of the Senator from Kansas, in which, as he knows, I have been deeply interested for some time. As a matter of fact, the Senator from Kansas and other Senators will remember that the U.S. Senate passed the very essence of this proposal as a solution for the wheat problem some 2½ years ago.

Mr. CARLSON. If the Senator does not mind my interruption, the vote was 55 to 32.

Mr. MAGNUSON. The vote was 55 to 32, and at that time there were many expressions made on the floor of the Senate by Members who were deeply interested in agricultural matters and by members of the committee to the effect that, in looking over all the plans which had been suggested for the wheat problem, although that proposal might not have been perfect, the domestic parity wheat plan, as proposed by the distinguished Senator from Kansas, myself, and other Senators, looked like the best hope for the solution of the problem.

In the meantime, the situation has worsened, and that proposal still looks like the best hope. However, the Senator from Kansas, I, and many other Senators appreciate that we are running into a time problem. I assume, and I am sure the sponsors of the proposal of the Senator from Kansas also assume, that the plan the Senate is about to adopt today as a solution of the problem is of a seasonal or temporary nature only, and that the sooner we can get to a permanent solution regarding the whole wheat surplus problem, the better it will be. I know the members of the committee, including the chairman, feel that way about it. I hope that will be done. I feel when they get into the domestic parity proposal, they will agree it is about the only hope.

I remember that some Senators, when the proposal was adopted by the vote which has been mentioned by the Senator from Kansas, suggested probably that it was the answer with regard to the problems relating to other basic commodities. I am hopeful the committee will consider the matter.

There have been many discussions relating to the proposal. I know there has been great feeling on the part of those who are experts on the matter, and who are better informed than many of us, that this may be the solution.

I am hopeful that the proposal of the Senator from Kansas will be considered by the Committee on Agriculture and Forestry, and that the committee will regard it as a solution of the problem.

Mr. President, inasmuch as the Senator from Kansas has yielded to me, I ask unanimous consent to have printed in the RECORD an analysis of the wheat stabilization program.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

WHEAT STABILIZATION PROGRAM

WHAT IT IS?

A program developed to stabilize wheat marketing, thereby stabilizing the income of wheat producers and reducing Government stocks of wheat.

WHO DEVELOPED IT?

The National Association of Wheat Growers, recognizing the precarious position of the wheat industry, the drain on the Federal Treasury, and the continuing accumulation of wheat and feed grains in Government stocks under the present program is presenting this plan for consideration of Congress.

WHAT IT WILL DO FOR THE WHEAT PRODUCER

1. Stabilize producers' income at reasonable levels.
2. Allow freedom to plant and harvest crops best adapted without Government interference.
3. Permit producers to carry reserve for short crop years.
4. Prevent wheat prices from reaching disastrously low levels.
5. Enable wheat producers to market best quality wheat in domestic food and export market, and lower grades in feed market.

WHAT IT WILL DO FOR THE FEED-GRAIN PRODUCER

1. Prevent shifting of diverted wheat acreage to feed grains.
2. Materially reduce feed-grain production on wheat farms.
3. Make a substantial contribution to the balancing of feed-grain supplies with demand.
4. Aid in an orderly reduction of present surplus feed-grain stocks.

WHAT IT WILL DO FOR THE AMERICAN PUBLIC

1. Materially reduce cost of wheat program to the taxpayer.
2. Stop build-up of Government holdings and start orderly reduction.
3. Insure adequate supply of high quality wheat for domestic food and export at reasonable prices.
4. Contribute to orderly marketing of highest quality wheat through regular commercial channels.
5. Insure continued ability of wheat producers to buy the products of industry and labor.
6. Stabilize incomes of small businesses in rural communities.

HOW THE PROGRAM WORKS

This is a marketing control, rather than production control program, which:

1. Eliminates acreage controls.
2. Limits wheat marketed in commercial channels for domestic food and export by establishing a national marketing quota.
3. Establishes the national marketing quota at less than the domestic food and export requirements by 75 million bushels, which would be removed annually from CCC stocks.
4. Provides a support price to all producers at 65 percent of parity, only on the amount of the marketing quota.
5. Provides for the use of income stabilization certificates valued at 35 percent of parity, for the domestic food portion of the crop to be issued to cooperating producers.
6. Requires placing at least 20 percent of wheat base acreage in the conservation reserve of the soil bank to be eligible for income stabilization certificates.
7. Allows producers freedom of choice to plant and harvest best adapted crops without Government restrictions.

SAVINGS IN COST

It is estimated that under the present program 200 million bushels will be added to CCC stocks annually. The wheat stabilization program stops the build-up of CCC stocks and provides for the reduction of CCC stocks by 75 million bushels annually, reduction in export subsidies of an estimated 20 cents per bushel, and savings in storage costs on the defense stockpile of approximately 6 cents per bushel. These features will result in a reduction in Government costs of $178 million and a net decrease in CCC stocks of $610 million annually.

	Present program	Wheat stabilization program
1. Price support operations:		
Amount taken over by CCC (annual increase) ... bushels	200,000,000	(1)
Estimated acquisition cost per bushel	$2	
Total annual investment	$400,000,000	
Interest on investment, at 2.5 percent	$10,000,000	
Storage charges, at 0.17 cents	$34,000,000	
2. Reduction of CCC stocks:		
Annual reduction ... bushels		75,000,000
Present inventory value (acquisition costs and storage charge)	(2)	$2.80
Reduction in present investment		$210,000,000
Saving in interest annually		$5,250,000
Saving in storage cost annually		$12,750,000
3. Export subsidy costs:		
Estimated domestic price (terminal)	$1.90	$1.70
Estimated world price (terminal)	$1.40	$1.40
Export ... bushels	430,000,000	430,000,000
Estimated total subsidy	$215,000,000	$129,000,000
Total, items 1, 2, and 3:		
Total difference in CCC inventory		$610,000,000
Total cash savings		148,000,000
Total net difference in CCC inventory and cash savings		758,000,000
4. Reduced storage costs on defense stockpile (recommended 5-year contracts on competitive bid basis):		
Storage rate per bushel ... cents	17	11
Annual cost on 500,000,000 bushels	$85,000,000	$55,000,000
Cash savings in storage costs		$30,000,000
Total, items 1, 2, 3, and 4:		
Total net difference in CCC inventory and cash savings (items 1, 2, and 3)		$758,000,000
Cash savings (item 4)		$30,000,000
Total cash savings plus net CCC inventory reduction		$788,000,000

[1] Net reduction, 75,000,000 per year.
[2] CCC stocks increased 200,000,000 bushels annually.
NOTE.—The losses incurred in disposing of 200,000,000 bushels annually would average an estimated $250,000,000.

REDUCTION IN FEED GRAIN SUPPLIES

Under normal conditions this program will reduce feed grain production an estimated 12.7 million tons annually. Such a reduction would not only prevent the continued buildup of feed grain surpluses, but would start an orderly substantial reduction in the annual carryover of feed grain stocks.

The reduction in feed grain production would result from:

1. Increased participation in the conservation reserve of the soil bank by wheatgrowers.

2. Lower feed grain production per acre by shifting acreage of feed grains to wheat for feed.

Corn and feed grain producers have expressed the fear that under the wheat stabilization program substantial increases would occur in wheat produced for feed. This example is based on the assumption that wheat producers take full advantage of the provisions of the program to increase wheat production for feed purposes.

	Millions
I. Increased participation in conservation reserve:	
(a) Estimated acreage, conservation reserve from wheat farms, acres	13.7
(b) Estimated 1958 acreage in conservation reserve on wheat farms, acres	1.3
(c) Estimated increase in conservation reserve on wheat farms, acres	12.4
(d) Reduction in feed grain at 0.8 ton per acre, tons	9.9
II. Shift from feed grains to wheat for feed:	
(a) Estimated maximum wheat acreage under wheat stabilization programs, acres	70.5
(b) 1958 wheat acreage, acres	56.4
(c) Acreage shifted to wheat from feed grains, acres	14.1
(d) Reduced feed grain production at 0.2 tons per acre (average feed grain yield 0.8 ton per acre, average wheat yield 0.6 ton per acres), tons	2.8
III. Total reduction in feed supplies, tons	12.7
IV. Normal annual increase per year in feed grain stocks under present programs, tons	6.8
V. Normal annual reduction in feed grain stocks, under wheat stabilization program, tons	5.9

It should be pointed out that if wheat producers now producing feed grain on excess acres, did not shift to the production of wheat for feed, there would be no change in feed grain production from the present program.

Mr. MAGNUSON. Mr. President, I also ask unanimous consent to have printed in the RECORD an article entitled "A Workable Wheat Plan," written by Clancy Jean, and published in the Farm Management magazine.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GROWERS' OWN PROGRAM: A WORKABLE WHEAT PLAN

(By Clancy Jean, executive vice president, Oregon Wheat Growers League)

The word "wheat" used to have an admirable meaning—"the staff of life." Today that same word has quite a different meaning. The mere mention of it is a reminder of what some people call a national scandal—the current wheat program that spends billions of taxpayers' dollars and encourages increasingly vast surpluses.

No one realizes this better than the wheatgrowers themselves. And no one has launched a more constructive effort to correct this than have those same wheatgrowers with a new bill they recently put before Congress.

Traditionally, organized wheatgrowers have advocated the domestic parity plan for wheat. Last December when the National Association of Wheat Growers met in Denver, growers developed and approved what they call a stabilization plan for wheat. It is a modification of the domestic parity plan and contains several features that should be given serious consideration as a new approach to the wheat problem.

BEFORE CONGRESS

The growers' proposal is now before Congress; in late February, Senator FRANK CARLSON, Republican, of Kansas, introduced the plan as Senate bill 1140. Senator CARLSON told the Senate that this bill offers some changes "* * * not simply changes in a new 1959 model of the old bill. They are changes in engineering, which result in a wheat price stabilization plan that deals effectively with the current excessive accumulations of wheat and feed grains." Joining with Senator CARLSON in cosponsoring the wheatgrowers' plan are Senators MORSE and NEUBERGER, Oregon; MAGNUSON and JACKSON, Washington; CURTIS, Nebraska; and CASE, South Dakota. Simultaneously, a number of identical bills were introduced in the House by western Congressmen.

In developing their plan, the wheatgrowers have kept four basic concepts in mind:

BASIC CONCEPTS

1. Wheatgrowers' net income must be maintained if they are to reduce production below the current level.

2. The buildup of CCC stocks must be stopped and gradually reduced to a normal level.

3. Further reduction in acreage of wheat must not be shifted to other crops.

4. Increased yields per acre must not be reflected in increased Government holdings of wheat.

What is needed, the growers say, is to stop the buildup of Commodity Credit's stocks and even reduce them while also reducing production through a program that takes increased yields into consideration and prevents diverted wheat acres from creating problems with other crops, do these things and maintain growers' income.

To accomplish this, the wheat producers are proposing a production and income stabilization plan.

BUSHEL ALLOTMENTS ADVOCATED

Eliminate acreage allotments and checking of compliance along with current marketing quotas—and substitute for these a marketing allotment expressed in bushels. They want marketing allotments based on the wheat base acreage for average of the 1952–53 planted acreage. Each farm would receive a bushel allotment. This would be arrived at by multiplying the base acreage by the normal yield per acre, factored to the county allotment. Normal yields, they say, should be based on the period that provides the most equitable relationship between counties and States.

NATIONAL ALLOTMENT IN BUSHELS

For example, it would work out this way for 1958 (millions of bushels):

1. Estimated amount used for food in the United States	485
2. Estimated amount of U.S. exports	+430
Estimated demand	915
3. Less amount of wheat to be moved out of CCC stocks each year	—75
National marketing allotment	840

The plan calls for price supports at 65 percent of parity for the national marketing allotments. This allotment, as shown, would be spelled out for each farm in bushels and there would be a price support on this amount of about $1.53 per bushel. Marketing cards, similar to those now used, would be issued to each grower for his bushel allotment. In addition, certificates would be issued on each grower's share of the 485 million bushels used for food in the United States.

CERTIFICATES

These certificates would be redeemable in an amount equal to 35 percent of parity on that portion of his production. Using 1958 as an example, food uses of wheat are equal

to about 60 percent of the national marketing allotment suggested by the growers. Certificates would be sold to processors. This provision is taken from the domestic parity plan, long advocated by wheat growers. This would relieve the taxpayers of a major part of the costs of the stabilization plan. Wheat growers have long held that they are entitled to full parity for at least that portion of their crop that is used for food consumption in the United States. There is little relationship between the price of wheat and the price of bread. In the past 6 years, wheat prices have dropped 35 cents per bushel while the price of a 1-pound loaf of bread increased 3.2 cents.

CONSERVATION RESERVE

But, in order to be eligible to receive these certificates, the grower would have to put at least 20 percent of his wheat base in the conservation reserve. This would increase the conservation reserve by 12–14 million acres of wheatland that now produce from 5 to 8 million tons of wheat or feed grain yearly.

While the stabilization plan would control the amounts of wheat to be marketed for domestic food uses and exports through its bushelage allotment and certificate features, there are no restrictions on the production of nonquota wheat. Neither is there any price support for this wheat. Anything in excess of the bushel allotment quota produced would have to be either fed on farms where produced, sold to other farmers or sold to bonded feed processors.

This feed wheat provision would enable many wheatgrowers to return to producing their best crop. Under the present program, commercial wheatgrowers have been forced to produce feed grains as an alternative crop. This has caused serious production and economic problems for the wheatman and it has contributed to the feed grain producer's problem. In the west coast area, this would mean less barley produced on wheat farms; in other areas, growers would turn to wheat in place of sorghum. A supply of feed wheat on the west coast, for example, would contribute to a more balanced supply of local feed grains.

SAVINGS TO TAXPAYERS

Compared with present and projected costs of the current wheat program, growers' stabilization plan would save the Federal Treasury an estimated $788 million annually. This is to be accomplished through: (a) Lowering cost of price support operations; (b) reducing CCC stocks; (c) lowering export subsidies; (d) placing CCC stocks on 5-year storage contracts.

Presently about 200 million bushels are added to CCC stocks annually. The stabilization plan stops the buildup of CCC stocks and actually provides for a 75 million bushel removal each year for export. It is expected that export subsidies will be reduced about 20 cents per bushel. The growers' plan calls for setting aside 500 million bushels of present CCC stocks as a defense stockpile. By letting Government storage contracts out for competitive bids on a 5-year basis, there would be an estimated saving of 6 cents per bushel. As the accompanying table shows, these features would result in an annual cash saving of $178 million and achieve a net decrease in CCC stocks of $610 million annually.

INCOME SOURCES

To the grower, the proposed program offers income from four sources:

(1) He would receive at least 65 percent of parity (about $1.53 at present) on his bushel allotment. The bushel allotment would provide that only 840 million bushels could be marketed in this manner nationally. By controlling amount moving into the markets, there is reason to believe that producers of high quality and specialty milling wheats who market effectively would receive more than this price for their wheat.

(2) About 60 percent of a grower's bushel allotment would be covered by certificates which, when redeemed, would return him an amount equal to 35 percent of parity. Thus, on this amount of his wheat, he would receive 100 percent of parity.

(3) As a prerequisite to receiving a bushel allotment, the grower would be required to put at least 20 percent of his base acreage into the conservation reserve, for which he would receive the customary payments.

(4) Should his production exceed his bushel allotment, he could only market this wheat through livestock on his own farm, by selling to other farmers or by selling this wheat to bonded feed dealers—at open market prices.

The national bushel allotment of 840 million bushels appears to be quite realistic, particularly when compared with the 1958 wheat crop of 1.49 billion bushels. This plan would stop the buildup of present stocks and even reduce them. It provides for substantial savings in storing present Government stocks. It embodies many of the advantages of multiple pricing. Wheatgrowers believe it approaches the problem realistically.

Senator CARLSON said in introducing the bill: "This is a marketing control, not a production control program."

Program that will save $788 million

	Present program	Wheat stabilization program
1. Price support operations:		
Amount taken over by CCC (annual increase) ... bushels	200,000,000	(1)
Estimated acquisition cost per bushel	$2	
Total annual investment	$400,000,000	
Interest on investment, at 2.5 percent	$10,000,000	
Storage charges, at 0.17 cents	$34,000,000	
2. Reduction of CCC stocks:		
Annual reduction ... bushels		75,000,000
Present inventory value (acquisition costs and storage charge)	(2)	$2.80
Reduction in present investment		$210,000,000
Saving in interest annually		$5,250,000
Saving in storage cost annually		$12,750,000
3. Export subsidy costs:		
Estimated domestic price (terminal)	$1.90	$1.70
Estimated world price (terminal)	$1.40	$1.40
Export ... bushels	430,000,000	430,000,000
Estimated total subsidy	$215,000,000	$129,000,000
Total, items 1, 2, and 3:		
Total difference in CCC inventory		$610,000,000
Total cash savings		$148,000,000
Total net difference in CCC inventory and cash savings		$758,000,000
4. Reduced storage costs on defense stockpile (recommended 5-year contracts on competitive bid basis):		
Storage rate per bushel ... cents	17	11
Annual cost on 500,000,000 bushels	$85,000,000	$55,000,000
Cash savings in storage costs		$30,000,000
Total, items 1, 2, 3, and 4:		
Total net difference in CCC inventory and cash savings (items 1, 2, and 3)		$758,000,000
Cash savings (item 4)		$30,000,000
Total cash savings plus net CCC inventory reduction		$788,000,000

[1] Net reduction, 75,000,000 per year.
[2] CCC stocks increased 200,000,000 bushels annually.

NOTE.—The losses incurred in disposing of 200,000,000 bushels annually would average an estimated $250,000,000.

Mr. MAGNUSON. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a letter I received from J. T. Ledgerwood, of Pomeroy, Wash., who, I think, has set forth this whole problem in the most succinct and intelligent manner I have seen stated on paper for a long time. Mr. Ledgerwood is a wheat farmer. He farms 800 acres of wheat. He has been giving this matter a great deal of study for a long time, and he has come to the conclusion that the wheat stabilization plan is the only answer.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

POMEROY, WASH., *May 17, 1959.*

Senator WARREN G. MAGNUSON,
Washington, D.C.

DEAR WARREN: According to the papers Congress is trying to do something about the wheat surplus. You fellows are bogged down in wheat, and so are the wheat farmers. This letter is not offering a foolproof plan to control the surplus, but only to give some reasons why the present plan has not worked. If Congress knows the weakness of the present plan it may help them in working out something better.

You may remember me from our days in the legislature back in the 1930's. I am a wheat farmer in Garfield County. I own and operate something more than 800 acres of wheat land. I was born here and have lived here all my life, so I think I know something about the farm problem so far as it applies to this area. In particular I want to express myself concerning the wheat surplus.

I was a member of the county committee which set up the original wheat allotment plan here several years ago. We were told then that, since the country was producing more wheat than it could use and sell, it was necessary for us to reduce production. We started off the first year by reducing wheat acreage by 15 percent. Since then the percentage of reduction of acreage has varied, mostly upward, until now it is about 34 percent, but the wheat crop increased steadily. There are several reasons for the increase:

1. With reduced acreage the farmers, being human, wanted to grow as much as possible on the limited acreage, so, with the very capable assistance of the State college, they found new varieties of wheat which were more smut-resistant, winter hardy, shatterproof and all around more productive.

2. For the first time the farmers of this county began to use commercial fertilizers. Fertilizer business has grown to enormous size and must amount to millions in eastern Washington.

3. Mechanized farming has displaced the horses, hence no more feeding of wheat hay

to horses as was the practice from pioneer times.

4. The use of faster modern machinery has enabled the farmers, especially in the lighter soils, to conserve moisture that was formerly dissipated by sun and wind and has thereby added greatly to the wheat yields.

5. Weeds in wheat are no longer the problem they used to be. Chemical sprays have practically eliminated them. This, alone, has added much to wheat production.

When the allotment laws went into effect the county of Garfield held the highest average per acre wheat production in the State; about 27 bushels per acre. In 1958 it was 45.6. The State college is presently working on a new wheat, which they expect will produce as much as 100 bushels per acre.

At the beginning of the wheat program some of us asked "Why not limit the amount of wheat each farmer is allowed to sell, based on his production history (which was already in the hands of the county committees), instead of limiting only the acreage he was allowed to seed?"

Since that time we have asked the same question repeatedly, pointing to the fact that our elevators are filled with bushels, and not with acres, and that limiting the acreage was, at best, a left-handed attempt to do the obvious thing, which was to reduce production.

The Department of Agriculture, having started off on the wrong foot, was not about to admit it's mistake; but the immense stocks of wheat which have accumulated prove how wrong they were. Something will have to be done or the so-called "wheat surplus" reduction plan will soon fall under the weight of accumulating surpluses.

The Department of Agriculture apparently fails to see that further reductions in acreage will call for increased efforts to grow more wheat per acre, hence more fertilizers, more search for high-yielding wheat and increased efforts to attain the 100 bushels per acre.

The persistent effort to carry on with the acreage reduction plan requires the county committees to measure the land constantly to make sure the farmer has the correct number of allotted acres and diverted acres. This costs money and doesn't prove anything except that the farmer is producing his surplus wheat on the acreage prescribed by the Department of Agriculture.

The only way to reduce surplus wheat is to reduce the bushels produced. The committees have, or should have, the figures on each farmer's production. Why not give him a quota of bushels. If he produces more than his quota, let him keep it, not sell it. The quotas could be set at a figure that would reduce the surplus and maintain it at a reasonable level. Why insist on trying to do it the hard way? Especially when the hard way has proved to be such a dismal failure.

Yours very truly,

J. T. LEDGERWOOD.

Mr. MAGNUSON. Mr. President, I am sure the Senator from Kansas will permit me to place in the RECORD a statement by the Senator from Kansas which appears starting on page 61 of the hearings on S. 1140, setting forth the basis for the amendment. I think the statement makes good reading with respect to the wheat problem. I wish it would be read by those at the other end of Pennsylvania Avenue.

I ask unanimous consent, with the permission of the Senator from Kansas, to have the statement printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A FAIR AND EQUITABLE SOLUTION TO THE WHEAT PROBLEM

Mr. President, I have today introduced S. 1140, a bill which provides a fair and equitable solution to the wheat problem confronting our farmers and our Government.

This bill, authorizing a comprehensive wheat stabilization program, is similar in many respects to S. 774 which I introduced for myself and on behalf of Mr. NEUBERGER, Mr. MORSE, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. BARRETT, Mr. MAGNUSON, Mr. JACKSON, Mr. YOUNG, Mr. CURTIS, Mr. HUMPHREY, and Mr. LANGER in the first session of the 85th Congress. It is more comprehensive than my earlier bill, however, and is substantially improved in two important respects. In addition to maintaining prices and incomes for wheat producers at fair levels, S. 1140 provides a definite program for reducing excessive Commodity Credit Corporation stocks of wheat and definite proposals for holding down wheatgrowers' feed grain production. These are not simple style changes in a new 1959 model of the old bill. These are basic changes in engineering which result in a wheat price stabilization plan that deals effectively with the current excessive accumulations of wheat and feed grains.

Mr. President, wheatgrowers in 1958 produced the largest crop on record. They produced almost 1.5 billion bushels on fewer than 54 million acres. Only 6 years ago, in 1952 and 1953, they harvested 69 million acres to obtain 1.2 billion bushels. This is a production record of which to be proud.

A part of the credit for this production record should go to the occurrence of favorable weather. But much credit must go to the wheat producers for their rapid adoption of technological advances and improved land management programs in recent years.

Twenty years ago wheat yields averaged only 13 bushels per planted acre. In the 1940's yields had increased to nearly 16 bushels per planted acre and in the early 1950's the average had moved up to 18 bushels. In 1956 and 1957 average yields were still higher, almost 20 bushels per planted acre. Then in 1958, with the weatherman cooperating, wheatgrowers outdid themselves and produced almost 26 bushels per planted acre or 27.3 bushels per acre harvested.

This is a production record achieved by few groups in America. The wheat producers of America are entitled to high honors for this amazing performance. They surely are entitled to a price support program that assures them a fair reward for outstanding services rendered. S. 1140 which I have introduced does just this.

Mr. President, I am fully aware that the production records I have just cited, in combination with the outmoded price supports now in effect, have created serious surpluses and caused program costs to skyrocket. But the record should be clear on this point. Wheat producers for several years have recommended giving up the present outmoded program for wheat. For at least 5 years they have been urging the adoption of domestic parity proposals as a replacement for the program which has piled up surpluses and inflated Government costs.

And in all seriousness, I want to say that in my judgment there would be no wheat crisis today if we had had the wisdom to adopt a domestic parity program for wheat several years ago.

NINETEEN HUNDRED AND FIFTY-NINE WHEAT STABILIZATION PLAN EXPLAINED

As I said earlier, S. 1140 which I have just introduced is an improved and more comprehensive version of earlier domestic parity plans for wheat which twice passed the House and once passed the Senate.

Those of us interested in the welfare of the wheatgrowers approached the drafting of a new bill to deal with the 1959-60 wheat situation, with the following four basic considerations in mind:

(1) The new high levels of productivity must not be allowed to bankrupt the wheat-producing industry. This is a real threat in the absence of an effective program to stabilize prices and production.

(2) The buildup of Commodity Credit Corporation wheat stocks must be stopped and they must gradually be reduced to a normal level.

(3) A further reduction in the acreage of wheat must not result in additional acres shifted to other crops.

(4) Increased yields per acre must not be reflected in increased Government holdings of wheat.

These basic considerations guided the drafting of S. 1140:

It (1) sets up an annual national marketing quota of wheat equal to estimated domestic consumption plus exports minus 75 million bushels which are to be withdrawn from Commodity Credit Corporation stocks.

(2) Provides for loans on wheat within this marketing quota at 65 percent of parity, which at current parity prices would be $1.53 per bushel.

(3) Provides for income stabilization certificates for each producer equal to each farm's percentage share of the domestic food market (in bushels) which would be redeemable in an amount equal to 35 percent of parity, the difference between the loan level on national quota wheat and parity price. However, each producer, to qualify for income stabilization certificates, must place an acreage equal to 20 percent but not more than 30 percent of his wheat acreage base in the conservation reserve.

(4) Requires that the certificates be purchased by processors to accompany wheat milled for domestic use at a price equal to their face value (35 percent of the parity price of wheat).

(5) Authorizes a defense stockpile of at least 500 million bushels of wheat to be stored under 5-year storage contracts (at substantial savings as compared with current rates).

(6) Removes restrictions on production and use of nonquota wheat, except for domestic food and for export.

These, gentlemen, are the major provisions of S. 1140. While it is a fairly long bill, in many ways it is a simple bill.

It provides a fair return to wheat producers.

It gives producers fuller control of their farming business.

It enables producers to market only their best quality wheat for domestic use and for export.

It provides adequate current supplies of wheat for domestic use and for export at stable prices.

It facilitates orderly marketing of the highest quality wheat through regular commercial channels.

It provides an adequate defense stockpile of wheat.

It provides for an orderly reduction of current surplus wheat stocks at the rate of 75 million bushels a year.

It reduces the estimated annual Government cost of wheat price supports by $400 million or more a year.

It reduces total Government outlays including investment in inventories by $500 million or more a year.

It provides for an increase in the conservation reserve of 12 to 14 million acres of wheatland which otherwise each year would add 5 to 8 million tons of wheat or feed grains to current excessive feed supplies.

Finally, it protects and stabilizes foreign trade in wheat, including the interests of Canada and other wheat exporting nations through its marketing quota provisions.

Mr. President, S. 1140 is not a perfect bill. When it is studied in detail by the members of the Committee on Agriculture and Forestry—and I hope it will be so studied in the very near future—it may be possible to make improvements in the wordings of some sections. I do not want the record to show, however, that I am not one of those who consider the current wheat situation a terrible national headache. I rejoice in the great productive capacity of our wheat producers. I consider it a national asset that we can produce far more wheat than is needed for domestic food and for export. S. 1140 authorizes a wheat stabilization plan which recognizes this situation and deals with it in a way which is fair and equitable to wheat producers, domestic consumers, feed-grain and livestock producers, and to producers in other exporting nations.

POSSIBLE OBJECTION TO NATIONAL WHEAT STABILIZATION

From past experience, I anticipate this national wheat stabilization plan will encounter objections on three grounds. These objections, however, are based on unfounded fears.

Fear No. 1: Midwest feed-grain and livestock producers may fear that large quantities of wheat will be produced for livestock and feed under the proposed wheat price-stabilization program, seriously depressing feed-grain and livestock prices.

However, this plan specifically provides that each producer must put at least 20 percent of his wheat base acreage in the conservation reserve to qualify for income stabilization payments. This assures that an acreage of wheat or feed grains equal to 20 percent of the wheat acreage base on each farm must be retired to the conservation reserve by each producer who qualifies for full economic benefits under the new program.

Assuming high participation in the program, some 12 to 14 million acres of cropland capable of producing 5 to 8 million tons of feed grains will be retired from production. This will not solve the feed-grain problem. But it certainly will not aggravate it. As compared with continuing the current program, it means 5 to 8 million fewer tons of wheat which ultimately may be used for livestock feed because there is no other use for it, or 5 to 8 million fewer tons of feed grains produced on land diverted from wheat production.

Throughout the Plains States land devoted to feed grains produce more pounds of feed per acre than when devoted to wheat, even though the wheat is fed. In the Corn Belt States feed grains produce fully one-half more pounds of feed per acre than wheat.

Only in Washington, Oregon, and Idaho do wheat yields exceed feed-grain yields in pounds per acre. In all other States, any expansion in wheat acreage, or nonmarket quota wheat under the national wheat stabilization plan, will result in an equal or greater reduction in the production of other feed grains. I am attaching a statement which shows wheat and feed-grain production per acre for selected States in 1957 and 1958.

Fear No. 2: Some people fear that this program will result in an unreasonable increase in the cost of bread. On occasion it has been referred to as a bread tax plan in favor of wheat producers. This is a most unfair characterization of the program. The sugar program includes a small tax on sugar to make possible income stabilization payments to sugar beet and sugarcane producers in United States. The wool program is based on protective tariffs on imported woolens which increase the domestic cost of woolen textiles and a large part of these funds are utilized to make income stabilization payments to domestic wool producers.

In all fairness I ask you, is it unreasonable to ask consumers to pay 3¼ cents for the wheat in a loaf of bread instead of 2½ cents as at present? Especially, if by doing so we can provide a fair and equitable income stabilization program for wheat producers, and at the same time reduce Government costs, hence other taxes by an even greater amount.

Let me repeat, this wheat price stabilization plan utilizes precisely the same principles as the sugar and the wool price stabilization programs. All who supported these programs should favor the wheat price stabilization program as an extension of the same principles and equity considerations to wheat producers.

Moreover the cost of the income stabilization certificates which must be paid by the millers, if fully passed on to the consumers, would be about $100 million less than the additional annual cost of continuing the present outmoded price support program for wheat.

I believe consumers are willing to pay a fair and equitable price for their food. Between 1952 and 1958 the market price of wheat dropped from $2.11 to $1.76 a bushel. During this period, while the cost of wheat in a loaf of bread was declining, the retail price of a loaf of bread increased from 16 to 19.2 cents. In view of these facts I think we should not hesitate to ask consumers to accept an increase in the cost of the wheat in a loaf of bread by ¾ of 1 cent—or from 2½ to 3¼ cents; especially when this increase is the result of a program which achieves more than offsetting reductions in other Government costs.

Fear No. 3: Some people fear that this program will be considered a form of export dumping by our foreign friends. However, S. 1140 specifically provides that the Secretary of Agriculture shall set a marketing quota each year which includes the estimated amount of wheat for domestic food use and for export. It provides for loans, at 65 percent of parity on quota wheat. Nonquota wheat will not be eligible for export under S. 1140. Exports of quota wheat will require a small subsidy equal to the difference between 65 percent of parity and the world price level. The only difference between the anticipated exports under S. 1140 and exports at the present is the requirement of much smaller subsidy payments under S. 1140. Otherwise exports for dollars and exports under Public Law 480 will be continued on exactly the same basis as at present.

Mr. President, in closing I want to return to my statement that the wheat price stabilization program authorized by S. 1140 will reduce Government costs by $400 million or more a year while maintaining wheat-producers' incomes at fair and equitable levels.

Under the present outmoded price support program for wheat, the Commodity Credit Corporation has acquired 1.3 billion bushels of wheat in the last 5 years and is expected to acquire another 500 million bushels from the 1958 bumper crop.

The Commodity Stabilization Service estimates that the average storage and interest charge on the wheat in CCC stocks is now 69 cents a bushel, which must be added to an acquisition cost of $2.11 a bushel. Hence, even though this wheat is sold for dollars, sold under Public Law 480, or under any other programs at the world market price of about $1.40 per bushel, net at shipping point, the average loss is $1.40 per bushel on all wheat acquired by the Commodity Credit Corporation.

Although, because of the lower support levels, the cost of wheat acquired in 1958 and 1959 will be a little lower than in earlier years, one can expect a net loss of at least $1.25 a bushel on every bushel acquired by the Commodity Credit Corporation. Net losses will be even greater on any wheat which must be disposed of as livestock feed.

S. 1140 provides loans at only 65 percent of parity on that quantity of wheat which will be used for domestic food and for export, minus 75 million bushels which must come from CCC stocks. This assures that there will be no further buildup in Government stocks; rather, that there will be an orderly reduction in existing stocks.

It is this feature of the national wheat stabilization program which will result in annual savings of $400 million or more a year.

Production per acre of wheat and of feed grains in pounds, selected States, 1957 and 1958

	1957		1958	
	Wheat	Feed grains	Wheat	Feed grains
Pacific Coast States:				
California	1,320	2,172	1,320	2,064
Oregon	2,160	1,614	2,064	1,562
Washington	2,224	2,007	2,184	1,619
Average, Pacific coast	1,901	1,931	1,856	1,748
Mountain States:				
Colorado	1,470	1,638	1,524	1,883
Idaho	2,280	1,816	2,064	1,825
Montana	1,164	1,240	1,386	1,413
Average Mountain	1,638	1,565	1,658	1,707
Plains States:				
Kansas	1,140	1,216	1,650	1,846
Nebraska	1,620	2,197	1,980	2,527
North Dakota	1,120	1,137	1,386	1,260
Oklahoma	750	852	1,560	1,316
South Dakota	1,212	1,499	1,434	1,404
Texas	870	1,552	1,320	1,705
Average Plains	1,119	1,409	1,556	1,676
Midwest States:				
Illinois	1,260	3,000	1,890	3,373
Indiana	1,530	2,860	1,920	3,182
Iowa	1,662	2,113	2,070	2,979
Michigan	1,740	2,212	2,280	2,523
Minnesota	1,356	2,327	1,884	2,450
Missouri	1,380	2,092	1,680	2,685
Ohio	1,320	2,546	1,860	2,921
Average Midwest	1,464	2,450	1,941	2,873
Average above States	1,451	1,899	1,761	2,134

Mr. CARLSON. The Senator from Washington pays me a great compliment.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from South Dakota.

Mr. MUNDT. I thank the Senator.

The PRESIDING OFFICER. The time of the Senator from Kansas has expired.

Mr. CARLSON. Mr. President, I ask the distinguished chairman of the committee if he will yield me 5 minutes.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Kansas.

Mr. CARLSON. I thank the distinguished chairman.

Mr. MUNDT. I should like to congratulate the distinguished Senator from Kansas for his perseverance in bringing this proposal before us once again. As a member of the Committee on Agriculture and Forestry, I wish to say that of all the various plans and programs proposed, from a variety of sources, for solving the extremely difficult and prodigious problem involving wheat, the domestic parity program and the domestic parity

suggestion seems to be the most persistent and seems to be the one which is steadily gaining momentum and accumulating friends. This year for the first time the Wheat Growers' Association in South Dakota had a very distinguished wheat farmer from Bennett County come to the Capitol to meet with members of the committee and to advance the cause.

I sincerely hope before the present session of Congress is over—even though the procedural problems outlined by the distinguished Senator from Vermont may make it impossible to agree to the amendment today, because of the urgency of the situation—that something can be done. If we are not able to take action today it will not mean that we cannot legislate later in the session on the wheat problem, looking toward a permanent-type solution.

An idea embraced, endorsed, and supported by so many groups and by so many individual farmers over so wide a territory as this two-price system or domestic parity system is supported, seems to me to deserve a trial. Perhaps by trying it in the laboratory of life with regard to wheat, from experience we can learn something to make it operative in the field of rice or corn or some other commodity at a later date.

I shall support the Senator's proposal, and I again congratulate the Senator for bringing it to our attention.

Mr. CARLSON. The Senator from South Dakota has always been interested in agriculture and very helpful in trying to secure legislation of value to the wheatgrowers.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a short statement on the wheat stabilization program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WHEAT STABILIZATION PROGRAM

WHAT IT IS

A program developed to stabilize wheat marketing, thereby stabilizing the income of wheat producers and reducing Government stocks of wheat.

WHO DEVELOPED IT?

The National Association of Wheat Growers, recognizing the precarious position of the wheat industry, the drain on the Federal Treasury, and the continuing accumulation of wheat and feed grains in Government stocks under the present program is presenting this plan for consideration of Congress.

WHAT IT WILL DO FOR THE WHEAT PRODUCER

1. Stabilize producers' income at reasonable levels.
2. Allow freedom to plant and harvest crops best adapted without Government interference.
3. Permit producers to carry reserve for short crop years.
4. Prevent wheat prices from reaching disastrously low levels.
5. Enable wheat producers to market best quality wheat in domestic food and export market, and lower grades in feed market.

WHAT IT WILL DO FOR THE FEED GRAIN PRODUCER

1. Prevent shifting of diverted wheat acreage to feed grains.
2. Materially reduce feed grain production on wheat farms.
3. Make a substantial contribution to the balancing of feed grain supplies with demand.
4. Aid in an orderly reduction of present surplus feed grain stocks.

WHAT IT WILL DO FOR THE AMERICAN PUBLIC

1. Materially reduce cost of wheat program to the taxpayer.
2. Stop buildup of Government holdings and start orderly reduction.
3. Insure adequate supply of high quality wheat for domestic food and export at reasonable prices.
4. Contribute to orderly marketing of highest quality wheat through regular commercial channels.
5. Insure continued ability of wheat producers to buy the products of industry and labor.
6. Stabilize incomes of small businesses in rural communities.

HOW THE PROGRAM WORKS

This is a marketing control, rather than production control program, which:

1. Eliminates acreage controls.
2. Limits wheat marketed in commercial channels for domestic food and export by establishing a national marketing quota.
3. Establishes the national marketing quota at less than the domestic food and export requirements by 75 million bushels, which would be removed annually from CCC stocks.
4. Provides a support price to all producers at 65 percent of parity, only on the amount of the marketing quota.
5. Provides for the use of income stabilization certificates valued at 35 percent of parity, for the domestic food portion of the crop to be issued to cooperating producers.
6. Requires placing at least 20 percent of wheat base acreage in the conservation reserve of the soil bank to be eligible for income stabilization certificates.
7. Allows producers freedom of choice to plant and harvest best adapted crops without Government restrictions.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. CARLSON. I am glad to yield to the Senator from Colorado.

Mr. ALLOTT. Mr. President, I wish to congratulate the Senator from Kansas for again making this proposal.

I am concerned about the fact that because we cannot act for another week we may be thus deferring action on the matter for a year. In my opinion, the amendment of the Senator from Kansas probably offers the best prospect for success of any proposal we have before us. I have had some reservations about it, but I say that we will have to take drastic action if we are to keep the wheat program, and perhaps other programs, from collapsing entirely.

I certainly join with the Senator in supporting the passage of the proposal today.

Mr. CARLSON. Mr. President, in conclusion I simply want to say that the Committee on Agriculture and Forestry has done an outstanding job of studying the problem. I do not believe that a solution will be reached until some time in the future. I had hoped we could reach the solution today, and that we would adopt a program to give a parity price for the amount of wheat consumed at home, and another price for the world market and for the feed area of the Nation.

Judging from the statement made by the Senator from Vermont, evidently we are confronted with a very difficult situation. I hope the distinguished chairman and the committee will, at a very early date, look at this proposed program.

Mr. ELLENDER. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 3 minutes.

Mr. ELLENDER. Mr. President, I dislike to oppose my friend the distinguished Senator from Kansas, but for the past 15 years the Committee on Agriculture and Forestry has had before it bills similar to the provisions of the amendment the Senator has offered. I refer to the so-called two-price system.

Three years ago, in order to test the two-price system concept, the Congress enacted a bill vesting the Secretary of Agriculture with authority to institute a two-price system for rice. We did not make that authority mandatory—only discretionary.

I personally tried my best to get the Secretary of Agriculture to exercise that authority and to test the two-price concept on rice, but I was never able to succeed.

The Department is now, as it evidently was then, violently opposed to the two-price concept.

As was pointed out by my good friend from Vermont awhile ago, if the amendment were to be agreed to, it would result in a veto of the bill, without question.

I am very hopeful that my good friend from Kansas will withdraw the amendment and will permit us to proceed to consider the bill reported by the committee. As I stated this morning, the bill which is before us is more or less stopgap legislation. Unless we act by June 1, the program will have to be announced on June 30, under the present law, and that will mean 75 to 90 percent price supports with a minimum acreage of 55 million acres.

What the committee tried to do was to submit a stopgap proposal, in the hope that by having the bill passed the wheat surplus would be reduced.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I hope that my good friend will withdraw the amendment. I give the Senator my assurance that the Committee on Agriculture and Forestry will continue its studies on remedial farm legislation. The Senator will admit that we have a mighty tough job. It is most difficult to find a real solution.

Mr. President, I yield to the Senator from Kansas.

Mr. CARLSON. I wish to state to the distinguished chairman of the Senate Committee on Agriculture and Forestry that the Senators from the wheat-growing States are very practical. We have reached the point, in the consideration of the proposed legislation, judging from the statement of the Senator from Vermont and also from the statement of the chairman, that it is essential that we act and act immediately. I appreciate that position.

On the other hand, I have some deep convictions as to what we are doing today, when we pass a bill such as is before the Senate, the bill which was reported by the committee.

I inquire of the distinguished chairman if I may have some assurance that the proposal I have suggested, together with any other bill which would promote a domestic parity price for wheat, will be given further consideration at an early date.

Mr. ELLENDER. I give the Senator that assurance.

Mr. CARLSON. I appreciate the Senator's statement. On the basis of that statement, Mr. President, I am going to withdraw the amendment.

Mr. MAGNUSON. Mr. President, before the Senator withdraws the amendment, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. I do not say this because I am not appreciative of the difficult job the members of the Committee on Agriculture and Forestry have, but I do not believe the members of the committee believe the bill which is before us is any solution to the wheat problem. Therefore, it seems to me that the committee members themselves will be desirous of studying this terrific problem, and will want to consider the domestic parity bill as soon as possible. I believe the members of the committee feel that way, judging from private conversations with many of them.

I am willing to join with the Senator from Kansas at this time, because of the situation, and to agree that we should withdraw the amendment. The members of the committee themselves know the bill under consideration is absolutely no answer, and never will be, to the wheat problem. We must have something else.

All those who come from the States which raise wheat—those from the State of my friend from Kansas, from my own State, and from other States—are pretty much in agreement that the domestic parity proposal looks like the only hopeful solution, even though it may have some defects.

Mr. CARLSON. Mr. President, if the chairman will yield, I have always appreciated his help. He has been most kind and courteous in connection with this and other matters dealing with agriculture.

I ask that the amendment be withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. NEUBERGER. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER. There is no time left. The amendment has been withdrawn.

Mr. ELLENDER. I yield 1 minute on the bill to the Senator from Oregon.

Mr. NEUBERGER. Let me say to the Senator from Louisiana that I join with the Senator from Washington [Mr. MAGNUSON], as a Senator from one of the wheat-producing States of the Pacific Northwest in saying that we trust the domestic parity plan will receive genuine consideration. We have quite a heritage of study in our State behind this plan. The late Senator Charles L. McNary came from our State. I think he was the original author of the McNary-Haugen farm plan, which President Coolidge vetoed twice after it was passed by the Congress. That was the real beginning of the so-called domestic parity plan for wheat.

While I agree with the Senator from Washington that there are some possible defects in it, I think domestic parity offers considerable promise in meeting this very difficult situation.

I thank the Senator from Louisiana for assuring us that the plan will receive study and consideration, and that there will be effort in his committee to bring it to the floor of the Senate later on in this session.

Mr. YOUNG of North Dakota. Mr. President, on behalf of the Senator from Kansas [Mr. SCHOEPPEL], the Senator from South Dakota [Mr. MUNDT], the Senator from Minnesota [Mr. HUMPHREY] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, between lines 4 and 5, it is proposed to insert the following:

(B) reducing the acreage of wheat below the farm acreage allotment by not less than 10 per centum of such allotment with price support at 75 per centum of the parity price therefor, or.

On page 2, line 5, it is proposed to strike out "(B)" and insert "C)".

On page 2, line 10, after "choice (B)" it is proposed to insert "or choice (C)".

On page 2, line 13, it is proposed to strike out "choice (B)" and insert "either choice (B) or choice (C)".

On page 2, line 16, it is proposed to strike out "and choice (B)" and insert a comma and the following: "choice (B), and choice (C)".

On page 3, line 1, after "choice (B)" it is proposed to insert "or choice (C)".

On page 3, line 19, after "choice (B)", it is proposed to insert "or choice (C)".

On page 4, line 3, after "choice (B)" it is proposed to insert "or choice (C)".

Mr. YOUNG of North Dakota. Mr. President, if Senators will give me their attention, I shall require only 3 or 4 minutes to explain the amendment.

It would add one further provision to the bill as it stands. As it now stands the bill provides 65 percent supports for those who are willing to abide by their quotas, that is, to plant within their quotas.

Those who were willing to cut their acreage by 20 percent would receive 80 percent supports. This amendment would add another proviso, to give 75 percent supports to those who would cut their acreage by 10 percent.

If no legislation at all is passed, the farmers will receive 75 percent supports with their present quotas. This amendment would mean a 10 percent reduction in their quotas. As Senators know, because of a change in the parity formula by the Secretary of Agriculture, price supports will come down 5 cents a bushel, regardless.

The reason I am offering the amendment is this:

According to my own feeling, the pending bill, speaking from the standpoint of one who has been in the wheat business all his life, is, for all practical purposes, a 65 percent price support bill. Most farmers would elect to take 65 percent supports, no reduction in acreage. But if we add another proviso, as I suggest, for 75 percent supports, if they are willing to cut 10 percent, there will be a sizable reduction in production. It is pretty tough for any farmer to cut his acreage 20 percent. I believe this amendment would result in a much more workable bill, and that we would wind up with a cash price probably a little less than we have now. This is not an easy position for me to take. I am only doing it because something has to be done to curb surpluses and save the program.

It is not easy for a Senator from a wheat-producing State to stand on the floor of the Senate and propose a cut in acreage without any increase in price, as this amendment proposes. It will make it a more acceptable bill though.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CASE of South Dakota. I should like to suggest to the distinguished Senator from Louisiana, chairman of the committee, that he see if this amendment cannot be accepted and taken to conference. It is a very reasonable proposal; and in my personal judgment it would be more effective in accomplishing a reduction of production than would the terms of the bill now before the Senate.

Mr. ELLENDER. Mr. President, let me say to my good friend from South Dakota that the committee considered the proposal which he has propounded.

What this proposal does is simply to add another bracket of wheat producers. Under the bill as it now stands, those who desired to plant their full allotted acreage would receive 65 percent of parity. Those who would take a 20 percent cut would receive 80 percent of parity. The committee felt that approach would make administration of the bill much easier.

The proposal made by the distinguished Senator from North Dakota would insert an additional bracket, to the effect that whoever would take a 10 percent cut in his acreage allotment would receive 75 percent of parity as his price support. Personally I would have no objection to this procedure, except, as I have said, that the committee felt that it would be cumbersome, and would make the administration of the law more difficult.

Mr. YOUNG of North Dakota. Mr. President, the committee was trying to meet the objections of the Secretary of Agriculture, in the hope that by eliminating the 75 percent provision the bill would be more acceptable to him, and he could get a bill passed. Since that time the Secretary has come forth with a report using exactly the same words to object to the present bill as he did to object to the provision which I had offered in the committee, providing for 65, 75, and 80 percent of parity. Let me read the statement of the Secretary:

While the bill provides for 65 percent and 80 percent of parity support levels for wheat,

it is bound to result in a market price for wheat close to 80 percent of parity.

I wish I could believe that. I do not feel so enthusiastic about the bill. One can go anywhere in the United States and consult with wheat farmers and men in the grain business, and they will tell him that it would have no such result.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. MUNDT. Let me say that the critique made by the Department of Agriculture with respect to this proposal is certainly a stimulating reason why Senators should wish to vote for this additional choice, because if, indeed, this will bring about a market price of wheat up to 80 percent, who will be hurt? Certainly not the consumer, because it has been demonstrated over and over again that the relationship between a bushel of wheat and a loaf of bread is purely theoretical. The transportation, advertising, handling, labor, and other costs determine the price of bread.

The consumer would not be hurt. The farmer would not be hurt if he received 80 percent of parity at the market price. The taxpayer would not be hurt, because he would not have to buy wheat and pay the cost of storing it.

If the dire predictions made by the Secretary are indeed true, this is a most promising step, and we are closer to the solution of the wheat problem than anybody had dared to believe. The farmer would be benefited, the consumer would be benefited, and the taxpayer would be relieved.

In view of the analysis, and in view of what it is said the amendment would accomplish, I believe it is an amendment which the Senate should adopt.

We changed it, as the chairman knows, because we thought perhaps by simplifying it, the Department of Agriculture would like it and give it its approval. However, they did not do so. I certainly believe that this is the third choice that we ought to give to the American farmer. Let us hope the Department of Agriculture's analysis is correct. I am afraid it is wrong.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. CARLSON. I should first like to plead with the distinguished chairman of the committee to accept the amendment. We are trying to pass legislation today to reduce some of the production of wheat. It is my honest opinion, coming from a wheat-producing State, which produces one-fourth of the winter wheat grown in the Nation, that the proposal the committee brought in will still produce surpluses of wheat over and above what we will consume and export.

This third step makes the difference between the farmers who are going to plant the full allotment of 65 percent and the limited number who will plant 80 percent. I believe it will be of benefit to the taxpayers if we accept the amendment. I sincerely hope the chairman will accept it and take it to conference.

Mr. YOUNG of North Dakota. If I may add just one more word, I should like to say from the wheat farmer's standpoint, if there is no legislation at all, he does not have to reduce his acreage in 1960, and he gets 75 percent. If we accept the amendment, he must cut his acreage. I could understand why a wheat farmer might not favor it, but I do not understand why the Secretary of Agriculture opposes it, if he knows anything about wheat.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the distinguished Senator from Vermont.

Mr. AIKEN. With regard to the amendment offered by the Senator from North Dakota, I wish to say, that if it is added to the bill, there would not be much incentive to plant the full allotment of 65 percent, or 80 percent of the allotment at 80 percent of parity, because 75 percent would pay better than either 65 percent or 80 percent.

I would prefer not to see the 20 percent reduction and 80 percent supports in the bill. At any rate, there would not be too much incentive to take the 20 percent reduction in acreage even at 80 percent of parity, if a farmer could get 75 percent with a 10 percent reduction. I have figured it out. At 80 percent of the allotment, multiplied by 80 percent of parity, it comes to 6,400. If he takes 100 percent of the allotment at 65 percent of parity, it comes to 6,500. If he takes 90 percent of the allotment at 75 percent of parity, he gets 6,750.

Mr. YOUNG of North Dakota. I think, too, that this would force the farmers to take the 65 percent figure. Most of them would believe that the price might be better, perhaps, and they would be hoping that the cash price would be better. Farmers are always hoping that their price will be better.

Mr. AIKEN. I know they are pretty good at using their pencil and paper. If they went strictly according to their calculations, they would take 65 percent instead of 80 percent.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. CASE of South Dakota. I doubt that very many farmers would take a cut of 20 percent in order to get 80 percent of parity.

Mr. AIKEN. They probably would be better off with 75 percent supports and a 10 percent reduction in acreage.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. YOUNG of North Dakota. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. DODD in the chair). The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. YOUNG].

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, may I inquire if any other amendments are to be offered? First, I should like to say to the Senate, as a matter of general information, that I have one short amendment and then I have a substitute amendment. The substitute amendment represents the position taken by the Department of Agriculture. Actually, I shall not discuss it very long. I offer the short amendment, dealing with voting in the wheat referendum.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, after line 2, it is proposed to insert a new section, as follows:

SEC. 4. (a) Subsection (f) of section 335 of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting the last sentence thereof.

(b) Section 336 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25, the Secretary shall conduct a referendum, by secret ballot, to determine whether farmers are in favor of or opposed to such quotas. Farmers eligible to vote in such referendum shall be farmers who were engaged in the production of the crop of wheat normally harvested in the calendar year immediately preceding the calendar year in which the referendum is held. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation of the national marketing quotas with respect to wheat."

Mr. DIRKSEN. Mr. President, on the 1st of June, under existing law, the Secretary of Agriculture must proclaim the allotments and quotas; then, on the 25th of July, the referendum is held.

It seems to me that voting in the wheat referendum takes on a bit of the character of the farcical. The reason for it is that a farmer cannot vote in the wheat referendum unless he grows more than 15 acres. As a result, this is the picture we have: 1,800,000 farmers in the country grow wheat, but only 585,000, or about a third, are eligible to vote in the referendum. If we take two-thirds of that number, it means that out of 1,800,000 wheatgrowers, 390,000 determine what the result is to be. That looks to me like discrimination in law.

Every cotton farmer votes, even if he has only as much as 10 acres of cotton. Every tobacco farmer votes, even if he has only a city lot of tobacco. For instance, in North Carolina, 9 out of every 10 wheat farmers are disqualified from voting in the referendum because they have less than 15 acres. In Idaho, two out of every three wheat farmers are disqualified.

This is a common problem. If we are going to do the decent thing and have no discrimination, why should not every wheat farmer vote, just as every cotton farmer and every tobacco farmer votes?

That is the whole situation in a nutshell. I believe that in the interest of fairness and equity the amendment ought to be adopted. I might say that the amendment has the endorsement of the Department of Agriculture.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MUNDT. The difficulty is in trying to determine who should vote in accordance with the number of bushels of wheat he produces. There would be no objection to the suggestion the Senator has made, if we could solve that problem.

If we permit all the small garden spot farmers and flower box farmers, who grow a few bushels of wheat, to vote in the referendum, and in that way deter-

mine what will happen to the wheat farmer, who makes, if not the majority, at least a substantial portion of his income from wheat farming, it would not represent very sound democratic procedure. We would permit the result to be determined by persons who are very slightly affected by what happens to wheat.

Mr. DIRKSEN. Why should the small farmer be excluded from voting under the law? What we are doing is letting the large wheat farmers finally determine the result of the referendum. If that is democracy, I do not know the meaning of the word.

Mr. MUNDT. We would have the wheat farmer whose livelihood depends on it vote in the referendum and make the determination, rather than let someone who does not belong to the church become a deacon.

Mr. DIRKSEN. Then why does not the Senator favor changing the law to exclude small tobacco and cotton farmers, on the same basis?

Mr. MUNDT. Tobacco is a business of small producers. It is not a business of the great, large producers.

Mr. DIRKSEN. From the standpoint of principle, that argument will not stand up.

Mr. YOUNG of North Dakota. No one can raise even one-eighth of an acre of tobacco unless he has an allotment. Wheat is the only basic commodity in the United States which gives everyone a free ride. Wheat is raised all over the United States. Anyone can raise 15 acres of wheat and sell it free of penalty. Now everyone will be able to raise all he wants.

Mr. DIRKSEN. Apply that to the cotton farmers along the Mississippi Delta, in California, and elsewhere.

Mr. YOUNG of North Dakota. If the Senator will apply the same provision to all the other basic commodities, I will vote with him.

Mr. DIRKSEN. I did not make the law; but the law is effective in that respect. I am simply trying to cure it so far as wheat is concerned. From the standpoint of principle, no one can argue successfully against what is involved in this amendment.

Mr. MUNDT. It is necessary to consider the evidence before deciding whether an argument is successful or unsuccessful. From my standpoint, the argument the Senator from Illinois advances is entirely unsuccessful.

Mr. DIRKSEN. It is not unsuccessful. What the Senator from South Dakota is trying to do is to keep in the hands of the big wheat farmers the control of the referendum. That is just as transparent as crystal.

We took a barge at the big farmers in the Williams amendment today. This is a good time to take a second blow from the standpoint of principle. How can we exclude the wheat farmer if he qualifies by having been a wheat producer the year before? In the case of farmers having 14 acres, 13 acres, 12 acres, and less, 81 percent of the farmers of my State are disqualified from voting. Nine out of ten farmers in North Carolina are disqualified from voting. Ninety percent of the farmers in Pennsylvania are disqualified from voting under the existing law. Seventy-seven percent of the farmers in Utah are disqualified. Those are the figures. In New York, the situation is the same.

Mr. MUNDT. The Senator from Illinois has attributed to me a statement which is entirely out of context. I am not advocating that the decision be made entirely by the big wheat farmers. It depends entirely on how the word "big" is defined.

The Senator from Illinois, with a lot of oratorical flourish, prolonged by oratorical "oomph," gestures, emphasis, and all those things, makes the situation seem at first as though we are limiting the referendums to the decisions of farmers having a thousand or 10,000 acres of wheat. Actually, all we are trying to do is to have the decisions made by the farmers who are a part of the wheat industry and who depend on it for a livelihood.

Mr. DIRKSEN. The Senator from South Dakota is by all odds one of the most skillful debaters I have ever known. He wrote a handbook on debating. The first thing one learns in college debating is how to beg the question. The Senator is doing a classical job this afternoon. He is so far from principle that it is not even funny. But I am willing to close the case right here.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. Will the Senator, from the figures he has, tell me——

Mr. DIRKSEN. Does the Senator want to know how the great Buckeye State stands with respect to voting in the wheat referendum?

Mr. LAUSCHE. Yes; how does the great Buckeye State stand?

Mr. DIRKSEN. I shall certainly tell the Senator, because I have the figures here.

Ohio has approximately 157,000 farms. One hundred and twenty-seven thousand farmers would be eligible, normally, to vote. Eighty-one percent of the farmers of Ohio are disqualified under existing law because of the 15-acre limitation.

Mr. President, I shall not ask for a yea and nay vote. I simply make the case on principle. I am ready to stand by it.

Mr. LAUSCHE. What was the percentage in Ohio, please?

Mr. DIRKSEN. Eighty-one percent of the farmers of Ohio are disqualified. In Illinois 77 percent cannot vote under existing law. This is the list of farmers who were growers of wheat in the prior calendar year.

Mr. LAUSCHE. Is it possible that the large number of wheat growers in Ohio—81 percent—who are disqualified grow a substantial acreage of wheat?

Mr. DIRKSEN. Oh, yes; they grow a substantial acreage of wheat in Ohio, just as is the case in Illinois.

Mr. LAUSCHE. So the amount might comprise 127,000 times 14 acres?

Mr. DIRKSEN. That could very well be; I do not know. But it is necessary for a farmer to have 15 acres in order to be eligible to vote. That leaves the wheat referendum program in the hands of the large producers. If that is "democratic," I eat it.

Mr. AIKEN. Mr. President, before voting on this question, there is one matter which should be cleared up. Under the bill as reported by the committee, the amount of wheat which a farmer can raise without a quota is reduced from 15 acres to 12. It is my understanding that those who are reduced to 12 acres from 15 will have the right to vote in referendums. There will be added 90,000 voters, if I am correctly informed. I have not verified the figures. But those whose acreage allotments are arbitrarily reduced from 15 to 12 acres will be permitted to vote. I should like to ask the chairman of the committee if that is not his understanding.

Mr. ELLENDER. Those farmers whose allotments exceed 12 acres will be eligible to vote.

Mr. AIKEN. That is correct. So if a farmer has 13, 14, or 15 acres, and above, he will be entitled to vote.

Mr. HOLLAND. Mr. President, will the Senator yield for a comment?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I am happy the Senator from Illinois has offered this amendment, because in the discussion it has been made perfectly apparent, first, that the wheat program is not democratic and never was intended to be; second, that the artificiality of the program has forced the production of wheat into areas and amounts which would never have been the case but for such an artificial, man-made and surplus-producing program; and third, that this is simply a fair illustration of what has happened not only in this field, but also in the field of corn, small grains, and other commodities.

For instance, last year in my State of Florida five counties became commercial corn counties. Nationwide, there were 38 new commercial corn counties for the first time last year, most of them in areas which never should have been heavy corn-producing counties. This situation was created by the artificiality of a program which has never been democratic and has never been fair to the people and to the lands which were traditional and natural producers on the most economical basis possible.

I am happy that the Senator from Illinois has brought out the point so clearly evidenced by those opposing him—those whose States have large farms producing wheat—that to admit a democratic revision in the voting plan would mean the death of the wheat program. That, I think, is an end which we shall all wish may be attained, before very long. I believe that the majority of Americans already feel that way. My own feeling has been very keenly in sympathy with the frustrations so clearly evidenced by the Senator from Indiana [Mr. CAPEHART] in speaking to his amendment. I think, however, we should attack the problem a step at a time. I believe the step which the Senator from Illinois is suggesting is but one of the steps by which a more successful solution of the problem may be

reached. I commend him warmly for having offered the amendment.

Mr. DIRKSEN. I thank the Senator from Florida.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I am wondering why the sponsors of the amendment, who are being so democratic this evening, do not go all the way and follow all the proposals made by the American Farm Bureau Federation and the Secretary of Agriculture.

Mr. DIRKSEN. I shall do so later.

Mr. YOUNG of North Dakota. Since they are proposing this amendment, they should go a step further and adopt the 15-acre provision entirely. If the Senator from Illinois wants to go all the way, I will go with him. That would be good for the wheat farmers of the United States. But I do not know why it is desired to pick out one particular commodity, which the Farm Bureau and the Secretary want, and not go all the way and abolish all the other controls which they want abolished, too. Will the Senator from Illinois answer?

Mr. DIRKSEN. I have no answer to that. I simply take up one thing at a time. If a proposal is founded in hard truth and principle, what is wrong with it? Why not accept it? Then we will get around to the other matters.

I am not even a member of the Committee on Agriculture and Forestry, strangely enough; yet I find myself today presenting the administration's program. I shall present it directly. I am sorry it comes at the end of the day.

We have had a two-price system. We have had a suggestion from the Senator from Indiana [Mr. CAPEHART] to freeze great hoards of commodities and to give the President the authority to dispose of them; then to wipe the slate clean of allotments and price supports, and all the rest.

We have also had the Humphrey proposal today. Now I am about to present the administration's proposal.

Mr. YOUNG of North Dakota. The Senator is talking on my time.

Mr. DIRKSEN. I am sorry.

Mr. YOUNG of North Dakota. Does the Senator from Illinois favor the farm bill proposal of the Secretary of Agriculture which would abolish the 15-acre provision for wheat?

Mr. DIRKSEN. To abolish it?

Mr. YOUNG of North Dakota. Yes.

Mr. DIRKSEN. He would not abolish the 15-acre provision.

Mr. YOUNG of North Dakota. Yes, as proposed by both Secretary Benson and the American Farm Bureau Federation.

Mr. DIRKSEN. I can only say to my friend that in the amendment which bears my name, the marketing quota exemption is up to 15 acres.

Mr. YOUNG of North Dakota. But both of them recommended to the committee the abolishment of the 15-acre provision. I think that is a step in the right direction; if we wish to consider your note proposal, we should go all the way with the recommendation, and should not simply pick out something that would help Illinois or some other State.

Mr. DIRKSEN. Why did the committee bring in the provision? I did not write the bill.

But, Mr. President, I will willing to yield back the remainder of the time available to me, and to have the vote on the amendment taken.

Mr. CARLSON. Mr. President, the distinguished Senator from Illinois has greatly stressed the democratic processes, and has called attention to the great harm and injustice being done to the 15-acre wheat growers in Ohio, Illinois, and Indiana. That is one of the problems in the entire picture; but I point out that the 15-acre wheat growers have no marketing quotas and no penalties applied to them, whereas any grower who is not in the 15-acre area is subject to quotas and penalties; and he cannot even grow wheat for feed, outside his quota. So there is a great difference, in terms of democracy, between the restrictions to which they are subjected and permitting those who are not subjected to any such restrictions to be free to grow wheat—to be freeloaders, so to speak.

Mr. HUMPHREY. Mr. President, does the Senator from Illinois intend to have the penalties for overplanting applied to farmers who have quotas of 10 acres or less?

Mr. DIRKSEN. The amendment will leave the law exactly where it is now.

Mr. HUMPHREY. But at the present time the law does not apply a penalty to them. The ones with less than 12 acres are not allowed to vote on marketing quotas—simply because the law exempts them from any penalty.

Mr. DIRKSEN. Their status will continue to be the same as it is now.

Mr. HUMPHREY. Not under the amendment of the Senator from Illinois. Under his amendment, those with 12 acres or less would be able to determine the penalties to be applied to those with 12 acres or more, but would not be required to accept any penalties themselves for overplanting on their quotas. In other words, the amendment of the Senator from Illinois would permit such farmers to say, "I want all the benefits of price supports and programs; but if I cheat, don't penalize me; only penalize those with 12 acres or more." That is what the Senator's amendment would do.

Mr. DIRKSEN. Mr. President, in view of the Senator's feeling that this is democratically desirable, why do not Senators take care of this provision in the committee?

Mr. HUMPHREY. There is a good reason.

Mr. DIRKSEN. Why?

Mr. HUMPHREY. Because the committee has reviewed for about 20 years the matter of the 12-acre limitation and the 15-acre limitation; and in that 20-year period the committee has had a fairly good idea of what it was doing. The small farmer with 15 acres or less primarily uses what he produces on his own farm, merely for his own purposes; and he is not what could be called a genuine producer, in the sense of taking his crop to the elevator or marketing it. So he has been exempted from the penalty provisions of the program.

Since he was exempted from the penalty provisions of the program and was not considered to be an active participant, and because he was not subjected to the penalties, he was not included among those who were allowed to vote on the program.

Mr. President, I do not think that a farmer with 80 acres in Minnesota is considered a big farmer. Of course, whenever there is big business, it is considered as efficiency. I have heard wonderful statements in this body about General Electric, General Motors, General Foods, and some other generals—five star generals. But when a farmer has 100 acres, all at once he is considered to be a big, big farmer; and, somehow or other, that is considered to be quite bad. But to me, it is quite good.

Mr. DIRKSEN. Mr. President, I am at a loss to know what General Motors has to do with 15 acres of wheat.

Mr. HUMPHREY. One never can tell. [Laughter.]

Mr. DIRKSEN. Mr. President, all that is merely a lot of cheese paring.

The choice to be made is on the question of whether to give the 15-acre wheat farmer a chance to vote in the referendum. Let Senators vote for or vote against the amendment, as they wish. I have no pride of authorship in it, except as a matter of principle.

The amendment of the Senator from Michigan [Mr. HART], which was adopted earlier this afternoon, would remove the 30-acre limitation which resulted in Mr. Yankus' going to Australia. So the Senate has voted to remove one lid; and I propose that the other one be removed.

Mr. LAUSCHE. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. For 20 years this problem has been studied; and I should like to ask whether during that time the situation of the wheat farmers and the other farmers has been improved.

Mr. DIRKSEN. Mr. President, I want the Senator from Ohio to be here when I offer my other amendment, because in that connection I wish to read a paragraph which is 21 years old.

Mr. President, I yield back the remainder of the time available to me on the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN]. [Putting the question.]

The "noes" appear to have it; and the "noes" have it, and the amendment is rejected.

Mr. DIRKSEN. Mr. President, I submit an amendment in the nature of a substitute, which I send to the desk.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois be so kind as to withhold that amendment until we can submit a technical amendment upon which we have agreed?

Mr. DIRKSEN. Certainly.

Mr. HUMPHREY. Mr. President, I send to the desk a technical amendment for which I request immediate consideration.

Let me say that the amendment is the substance of the amendment which the

Senator from Delaware [Mr. WILLIAMS], the Senator from Vermont [Mr. AIKEN], and I discussed earlier today; it relates to the cooperatives under the $35,000 limitation.

I now understand from the Senator from Delaware that this amendment has been checked with the technicians in the Department, as well as with his own staff and with the committee's staff, and that the revised amendment, as the Senator went over it, is acceptable. Is that correct?

Mr. WILLIAMS of Delaware. I have talked with the Department; and while they do not think that additional language is necessary, since question was raised on the floor, there was no objection to including it. It merely spells out specifically what we intended to do.

Mr. HUMPHREY. That is correct.

Mr. WILLIAMS of Delaware. It does not go beyond that.

I understand that the Senator from Minnesota is offering the first phase only of his proposal.

Mr. HUMPHREY. Yes. Mr. President, I should like to have the amendment read at this time, so Senators may be familiar with it.

The PRESIDING OFFICER. The amendment submitted by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. Following the period at the end of the amendment of Mr. WILLIAMS of Delaware, it is proposed to insert the following:

In the case of any loan to, or purchase from, a cooperative marketing organization the limitation of $35,000 shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such person for the purpose of applying such limitation.

Mr. HUMPHREY. Mr. President, this amendment is the revised version which eliminates some of the language which I believe could have been interpreted—according to the Department technicians—as being somewhat difficult to handle. For example, the word "partnerships" is now excluded.

Mr. WILLIAMS of Delaware. No; the amendment merely adds a provision at the end of my amendment; the pending amendment does not eliminate any of the language of the other amendment.

Mr. HUMPHREY. I was referring to the amendment I previously offered, and then withdrew.

Mr. WILLIAMS of Delaware. Oh, yes.

But this amendment provides that if a group of individuals wish to operate as a cooperative group, they can still receive the benefit of the $35,000 ceiling.

Mr. HUMPHREY. Yes, as individuals.

Mr. WILLIAMS of Delaware. That is correct—as individuals.

However, if a farmer is a member of a cooperative, and if he markets $15,000 of his products through the cooperative, he will then have remaining only $20,000; in other words, all his transactions, whether individual transactions or transactions through the cooperative, on all commodities will be totaled; and his total transactions will not be allowed to exceed the $35,000 ceiling.

As I have explained, the amendment I submitted subjected all his transactions to the $35,000 ceiling; and the pending amendment will not in any way change the application of the $35,000 ceiling to the farmer's total transactions.

Mr. HUMPHREY. That is correct.

Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY].

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I thank the Senator from Illinois for his courtesy in permitting me to have that amendment acted on at this point.

Mr. DIRKSEN. Mr. President, I submit the amendment which I send to the desk. The amendment is in the nature of a substitute. I ask unanimous consent that the amendment be printed in the RECORD, without being read by the clerk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment submitted by Mr. DIRKSEN is to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Agricultural Act of 1959."

TITLE I—WHEAT

Discontinuance of acreage allotments and marketing quotas on wheat

SEC. 101. The Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by amending subsection (f) of section 335 by deleting item (1) and renumbering items (2), (3), and (4) as items (1), (2), and (3), respectively;

(2) by adding the following new section:

"SEC. 339. Notwithstanding any other provision of law, acreage allotments and marketing quotas shall not be established for the 1963 and subsequent crops of wheat."

Price support

SEC. 102. Title I of the Agricultural Act of 1949, as amended, is further amended by adding at the end thereof the following:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, price support for wheat shall be as follows:

"(a) The level of price support to cooperators for the 1960 crop, the 1961 crop, and the 1962 crop of wheat, respectively, if producers have not disapproved marketing quotas for such crop, shall be 75 per centum of the average price received for wheat by farmers during the 3 marketing years immediately preceding the marketing year for such crop. Price support for each such crop of wheat in case marketing quotas are disapproved, in the case of noncooperators and in the case of cooperators outside the commercial wheat-producing area shall be as provided in section 101(d)(3), (5), and (7).

"(b) The level of price support to producers for the 1963 crop and each subsequent crop of wheat shall be 90 per centum of the average price received for wheat by farmers during the 3 marketing years immediately preceding the marketing year for such crop.

The Secretary shall determine and announce the price support level for each crop of wheat in advance of the planting season on the basis of the statistics and other information available at that time, and such price support level shall be final."

TITLE II—CONSERVATION RESERVE PROGRAM

SEC. 103. The Agricultural Act of 1949, as amended, is amended, effective beginning with 1960 production, by inserting after section 420 the following new section:

"SEC. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the United States Department of Agriculture, shall not exceed $35,000. The term 'person' shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State, or any agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation."

SEC. 202. Section 109 of the Soil Bank Act is amended—

(1) by amending subsection (a) to read as follows:

"(a) The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the eight-year period 1956–1963 to be carried out during the period ending not later than December 31, 1972, except that contracts for the establishment of tree cover may continue until December 31, 1977.";

(2) by striking out in subsection (c) "$450,000,000", and substituting in lieu thereof "$500,000,000".

TITLE III—EXTENSION OF PUBLIC LAW 480

SEC. 301. The Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such Act are amended by striking out "1959" and substituting in lieu thereof "1962".

(2) Section 103(b) of such Act is amended by striking out "1959" and substituting in lieu thereof "1962" and by striking out "$2,250,000,000" and inserting in lieu thereof "$6,750,000,000".

(3) Section 203 of such Act is amended by striking out "$800,000,000" and inserting in lieu thereof "$1,500,000,000".

Mr. DIRKSEN. Mr. President, I shall be very brief, I hope, and if I do not get into a complicated colloquy, I think I can complete my remarks in short order.

As sort of a test, I am going to use the question raised by our distinguished friend from Ohio [Mr. LAUSCHE] when he asked, "Has there been any improvement in all this in the past 20 years?"

I review the legislative findings relating to the Agricultural Adjustment Act of 1938. I was a Member of the House when that bill was enacted into law, and the distinguished Senator from New Mexico [Mr. ANDERSON] may have been there at the time. Our distinguished friend from Washington [Mr. MAGNUSON] was there.

Here are the legislative findings. This started 21 years ago:

Abnormally excessive supplies overtax the facilities of interstate and foreign transportation, congest terminal markets and milling centers in the flow of wheat from producers to consumers, depress the price of wheat in interstate and foreign commerce, and otherwise disrupt the orderly marketing of such commodity in such commerce.

Such surpluses result in disastrously low purchasing power of grain producers for industrial products, and reduce the value of

the agricultural assets supporting the national credit structure.

That sounds like the statement which was made here this afternoon. So after all these years this program has been pretty much of a failure.

It seems to me, after all the efforts which have been made, the sensible thing would be to leave the department charged with the responsibility over agriculture to have its substitute adopted in the form of permanent legislation.

This is what the substitute does. I shall not weary Senators with long detail.

It is proposed as a permanent law, to have 55 million acres for 1960, 1961, and 1962, and after that the allotments would be eliminated.

Seventy-five percent of parity supports are proposed, based upon the immediately preceding 3-year average prices, until 1962. Then allotments would come off, and parity supports or average market supports would go to 90 percent.

The marketing quota exemption would be up to 15 acres, with general authority in existing law to take care of and control diverted acres.

It is estimated that if we follow that program we shall save from $200 million to $250 million a year, and more in later years.

So much for wheat.

The proposal also relates to the conservation reserve program, which will expire on December 31, 1960. This proposal would extend the control authority for 3 years.

Maximum annual payments would be raised from $450 million to $500 million in any calendar year.

There was contained in one paragraph specific authority to permit discouraging wheat production in given States and regions. I struck that out. Frankly, I do not know what was contrived there, but I want to be sure I am not in the corner of those trying to discourage any State or region. So I struck it out.

Then there is a provision which extends Public Law 480. The expiration date is December 31, 1959. We would extend it 3 years.

The amendment would increase the amount authorized to be expended under title I of the Public Law 480 by $4,500 million.

It would extend title II of the act for 3 years.

It would increase the amount authorized to be expended under title II of such act from $800 million to $1,500 million.

So there is included in the proposal changes in Public Law 480, the conservation reserve program, and the wheat program, plus the Williams amendment.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CAPEHART. The proposal is to increase the amount to be expended under title I by $4 billion. Is that correct?

Mr. DIRKSEN. Yes; it would increase the amount authorized to be expended under title I by $4,500 million, and, under title II, from $800 million to $1,500 million.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. ELLENDER. Is the proposal to extend the program for 3 years?

Mr. DIRKSEN. Is the Senator speaking of Public Law 480 or the conservation reserve?

Mr. ELLENDER. Title 3 of Public Law 480.

Mr. DIRKSEN. The proposal is to extend title 1 for 3 years.

Mr. ELLENDER. Congress usually extends it year by year.

Mr. DIRKSEN. It is proposed to extend it for 3 years.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. The proposal is to extend it to 1962. Is that correct?

Mr. DIRKSEN. Yes.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. How much does the proposal provide for each year?

Mr. DIRKSEN. I do not have it broken down in that way, but, under title 1, the amount to be authorized to be expended would be increased by $4,500 million. Title 2 of Public Law 480 would be extended for 3 years. Then, under title 2, it is proposed to increase the amount authorized to be expended from $800 million to $1,500 million.

Mr. HUMPHREY. May I ask the Senator if this is the administration program?

Mr. DIRKSEN. Yes.

Mr. HUMPHREY. When did the administration change its mind, because the last notice we had was a 1-year extension? I ask the question only as a matter of interest, because I am pleased with the proposed 3-year extension.

Mr. DIRKSEN. I do not know when or if the administration changed its mind. All I know is what I have before me.

Mr. HUMPHREY. The Senator is reading from a paper. The committee had recommendations from the Secretary for a 1-year extension. I wondered if the Secretary had changed his mind. If so, I wanted to stand up and congratulate him and wish him well. We hope to be able to extend the authority for 3 years.

Mr. DIRKSEN. The Secretary has never indicated to me anything other than a 3-year extension.

Mr. HUMPHREY. In his testimony his recommendation was a 1-year extension.

Mr. DIRKSEN. I was not there.

Mr. HUMPHREY. I gather his testimony was rather official, or was he merely visiting with us?

Mr. DIRKSEN. I would not know.

Mr. HUMPHREY. I would like to know when he is merely visiting with us, because we have such pleasant visits.

Mr. DIRKSEN. All I know is what I know.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. Is the Senator able to tell, from the report he had from the Department of Agriculture, whether the bill as now pending before the Senate, without the amendment offered by the Senator from Illinois, will increase the existing cost of the support program?

Mr. DIRKSEN. The best estimate I have is that the Department believes this proposal will increase the cost from $150 million to $200 million. I do not have the figures broken down. I have to rely entirely on the personnel who worked on the program.

Mr. LAUSCHE. My question is whether the bill which is now pending, without the amendment of the Senator from Illinois, will lower the cost to the taxpayers or increase it.

Mr. DIRKSEN. The Department takes the position that it will increase the cost.

My friend the Senator from Louisiana [Mr. ELLENDER] shakes his head and indicates "no" to that statement, but the figures I have in front of me are all I have, and they are not broken down. They indicate the cost would be increased, whereas the administration proposal would decrease the cost by from $200 million to $250 million.

Mr. LAUSCHE. Am I to understand that the bill now pending before the Senate, if passed, will increase the cost by $50 million, while the amendment proposed by the administration will decrease the cost by $200 million?

Mr. DIRKSEN. On the basis of representations and figures that have been submitted to me, the Senator from Ohio is correct, although the chairman of the committee, the Senator from Louisiana [Mr. ELLENDER], shakes his head to indicate that is probably not the fact. But I base my statement entirely on the figures that have come from the Department of Agriculture.

Mr. LAUSCHE. Then, if one is inclined to reduce the cost to the taxpayers——

Mr. DIRKSEN. He would vote for my substitute.

Mr. LAUSCHE. And that would reduce the cost by $200 million, as declared by the Department of Agriculture. Is that correct?

Mr. DIRKSEN. Yes, and more in later years. It also has the advantage of extending Public Law 480.

Mr. LAUSCHE. I should like to ask one other question. Does the bill pending before the Senate in any way control what shall be done with the acreage taken out of production in order to qualify?

Mr. DIRKSEN. I think that question would almost have to be addressed to the chairman of the committee. The Senator is talking about the diverted acres, and whether they shall be controlled so far as other price supported commodities are concerned.

Mr. LAUSCHE. Under the existing bill, can a farmer say, "I will go under the price support program and take out 20 percent of my acres, but I am going

to plant the 20 percent of the acres to other subsidized products"?

Mr. DIRKSEN. I think the bill which came from the committee, even if it might not clear, undertakes to make sure that diverted acres will not be diverted to price supported crops.

Mr. LAUSCHE. I do not think that is the case.

Mr. DIRKSEN. If I am mistaken, the Senator will have to ask the chairman of the committee.

Mr. ELLENDER. That is not correct.

Mr. DIRKSEN. It is not?

Mr. ELLENDER. No. The amendment presented by the distinguished Senator from Minnesota provided that the diverted acres could not be planted to a crop for which price support is available, but the amendment provided further if the farmer did not use the land at all, he would receive a payment in kind, equal to one-third of the crop the land would produce if planted to wheat or corn, for instance.

Mr. LAUSCHE. My question is, does the pending bill in any manner give the Secretary of Agriculture the right to prohibit the planting of the withdrawn acreage?

Mr. ELLENDER. It does not change the existing law in that respect.

Mr. LAUSCHE. So the farmer can get the increased subsidy payment by taking the acreage out of production of wheat, and then plant other products?

Mr. ELLENDER. He could plant anything he desired.

Mr. LAUSCHE. So while we would be reducing the wheat planting we would allow the farmer to increase his planting on the total acreage?

Mr. ELLENDER. The farmer could plant corn, if he desired, or almost anything else.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. DIRKSEN. Mr. President, I yield the Senator from New York 2 minutes or 3 minutes from the time on the bill.

Mr. JAVITS. Mr. President, I, in part, represent a State which is essentially a consumer of farm products, both with respect to urban and suburban population, and with respect to farming population, which is largely engaged in dairying, poultry raising, and similar activities.

Mr. President, I shall support the substitute proposed by the minority leader on the part of the administration.

I do not hesitate to speak with regard to this bill, though it is an agricultural bill. When I was a Member of the other body I did the same thing. I deprecate the fact that unfortunately the representatives of consumers in this body and in the other body do not feel an adequate interest in proposed farm legislation. There is nothing which has greater influence upon the cost of living for the average family, which pays about 30 percent of its total income for food and food products. There is nothing which has greater influence upon the average family than the farm program. I think it is very sad that consumer representatives do not speak out about the farm programs.

Mr. LAUSCHE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JAVITS. Mr. President, my mail this particular year has been enormous with regard to this question. People do a lot of talking about economy, yet when one plumbs the correspondence and communications one determines it is really not so much a question of cost as it is a question of hopelessness with regard to what we are spending and the results which are being achieved. There are remarkable paradoxes, with mounting costs and mounting surpluses—with tremendous costs for storage, which are about a billion dollars a year now—and constantly accumulating surpluses.

As we can observe from a study of the pending bill, this is a tremendous problem. The committee tells us frankly that as of July 1, this year we shall have a carryover of roughly one-third more than we had as of July 1 last year. This is some kind of a cul-de-sac in which we are, from which it is high time we extricated ourselves. We may have to do it drastically.

I believe the attitude of the consumer is that he is perfectly willing to spend what he is spending now in order to help the farmer over the hill. A problem may arise because of the fact that we need large farms and more mechanization. However, the consumer is absolutely opposed to spending more in the blind alley in which I think the committee bill will take us, and in which the whole farm program as designed in the Congress—in this body and in the other body—constantly has taken us. At least Ezra Taft Benson is brave enough and willing enough to take a beating to try to break the matrix in which we seem to have caught ourselves.

My presentation to my colleagues in the Senate, I think, should do this: I deeply believe we can find a way out, if we are willing to spend as much money in using food as an instrument of foreign policy, which is the purpose of extending Public Law 480 and increasing the amount available for it; using agricultural commodities as instruments for industrial production, in the great research program proposed; using surplus food for the indigent and the distressed, as my colleagues the Senator from Kentucky [Mr. COOPER] and the Senator from Minnesota [Mr. HUMPHREY] and others have suggested; and seeking to retrain the farm population, even paying the farmers compensation in the process.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, will the Senator yield me 1 additional minute?

Mr. DIRKSEN. Mr. President, I yield 1 minute to the Senator from New York from the time on the bill.

Mr. JAVITS. We could even pay the farmers while they are being retrained, so that they may be moved off the farms into other areas where they will be more productive in terms of the entire economy.

The idea that we can have a yeomanry in the United States is completely archaic. Many of us would like to keep it alive, sentimentally, but we are talking about a situation which has lasted for 10 or 20 or 30 years. I feel that the consumers want us to face reality. I think we face reality a little more accurately with the administration substitute than with the committee bill, which I think would result in the same hopeless situation we have faced for years.

I, for one, do not feel I want to accept the situation insofar as 16½ million consumers in New York are concerned.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield to me? I wish to read a clipping for my good friend from New York.

Mr. ELLENDER. Mr. President, I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. I, of course, share with the Senator from New York a deep and constant interest in the welfare of the consumers. I should like to have the Senator from New York to listen as I read an Associated Press dispatch regarding a Department of Agriculture survey, taken at the end of 1958. The article reads:

> An Agriculture Department market study shows that even if farmers had donated their wheat, consumers still would have had to pay 16.9 cents for a pound loaf of white bread in 1958.
>
> As it was, the retail price averaged 19.3 cents a pound. Thus, farmers got 2.4 cents for the wheat used in a pound of bread that netted the retailer 3.1 cents.
>
> The study showed that bread prices have risen every year since 1945. During much of this period, there has been a decline in wheat prices.
>
> Other farm-produced ingredients in a pound of bread—lard, sugar, and dried milk—brought producers six-tenths of a cent last year.
>
> The study said the increase in bread prices had reflected higher marketing margins, mostly involving the baker. The Department cited higher wage rates and higher costs for wrapping materials.

Mr. President, I want my good friend from New York to know that if every wheat farmer in the United States decided to produce wheat as the Nation's No. 1 Santa Claus, and to give it to all the bakers of New York, it would save the consumers only 2.4 cents a loaf on their bread, and the consumers would still be paying 16.9 cents a loaf, though the farmer never received one penny.

All the talk about what effect the passage of the bill, whatever may be the results of its passage, will have on the consumer, I will say, is really redundant. The truth is that, if we should raise the price supports 5 or 10 cents, it would not be reflected in a cost of more than one-half of 1 cent to the consumer.

Mr. JAVITS. Mr. President, will the Senator yield for an instant, since he has referred to me?

Mr. HUMPHREY. Indeed, I will yield to my friend.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the Senator from New York from the time on the bill.

Mr. JAVITS. We do not want to argue at cross-purposes. This is no time for extended debate. I should like to emphasize that we are dealing with the taxpayers, who are also the consumers, who are very resentful about paying billions of dollars when the situation seems to be hopeless. What the Senator himself has said emphasizes its hopelessness.

I say to the Senator, let us see if we humanly can break this matrix. That is all I plead for; and any right-minded consumer only asks for that. Let us not go into the details of whether it will or will not save a penny. The situation looks hopeless. That is all I say to my friend.

Mr. HUMPHREY. I will say to my friend, we can break the matrix with a change in administration.

Mr. ELLENDER. Mr. President, the Committee on Agriculture and Forestry gave very careful consideration to the program which has been submitted by my good friend from Illinois.

The program he is suggesting would mean that in 1960 the price of wheat could go down to $1.41; in 1961, to $1.29; and in 1962 to $1.14.

With all due deference to my distinguished friend from Illinois, I must state that I am somewhat amazed at the package he offers the Senate. Part 1 of his substitute is the administration's wheat program. This program was studied by the committee, and studied carefully, considering the delay involved from its initial announcement in extremely general terms by the Secretary, and its final submission in bill form to the committee. I do not intend to dwell in any great detail on this approach. Suffice it to say that the committee considered it, and found it wanting. It would not, in my opinion, do anything more than offer the prospect of further increases in production, lower farm income, aggravated surpluses and increased costs to the Government.

The Senator's substitute would also greatly broaden the conservation reserve program of the soil bank. I need not remind Senators that this is the second phase of the soil-bank program, a program which has already given a black eye to the entire farm program. I am most reluctant to increase and expand a program involving direct payments to farmers for taking their land out of production for long periods of time. It may be that we will ultimately be reduced to taking such a program, but I urge Senators to withhold cramming any such scheme down the throat of American agriculture until our committee has at least had a chance to examine this latest proposal in detail.

Earlier today, in connection with the amendment offered by the Senator from Delaware, I took great pains to point out that the direct payments feature of the soil bank, including both the acreage and conservation reserve, has contributed much toward creating and fostering the prevailing misunderstanding of the price support program. Thanks to the press, and others, the public has been given the impression that payments made under the soil bank program are part and parcel of the price support program. Before extending the soil bank, before embarking upon a bigger, costlier, conservation reserve, I do believe that the Committee on Agriculture and Forestry should be given a chance to see where the Department wants to lead us in what is apparently an effort to move down the direct payments road, even though such payments in this case are soil bank payments.

The third part of the substitute offered by the Senator from Illinois involves a 3-year extension of Public Law 480, the so-called Surplus Disposal Act. As Senators well know, the committee has generally insisted that Public Law 480 be extended only on a year-by-year basis. We have endeavored to keep it a temporary program. Here we have a proposal to extend it for 3 years, at an annual expenditure of $1½ billion.

Title II, donations, would be increased from $700 million to $1½ billion.

To a large extent, I am mystified by what is apparently the administration's position on this matter. The Secretary of Agriculture, indeed, the President himself, have both stated on several occasions that Public Law 480 sales for foreign currencies, and the other disposal authorities contained in that law, should not be regarded as long-range programs—that such sales should not be regarded as real consumption of agricultural commodities any more than, in their words, warehouses should be considered markets.

In the light of the past reluctance of the Congress to embark upon long-range authorizations for Public Law 480, and in view of Secretary of Agriculture's past position on this matter, I urge Senators to join me in opposing a 3-year extension of this program.

Mr. President, I ask that the amendment offered by the Senator from Illinois be defeated.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. I trust the chairman will give us assurance that the extension of Public Law 480 will be considered by the committee.

Mr. ELLENDER. Certainly. We expect to consider it.

I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. NEUBERGER. Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were not ordered.

Mr. LAUSCHE. Mr. President, may I have 3 minutes?

Mr. DIRKSEN. I yield 3 minutes on the bill to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I wish to offer my support to the proposal of the administration with respect to the farm program.

By June 30, 1960, there will be $3½ billion worth of wheat in the bins. From 1954 to 1958 the cost to the taxpayers was $2,533 million. Statements have been made to the effect that 20 years of study have been devoted to this problem for the purpose of solving it. At the end of 20 years we are worse off than we were in 1938.

Arguments are made to the effect that no benefit will come to the consumer in the city. All I know is that there is $9 billion worth of surplus food in the bins, costing the taxpayers $1 billion a year for storage and administration.

Finally, I cannot understand why the Committee on Agriculture and Forestry, when it says it is necessary to take wheat out of production in order to reduce the surplus, inserted no provision in the bill to the effect that when a farmer is paid for taking out of production his acreage of wheat, he shall be prohibited from using it for other crops. I cannot understand why the committee failed to include such a provision in the bill.

We shall be committing a swindle upon the consumers of the country when we tell them, through the existing bill, that wheat will be taken out of production, unless we also tell them that we have told the farmer, "Take your wheat acreage out of production and then plant it to other crops."

I will support the administration proposal, and vote against the committee bill.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time on the pending amendment.

The PRESIDING OFFICER. All time on the amendment has been exhausted or yielded back on both sides.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN]. [Putting the question.] The "noes" appear to have it.

Mr. LAUSCHE. Mr. President, I ask for a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SYMINGTON. Mr. President, will the Senator from Illinois yield me 2 minutes on the bill?

Mr. DIRKSEN. I yield 2 minutes on the bill to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, the Senate is now considering a wheat bill primarily because the present program has failed.

It has failed to bring production in line with need.

It has failed because it has piled up over $3 billion of wheat in Government investment and inventory.

It has failed because it has cost the American taxpayers many millions of dollars.

It has failed because it has not helped the family farmer to earn a fair standard of living for his family.

Since the majority of the farmers will elect to plant their present allotment and receive 65 percent of parity, as against the 75 percent under the present law, farm income will be decreased through the passage of this bill.

Furthermore, with the same allotments, but a lower price, farmers will make every effort to increase present production per acre. Therefore, total wheat production will increase.

With the same or more production, hundreds of millions of bushels will be added next year to the already bulging Government inventory.

And what happens to the small farmer, who under the present law, can plant 15 acres of wheat?

It will cut his exemption 20 percent.

In other words, this bill will not cut the big wheat farmer—only the small wheat farmer.

Last year the Congress made special provision to help the small cotton farmer. I supported that action. Now we are about to vote on a wheat bill in which the small wheat farmer is the one hurt.

I am aware of this wheat situation, and agree that something must be done. But S. 1968 will not solve the surplus problem. It will not reduce the cost of the farm program. In addition, it will further reduce the income of the small family-sized operator.

Therefore, Mr. President, I am against the bill.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time on the bill.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time on the bill.

The PRESIDING OFFICER. All time on the bill has been exhausted or yielded back.

The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? [Putting the question.]

Mr. JOHNSON of Texas. Mr. President, I ask for a division.

On a division, the bill was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 1 of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The Secretary is authorized and directed to offer the operator of each farm for which an allotment is established under the Agricultural Adjustment Act of 1938, as amended, a choice of—

"(A) complying with the farm acreage allotment determined pursuant to the Agricultural Adjustment Act of 1938, as amended, with price support at 65 per centum of the parity price therefor, or

"(B) reducing the acreage of wheat below the farm acreage allotment by not less than 10 per centum of such allotment with price support at 75 per centum of the parity price therefor, or

"(C) reducing the acreage of wheat below the farm acreage allotment by not less than 20 per centum of such allotment with price support at 80 per centum of the parity price therefor.

To be eligible for price support, producers who elect choice (B) or choice (C) must not knowingly exceed the wheat acreage for the farm applicable under such choice. Any person operating more than one farm, in order to be eligible for either choice (B) or choice (C), must elect such choice for all farms for which he is the operator. The Secretary shall determine and announce the support price for producers who elect choice (A), choice (B), and choice (C), respectively, in advance of the planting season on the basis of the statistics and other information available at that time, and such support price shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative choices available to him. The operator of each farm, within the time prescribed by the Secretary, shall notify the county committee in writing whether he desires choice (B) or choice (C) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have elected choice (A). The choice elected by the operator shall apply to all the producers on the farm. Price support under this section shall be made available only if producers have not disapproved marketing quotas for the crop. In case marketing quotas are disapproved, price support to cooperators shall be as provided in section 101(d)(3). Whether marketing quotas are approved or disapproved, price support shall be made available only if acreage allotments under the Agricultural Adjustment Act of 1938, as amended, are in effect for the crop and only to cooperators. No price support for wheat shall be made available to producers outside the commercial wheat-producing area. The acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of wheat in order to be eligible for price support as provided in choice (B) or choice (C) shall be considered acreage devoted to wheat for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended. In applying the provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 2(f) of the Wheat Act of 1959, relating to reduction of the storage amount of wheat, the acreage of wheat determined by the Secretary to have been diverted in order to be eligible for price support as provided in choice (B) or choice (C) shall be regarded as wheat acreage of normal production on the farm. For the purposes of section 407 of the Agricultural Act of 1949 the current support price shall for each of the 1960 and 1961 crops of wheat be deemed to be a price determined on the basis of a level of support of 75 per centum of the parity price as of the beginning of the marketing year."

SEC. 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be a rate per bushel equal to the support price per bushel established for producers electing choice (A) under section 106 of the Agricultural Act of 1949, as amended.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production, the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended, is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to—

"(i) any farm on which the acreage of wheat exceeds twelve acres;

"(ii) any farm on which any wheat is planted if no wheat was planted on such farm for harvest in the calendar years 1957, 1958, and 1959; and

"(iii) any farm on which any wheat is planted if any of the producers who share in the wheat produced on such farm share in the wheat produced on any other farm."

(e) Item (12) of Public Law 74, Seventy-seventh Congress, as amended, shall not be applicable to the 1960 and 1961 crops of wheat.

(f) In lieu of the provisions of section 326(b) of the Agricultural Adjustment Act of 1938, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat;

"(b) If a farm is in compliance with its farm acreage allotment for any crop of wheat and the actual production of such crop of wheat on the farm is less than the normal

production of the farm wheat acreage allotment; an amount equal to the deficiency may be marketed without penalty from wheat of previous crops stored by the producers on the farm to postpone the payment of marketing quota penalties."

(g) Section 335(d) of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1960 and 1961 crops of wheat.

(h) Section 335(f) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;".

SEC. 3. Section 101(d) of the Agricultural Act of 1949, as amended, is amended by striking out paragraph (5).

SEC. 4. The Agricultural Act of 1949, as amended, is amended, effective beginning with 1960 production, by inserting after section 420 the following new section:

"SEC. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture, shall not exceed $35,000. The term 'person' shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State, or any agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation. In the case of any loan to, or purchase from, a cooperative marketing organization the limitation of $35,000 shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such person for the purpose of applying such limitation."

SEC. 5. This Act may be cited as the "Wheat Act of 1959".

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. ANDERSON. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. HUMPHREY. Mr. President, I wish to state for the RECORD that while we have had a very extended argument on the bill today, I believe the amendment of the Senator from North Dakota [Mr. YOUNG] improved the bill substantially. However, I must say in all candor that the bill is still an income reducing bill. I wish to make a prediction, which we shall have an opportunity to review next year, that the total production of wheat will not be substantially reduced, if reduced at all, and income will be reduced.

I do not think this is a particularly good bill. I think it is a bill which will not lend itself to saving the taxpayer money; nor will it improve the economic condition of the American wheat producer.

Our gratifying feature of the bill is that at least there are some limitations imposed, in terms of the total amount of crop loans. Second, there is a stiffening of penalties for noncompliance. The features of the bill which are notable relate to no price supports for noncompliers, improvements in penalties for violators, and the part which the Senator from North Dakota contributed to the bill, providing for 75 percent of parity with a 10 percent reduction in acreage.

I am sorry that this kind of legislation comes to us commodity by commodity. I will say for Mr. Benson that he has been a most effective political figure. He has been able to divide the forces in the Congress which once stood together in behalf of good farm policy.

Furthermore, I wish to say that the administration's farm program is a colossal, unmistakable failure. It is the most costly peacetime operation of domestic civilian government that we have. It has eliminated thousands of farmers from the land. It has placed upon the American people a tremendous burden of cost for a farm program.

The Department of Agriculture has more employees today than it has had in any time in its history, save in wartime. The county committee system is a shambles. The Commodity Credit Corporation is loaded down with inventories.

The prices of the crops of farmers are coming down. Where the administration program has worked its full will, production has zoomed, prices have gone down, and inventories have gone up. I feel that it is imperative to say this again and again, because the monkey is on the back of this administration. It has mismanaged its farm program.

I am grateful that the Senator from Missouri [Mr. SYMINGTON] will conduct an objective and far-reaching and searching study. It is long overdue. I say to the Senate that it is my belief that this kind of program needs to be analyzed.

It was said a while ago that the program has been getting worse each year. I remind the Senate that on January 1, 1953, there was less than $1,250 million worth of supplies in the ownership of the Commodity Credit Corporation. I remind the Senate that at that time the Department of Agriculture spent less than $1,100 million a year. At that time there were 18,000 fewer employees in the Department of Agriculture than there are today. This department today spends 6 times as much money. It has 7 times the amount of inventory. It has 18,000 more employees. There are hundreds of thousands fewer farmers today. Farm prices have gone down.

When I heard concern expressed about the consumers, I could not help think that the farmer's share of the food dollar which the housewife spends in the market place is smaller than it has been at any time since the depression of the 1930's.

Some persons call this a farm program. We have a great deal more to do, when it comes to a farm program, than this bill. There will be a day when there will be one which will be worthy of its name—if there are left any farmers for whom to have a program.

Mr. DIRKSEN. Mr. President, I thought we had passed the bill. Evidently the echoes of frustration are still with us. I should amend the statement made by the distinguished Senator from Minnesota by saying that the farm program is the most colossal inherited failure of previous administrations and the Democratic Congresses that have preceded us. It is a bitter inheritance, and now it is here. However, we will not put the monkey on our own backs. We will put it where it belongs. It comes with poor grace to castigate one of the most courageous Secretaries of Agriculture who has ever held that office.

ORDER FOR ADJOURNMENT TO TUESDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. DODD obtained the floor.

Mr. DODD. Mr. President, I hope I shall not be too long, but I have prepared an address which I wish to make, on the state of our mineral resources. I shall be glad to yield to the Senator from Oregon and other Senators who may have short statements to make. My statement will be somewhat lengthy, but I must make it today.

Mr. MORSE. I do not want the Senator to yield to me until he fully understands that it will take me about 5 minutes to say what I wish to say.

Mr. DODD. I am happy to yield to the Senator from Oregon. I do not wish to detain him or other Senators if they want to make short statements.

THE FREE LUNCH PROGRAM IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I note that Senate Report No. 304, filed in connection with H.R. 5676, the 1960 appropriation bill for the District of Columbia, provides for only $133,000 to finance a free lunch program for 1,000 hungry school children. The House of Representatives has approved of a $266,000 program covering 2,000 boys and girls. Evidence before my Subcommittee on Public Health, Education, Welfare, and Safety of the Senate District Committee satisfied me that there are a minimum of 7,000 children who need and can with great advantage to their health and behavior use one square meal a day at school.

As only one statistic of the many which were presented to the subcommittee I cite the fact that some 11,500 families with 45,755 children have an annual income of less than $3,000 a year, here in the Capital of the richest Nation in the world.

I made my position clear to the Appropriations Committee in testimony which I later brought forth on the floor of the Senate. It can be found on pages 5231 through 5236 of the CONGRESSIONAL RECORD.

I ask unanimous consent, Mr. President, that my remarks, found on those pages, be printed at this point in my statement.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

PUBLIC WELFARE PROBLEMS OF THE DISTRICT OF COLUMBIA—HUNGRY CHILDREN IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of a statement I made today before a subcommittee of the Committee on Appropriations under the able chairmanship of the distinguished Senator from Rhode Island [Mr. PASTORE] concerning the school lunch program and other public welfare problems confronting the District of Columbia.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

"STATEMENT OF SENATOR MORSE BEFORE THE DISTRICT OF COLUMBIA SUBCOMMITTEE OF THE SENATE APPROPRIATIONS COMMITTEE, WEDNESDAY, MARCH 25, 1959

"Mr. Chairman, you will recall that 2 years ago I met with your subcommittee upon an errand similar to the one I am on today. My appearance then, and my appearance today, followed hearings before the Subcommittee on Public Health, Education, Welfare, and Safety on the problems of hungry children in the District.

"In preface to my recommendations, I wish to extend to you and your colleagues, my commendation for the positive action made possible by the funds supplied by you. Testimony before my subcommittee shows clearly that the assistance given by the Appropriations Committees of the House and the Senate has enabled progress to be made in the beginning of an attempt to solve the very difficult and complicated problem of poverty and its social concomitants in the District.

"One good measure of accomplishment so far is the table which I now present to you contrasting relief payments and cases in January 1956 with January 1959. Reflected in these figures is the abolition of the 83 percent of need limit which formerly prevailed. This is a significant step forward in ridding our welfare program of extraneous restrictions which have no relationship to what should be our primary concern—prudent but speedy provision of adequate financial assistance to those in our population who are destitute, the aged, the fatherless, the disabled and the blind.

"Relief cases and payments, District of Columbia

Type	January			
	1956	1957	1958	1959
ADC:				
Cases	2,050	2,221	2,889	3,610
Persons	8,858	9,650	12,731	16,267
Children	6,817	7,385	9,733	12,509
Average grant:				
Per family per month	$109.39	$114.08	$123.24	$146.71
Per person per month	$25.32	$26.26	$27.97	$32.56
Old-age assistance:				
Cases	3,064	2,980	3,131	3,135
Average grant per month	$53.61	$56.51	$56.13	$60.09

	Monthly grant, percent change per case, 1956–59	Increase in monthly grant, 1956–59
ADC:		
Family	134.1	$37.32
Person	128.6	7.24
OAA (case)	112.1	6.48

"NOTE.—In 1956 grants had an 83 percent of budgetary need limitation. In 1959 grants should reflect 100 percent of need, because of newly adopted standards.

"General cost of living in the District increased, according to BLS index, from 115.9 in 1956 to 121.5 in 1958 (November data) or an increase of 5.6 points or 104.8 percent of the 1956 base.

"The surplus food distribution program, made possible by funds supplied by your subcommittee, is of major importance to the 44,434 low-income individuals who are eligible.

"Because of your interest, and that of your colleagues in the House, it begins to look as though some needy elementary school children will, next year, be given one square meal a day through the wise use of public funds.

"I say this by way of preface, Mr. Chairman, because I believe that credit should be given where and when it is due.

"I am sure however, that none of us is laboring under the misapprehension that what has been done is the complete and final answer to the problem, either in terms of quality or quantity. We have but begun to till the soil of social justice for these less fortunate human beings; the harvest of humanity to man is far in the future. Much remains to be done.

"It should be a matter of commonsense that a hungry child will be restless and irritable. Every parent knows that. Certainly such was my own observation with my own children when traveling across the country and we missed our regular dinner hour or when for one reason or another dinner was late at home. But in order to document the relationship which exists between nutrition and ability to learn in school, I asked the Library of Congress to search the literature of scientific investigation for published material on the problem. In the space of 2 days the Library had developed some 24 citations plus 4 masters' theses devoted to the subject. The conclusions are as might be expected—that there does exist a close relationship between ability to learn and an adequate diet.

"Marian C. Behr, in the School Executive, reported, for example: 'Achievement tests taken before and after a lunch program was provided in school show great improvements when lunches have become a regular routine. When a county gives its schools achievements tests, the ones serving a balanced lunch to most of their children invariably have the highest scores.'

"Jane M. Leichsenring, in the Minnesota Journal of Education, stated: 'In the St. Paul schools, where nutrition clinics for undernourished children have been a part of the program for many years, the teachers observed greater classroom achievement in 43 percent or more of the children studied, improved scholarship in 53 percent, attentiveness in 56 percent.'

"House Report 684, 79th Congress, in 1945, reported:

"'U.S. CONGRESS—HOUSE COMMITTEE ON AGRICULTURE—SCHOOL LUNCH PROGRAM

"'(Report to accompany H.R. 3370, Washington, U.S. Government Printing Office, 1945 (79th Cong., 1st sess., House Report No. 684, pp. 2, 9))

"'Statistical surveys, including physical and mental tests conducted under controlled conditions, have shown, as indicated in appendix A, measurable benefit to the children when an adequate lunch is provided at school, not only in their physical development, but in their educational progress. This improvement takes place on all income levels, inasmuch as an adequate lunch at school or adequate nutrition is not necessarily assured by the higher income of the parents or the rise in the national income as a whole. The increase of working mothers, consolidation of schools, greater travel time to schools, and rising scale of food costs, together with fixed incomes for many large groups, make the school lunch program, in which those who can pay are permitted to pay and those who cannot pay need not pay, the appropriate answer. It should be remembered that a child may be malnourished yet not hungry.

* * * * *

"'EXHIBIT A—WAR FOOD ADMINISTRATION COMMODITY CREDIT CORPORATION (OS)

"'Effects of school lunch upon scholastic status, Camden, Mo.

	Scholastic grade points [1]			Percent change
	Without lunch, 1938–39	Without lunch, 1939–40	With lunch, 1939–40	
Group I (52 children)	1,056	1,055	-------	−0.09
Group II (75 children)	1,614	-------	1,763	9.23

"'Effect of school lunch upon attendance, Camden, Mo.

	Percent daily attendance of enrollment			Gain in percent attendance
	Without lunch, 1938–39	Without lunch, 1939–40	With lunch, 1939–40	
Group I (10 schools)	69.18	70.54	-------	1.36
Group II (10 schools)	79.99	-------	84.34	13.35

"'[1] A system of grade points was used in determining scholarship. An excellent mark was given 4 points; superior, 3; average, 2; poor, 1; failure, 0.'

"I do not wish unduly to prolong this line of testimony, Mr. Chairman, and I shall conclude with a citation from a study carried on in an adjoining State:

"'Todhunter, Elizabeth Neige. "Everyday Nutrition for Schoolchildren." University of Alabama, Extension Division, 1949, pages 42–43.

"'Dr. Ruth Harrell of Columbia University studied the learning ability of a group of children in Virginia. The children all lived in an orphanage where the diet was not adequate. The children were divided in two groups, matched as evenly as possible for age, height, weight, family background, and IQ. Group A received a nutritional supplement in tablet form each day. Group B were also given a tablet each day but it contained no nutritive value. None of the children knew which ones were receiving the added nutrient material. In a series of objective tests, in arithmetic, word matching, writing, etc., carried out over a period of weeks, group A in every instance had the higher average score. In this carefully controlled experiment the children with the dietary supplement showed greater learning ability as attested by their scores on all tests.

"'Diet does make a difference.

"'Diet makes a difference in both old and young but more particularly in the growing child.'

"Having laid this basis, I now pose the question: Granted that an adequate diet will improve the learning situation, to what extent ought the lunch program in the District elementary schools be expanded?

"Seven hundred are now being given cold lunches on a pilot program from voluntary contributions. The Commissioners are asking that the program be limited to 1,000 children. The Board of Education asks you for funds to meet the need of 7,000 children. In arriving at your determination, I ask you to be mindful of the fact that there are, according to a study made by Gizella Huber, the economic consultant to the Junior Village project, 11,520 families with 45,775 children living in the District, whose family income is less than $3,000 per year.

"A table incorporated in our hungry children hearings is of especial significance in this regard. Of 285 non-public-assistance families certified for surplus food in September, 27 families had no income because

both parents were unemployed. In 48 families the mother was the head and she was unemployed and there was no income. I submit the full analysis for your inspection, with the thought that children being cared

"Average monthly income of 285 non-public-assistance families certified for surplus food, September 1958

Type of family	Number of families	Average income
Families with 2 parents	155	
Fathers and mothers working	4	$235
Fathers only working or in the armed services	101	209
Fathers unemployed but getting income [1]	13	112
Mothers only working	10	91
Parents unemployed and without income	27	
Mother-headed families	125	
Mothers working and also getting support from fathers of children	5	155
Mothers working	36	145
Mothers' income from wages plus other sources [2]	9	136
Survivor benefits, unemployment compensation, etc.	8	109
Absent fathers contributing	19	60
Mothers not working and without income	48	
Other homes	5	
Grandmother caretakers [3]	2	
Uncle and aunt caretakers [4]	1	60
Aunt caretakers working [5]	1	147
	1	69
Total number of families	285	

"[1] 10 unemployed fathers are getting unemployment insurance or compensation; 2 are getting veteran's benefits; and 1 is getting a Government pension.

"[2] Survivor benefits from deceased husbands or old age insurance of mother's parent living in the home.

"[3] 1 grandmother is taking care of 3 children while the mother, who was their sole support, is in jail. Another grandmother is taking care of her daughter's 2 children. The latter does not live in the home and makes only sporadic contributions toward her children's keep. The grandmother (42 years old) is unable to work; her boy friend pays the rent.

"[4] This couple is caring for 4 children whose mother deserted and whose father is in a veterans' hospital. The only income of the home is a $60 monthly veterans' benefit payment to the uncle.

"[5] 1 aunt, caring for a young nephew, earns around $69 a month, her sole income. (Her husband is in jail.) She applied for public assistance, but was rated ineligible.

for by aunts and grandmothers whose own income is about $60 to $69 a month might very possibly need a free lunch at school.

"In these matters, I hope that the subcommittee will, as a minimum, provide the funds requested by the school authorities for this program, because, in my judgment far more than public assistance children need and can profitably use the free school lunch.

"Which brings me to the second point in this area. I confess to a bias in favor of the teacher who is in daily contact with the child as being a good judge of whether the child is, or is not, in need of nourishment. I would suggest to the subcommittee that in the procedure established for determining eligibility for the lunch program that the presumption be that a child certified by the school is eligible and that he or she be given the lunches during the period that a social work investigation is carried on. In matters of this type, it is better to err upon the side of overfeeding rather than underfeeding the child. I think that there is no basic incompatibility between the school and the welfare authorities. Each supplements the work of the other.

"I also wish to submit a table prepared by the Department of Agriculture showing the number of free or reduced-cost meals served children in the various States. Particularly, I feel that with this background, no criticism could be leveled at the committee if a full program were financed.

"Comparison of free or reduced price meals with total meals served, by States and area, 1957–58

State	Total meals served	Free or reduced price meals	
		Number	Percent of total
	(1)	(2)	(3)
Northeast:			
Connecticut	17, 755, 368	608, 692	3.4
Delaware	3, 115, 760	95, 075	3.1
District of Columbia	10, 668, 191	131, 024	1.2
Maine	10, 106, 488	1, 136, 257	11.2
Maryland	25, 400, 258	1, 166, 418	4.6
Massachusetts	39, 053, 357	3, 350, 005	8.6
New Hampshire	5, 652, 083	424, 421	7.5
New Jersey	23, 403, 599	1, 813, 093	7.7
New York	124, 264, 410	34, 040, 120	27.4
Pennsylvania	78, 027, 069	4, 272, 606	5.5
Rhode Island	4, 555, 766	154, 534	3.4
Vermont	3, 685, 770	427, 547	11.6
West Virginia	26, 607, 444	3, 806, 223	14.3
Area	372, 295, 563	51, 426, 015	13.8
Southeast:			
Alabama	52, 281, 844	3, 772, 903	7.2
Florida	65, 415, 646	3, 653, 138	5.6
Georgia	71, 466, 046	5, 884, 927	8.2
Kentucky	48, 954, 380	6, 302, 093	12.9
Mississippi	33, 936, 153	3, 255, 218	9.6
North Carolina	86, 371, 362	5, 956, 762	6.9
Puerto Rico	41, 407, 242	41, 316, 305	99.8
South Carolina	46, 179, 228	4, 681, 901	10.1
Tennessee	56, 502, 900	6, 840, 508	12.1
Virginia	51, 396, 193	3, 921, 485	7.6
Virgin Islands	813, 546	813, 546	100.0
Area	554, 724, 540	86, 398, 786	15.6
Midwest:			
Illinois	69, 531, 506	3, 846, 810	5.5
Indiana	47, 566, 176	2, 322, 377	4.9
Iowa	38, 682, 951	1, 426, 264	3.7
Michigan	49, 410, 723	4, 989, 912	10.1
Minnesota	48, 341, 637	2, 071, 759	4.3
Missouri	51, 780, 238	2, 751, 025	5.3
Nebraska	12, 170, 638	778, 327	6.4
North Dakota	8, 459, 575	1, 086, 321	12.8
Ohio	85, 685, 483	3, 692, 139	4.3
South Dakota	6, 287, 379	771, 778	12.3
Wisconsin	33, 535, 684	2, 606, 992	7.8
Area	451, 451, 990	26, 343, 704	5.8
Southwest:			
Arkansas	31, 209, 159	2, 913, 575	9.3
Colorado	17, 296, 500	791, 245	4.6
Kansas	23, 074, 507	407, 340	1.8
Louisiana	88, 159, 296	13, 084, 732	14.8
New Mexico	9, 404, 143	1, 024, 042	10.9
Oklahoma	29, 558, 004	3, 601, 612	12.2
Texas	90, 200, 776	6, 706, 604	7.4
Area	288, 902, 385	28, 529, 150	9.9
Western:			
Alaska	1, 227, 401	123, 824	10.1
Arizona	14, 942, 522	1, 557, 308	10.4
California	96, 067, 096	4, 166, 836	4.3
Guam	96, 141	1, 301	1.4
Hawaii	15, 837, 813	544, 665	3.4
Idaho	8, 944, 635	400, 875	4.5
Montana	7, 040, 631	428, 538	6.1
Nevada	1, 671, 744	250, 050	15.0
Oregon	20, 334, 226	651, 536	3.2
Utah	13, 756, 484	597, 890	4.3
Washington	31, 540, 819	1, 359, 419	4.3
Wyoming	3, 736, 209	101, 131	2.7
Area	215, 195, 721	10, 183, 373	4.7
Total	1, 882, 570, 199	202, 881, 028	10.8

"The $831,000 needed to finance the school lunch program is a large item for a tight budget. I understand that the House has approved some $266,000 for the lunch program. I urge that the full amount requested by the Board of Education for the school lunch program be allowed. In addition, I ask that the funds for this purpose be independently earmarked. Certainly any reallocation of funds which will take from the teaching staff teachers needed to reduce the number of part-time classes would be false economy. One major reason for having children well fed is so that they may profit from the education being provided. To nullify this worthy objective by providing fewer teachers is most shortsighted.

"Where should the money come from? This question is basic to your work. My first answer would be from the Federal payment. Here is one Senator who does not believe that the Federal payment is adequate as it has been appropriated in the last decades. I do not share the philosophy that the payment should be geared to real estate tax equivalents either. As the Senator from Rhode Island will recall in a floor colloquy upon the fiscal 1959 appropriation bill, I set forth my reasons for believing that the full authorized Federal payment should be appropriated. These reasons were based in part upon the limitations of the District with respect to taxing the principal employer in the District—the Federal Government. Other restrictions, such as the height of buildings which may be built, because this is the Capital of the Nation cannot be changed by the District government and hence revenue from private operators otherwise available in other areas, cannot be realized by the District government. There is the undeniable fact, that middle and upper income families whose income is derived from employment in the District yet who live in the suburbs, cannot be effectively reached by tax levied by the District. The District cannot extend its boundaries, as can other metropolitan cities. For all of these reasons and others which involve the Federal Government, I would hold that of all the impacted areas in the country, this child of the Union, deserves and should have liberal financial treatment from the Congress in the matter of a full Federal payment.

"With the permission of the subcommittee, at this point in my prepared statement, I wish to digress for a moment to discuss testimony presented this morning to the Public Health Subcommittee by Mr. Shea of the Department of Public Welfare of the District.

"It concerns, not the regular appropriation bill, but the supplemental bill which passed the House yesterday. Mr. Shea informs us that to live within the money provided by the supplemental it will be necessary for his department to curtail public assistance grants by 15 percent for the months of April, May, and June.

"To do this would be to place on those unfortunate families, the children and the aged the burden of making up for the money that the Congress does not appropriate under an existing authorization. This is just not morally right in my opinion. We created the deficit by legislation, we ought to pay the cost. I realize that this subcommittee does not have the supplemental before it at this time, but it will be before the Senate Appropriations Committee in the near future, and I shall appreciate very much your bringing to the attention of the committee at the time it does consider the supplemental request my remarks this afternoon.

"The question will be asked, Why cannot the savings be made in personnel costs rather than from the welfare budget? Testimony given to my subcommittee was to the effect that curtailment of services and an austerity program was initiated last February when it was foreseen that the present year's appropriation for welfare cost would be insufficient to meet the need. To further curtail personnel services would have the same result as the reduction in the welfare grant. It would come out of the service on a minimum basis that is now provided.

"When, for example, you have 2 employees looking after 82 congenital mentally deficient hospitalized patients now in a 24-hour day, is it reasonable to suppose that you can, without inviting tragic consequences, reduce this number of employees to one?

"A $12,500 item budgeted for homemaker service to families where the mother has been hospitalized or incapacitated was necessarily diverted by Mr. Shea to the welfare

payment funds as part of the austerity program. What are the future costs, Mr. Chairman, of the disruption of a family in this category? If the children are taken to the District institution, testimony shows that because of overcrowding it was necessary to transfer these dependent children to a juvenile delinquent institution. Is this the training and rehabilitation we want? I ask in all sincerity, that when you consider the dollars and cents involved you keep in mind the human beings that make up the budget statistic.

"I certainly feel quite strongly that wherever the Congress, by act, has increased the cost of operations, as we did when we raised the salaries of employees last session, we have a duty to provide funds to meet such costs. To place the health, education, protection, sanitation, and welfare services of a city in jeopardy through denial of funds this late in the operating year is shocking. I would certainly add my voice to those who are and will be asking for a restoration of these vitally needed funds. I hope that the House will take corrective action to restore them, but in the event that this does not occur, I trust that together with your colleagues you will seek to do so when the supplemental bill comes before your full committee.

"As I have said, my first suggestion and I would urge it as strongly as I can, is that the needed funds be made available from the Federal payment using if necessary all of the authorization of $32 million. Only, if this is absolutely impossible do I advance the thought that the subcommittee explore with care other items now approved.

"Particular attention may with profit, perhaps, be given to the highway construction program, badly needed thought it may be. I am advised that although the Federal participation in construction and condemnation costs make this an attractive area for expenditure, it does have the effect of removing from the tax rolls property now paying real estate taxes. A modest postponement in this area could realize, from presently existing revenues, sufficient funds to defray the school lunch program costs.

"My values may be challenged by some, but I believe that our children are more important resources for the future of the Nation than would be the construction of a parking facility for State Department employees, originally asked for by the Commissioners. The cost of each program is about $800,000. Surely, if the site for a parking place is to be secured for the use of the Department of State this is a charge to be borne by the State Department appropriation rather than the District.

"There are other areas in the budget for the District which are curtailed for which I would ask your sympathetic reconsideration, but I especially plead for adequate funds and employees to do the major job of taking care of our children in the schools, both educationally and nutritionally, and in the home through meeting the welfare needs for the underprivileged groups upon a basis which is at least consistent with health and decency. Prenatal clinics to reduce our shocking infant mortality rate will, I am confident, receive your attention as will the provision of a high standard of medical care for our indigent.

"I appreciate having had the opportunity to appear before you."

Mr. MORSE. Mr. President, I have placed my statement in the RECORD in order to emphasize a very sorry condition which confronts the District of Columbia, caused for the most part, in my opinion, by the dereliction of Congress to perform its clear duty, due in part, as my statement points out, to a failure on the part of the Commissioners of the District of Columbia to recommend a program of the magnitude which common humanity calls for, a program to feed hungry children.

Two years ago, the Subcommittee on Public Welfare, Health, Education and Safety of the Committee on the District of Columbia, of which I am the chairman, conducted hearings which lasted several weeks. The hearings succeeded in focusing the attention of Congress and of the Nation, for that matter, on the sordid but true fact that many children in the District of Columbia were living out of garbage cans, refuse dumps, and table leavings, when they could find them, of families in their areas who threw away scraps of food.

At first it was hard to believe that such a condition existed. When the witnesses who came before my subcommittee first so testified, there was a reaction on the part of many to the effect: This simply cannot be true. But it was true. Our committee hearings demonstrated it beyond question of doubt.

It will be recalled that 2 years ago, as a part of our hearings, my subcommittee made a tour of inspection during a period of several days of some of the slum areas of the District of Columbia. We saw with our own eyes proof of the testimony which had been submitted to our committee.

Mr. CLARK. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. CLARK. I have been very much interested in the splendid statement the Senator from Oregon is making on the subject of hungry children within a stone's throw of the Nation's Capitol in the District of Columbia.

During the 85th Congress I had the privilege of serving on the Committee on the District of Columbia and on its subcommittee on Public Welfare, over which the Senator from Oregon presided with distinction as chairman. I accompanied him on the tour of which he has just spoken. I can vouch personally that every word he has said is true. It was spoken without exaggeration; in fact, it was a conservative statement of what I would not hesitate to call a sinful condition which Congress, to its shame, has permitted to continue over a period of time far longer than I care to contemplate.

Mr. MORSE. From the bottom of my heart I thank the Senator from Pennsylvania. The record should show that the results which the subcommittee obtained 2 years ago never would have been obtained had it not been for his assistance. At first it was an uphill fight; but the Senator from Pennsylvania never failed either in the Committee on the District of Columbia, before the Committee on Appropriations, or on the floor of the Senate, to point out courageously the facts we discovered concerning this deplorable condition in the District of Columbia.

Mr. CLARK. Mr. President, I thank the Senator from Oregon for his kind words. Although I do not think they are justified by the facts—the Senator is far too kind—my interest in this subject continues despite the fact that I am no longer a member of the Committee on the District of Columbia. I should like to do everything within my power as one Senator to support the senior Senator from Oregon in the effort he is now making to further the fine work he started 2 years ago.

Mr. MORSE. I thank the Senator very much.

I desired to speak about this problem today because appropriations are pending in both Houses dealing with the question of financing such programs in the District of Columbia. As a result of the work of our committee and the action taken by Congress, some progress was made in 1957, as I said to the Subcommittee on District Appropriations today. I think credit ought to be given where it is due. The subcommittee headed by the distinguished junior Senator from Rhode Island [Mr. PASTORE] did excellent work in 1957, in that it recommended a somewhat larger amount of appropriations so as to make it possible to afford some relief to these very unfortunate fellow human beings.

As I stated in my testimony, as will be seen in the RECORD tomorrow, we still have a long way to go. Much still needs to be done in order to carry out the principle of humanity to man in the District of Columbia.

HEARINGS REVEAL STARVATION IN DISTRICT OF COLUMBIA

It is about some of the facts which I presented to the Committee on Appropriations this afternoon that I wish to comment now. For the past 3 weeks, intermittently, my subcommittee has been conducting further hearings concerning the problem of the hungry children in the District of Columbia. The situation is so bad that we cannot take very much comfort from the progress which has been made since 1957. I shall let the record speak for itself, but I shall mention a highlight or two from the record as borne out by witness after witness after witness who came before my subcommittee in the past several weeks to testify. Those witnesses came from the welfare agencies, from the school system, from the neighborhood houses, and, yes, from the District of Columbia government itself.

One shocking fact which we in Congress had better consider is that a minimum of 7,000 little boys and girls of grade school age in the District of Columbia, to say nothing of several thousand more who have not reached grade school age, simply do not have enough to eat. Think of it. In the Capital City of the United States a minimum of 7,000 little boys and girls are not getting enough to eat. The record before my subcommittee leaves no room for doubt about it.

So long as I remain in the Senate and have responsibilities in connection with any committee on which I serve, and so long as such conditions exist, I intend to do everything I can to place the facts before Congress, before the District of Columbia, and before the people of the Nation. Such a condition cannot be justified by any standards.

Mr. President, it cannot be justified by the great teaching that each of us is our brother's keeper.

It was a great disappointment to me when the Commissioners of the District of Columbia made to the Congress a recommendation for an appropriation with which to finance an experimental program which would provide lunches for 1,000 of the 7,000 hungry schoolchildren. Certainly old King Solomon would not have proposed such a thing, Mr. President. I am at a loss to understand why the District of Columbia Commissioners, knowing that in the District of Columbia there are a minimum of 7,000 underfed schoolchildren, would recommend an appropriation for lunches for only 1,000 of them. Consider the rationale of that proposal; it is the old, bewhiskered one of "that this will give us an opportunity to get our feet on the ground."

Mr. President, the Commissioners should have had their feet on the ground for years, if their feet are not on the ground now.

Their argument is, "It will give us time to get our feet on the ground, so as to do a little experimental work on this matter."

Mr. President, this matter is not a complex one. It is simply a question of dollars, of providing the necessary funds for the feeding of 7,000 hungry schoolchildren. If the necessary funds are provided, those hungry children will be fed.

I say to the President of the United States, "Mr. President, this is no issue for you to talk about in terms of balancing the budget. Instead, before Easter, in the name of the Master, raise your voice in support of the position of the Senator from Oregon that the

necessary funds for the feeding of these 7,000 hungry schoolchildren must be provided."

BUDGET CONSIDERATIONS SHOULD NOT BE PUT AHEAD OF HUMAN NEED

Only a moment ago I read on the news ticker that Mr. Stans, of the Bureau of the Budget, while in North Carolina, announced to the country that the President is not going to yield on the question of balancing the budget. He said the country should stand fast against what he called special interest troopers.

I ask the President of the United States, "What is your answer to the need to feed these 7,000 hungry schoolchildren in the District of Columbia? Do you think they are 'special interest troopers'? Do you want them fed? If you do, will you join me in recommending that the Congress provide the necessary funds for the feeding of these 7,000 children?"

If we have a President who will not join in support of such a humanitarian cause, then I want the 174 million Americans to know it now; and that goes for all the rest of the budgeteers, because if the moral responsibility of the Congress is not met, then I find no difference between a budgeteer and a racketeer.

If, in the name of a balanced budget, it is proposed that we walk out on a moral responsibility such as that of feeding the 7,000 hungry schoolchildren in the District of Columbia, then let us tell the American people so.

To the Democratic leadership of the Senate let me make clear that what I say goes for them, too. For once, I should like to see in the Congress a united Democratic leadership in support of a moral issue of this kind.

Mr. President, for several years I have seen the budgeteers get by with their propaganda. So far as I am concerned, they can no longer get by with it without challenge. I intend to challenge them at every step from now on, by comparing their so-called dollar savings with the great human losses and the great losses in human values which the budgeteers will be guilty of causing, and which they will cause, if we let them get by with their failure to recognize their moral responsibilities.

I have no intention of supporting any Democratic leadership which will be a party to Dwight D. Eisenhower's sacrifice—in the name of a balanced budget—of these human values. I do not intend to support a so-called balanced budget at the expense of human welfare in the Nation, because I know that the economy of the country is strong enough to support the kind of general welfare legislation the liberal Members of this body urge the Congress to enact.

TIME FOR REDEDICATION TO HUMAN VALUES

Nor do I intend to weaken either the economic fabric or the moral fabric of our Nation by placing a dollar sign above the cross. Any argument from any spokesman of this administration or from any leader of my party that is made in an effort to justify failing to appropriate for the District of Columbia the funds which are necessary in order to feed 7,000 hungry schoolchildren is a sinful argument at any time, but it is a particularly inexcusable argument at Easter.

So, Mr. President, I insert this testimony in the RECORD because I do not intend to let the Congress forget its responsibility. As I said this afternoon, before the Appropriations Committee, I have no intention of supporting the District of Columbia Commissioners, when, apparently under the whiplash of an economy drive from the White House, they recommend a District of Columbia budget that is totally inadequate to meet human needs in the District of Columbia.

CONGRESS ITSELF IMPOSED FINANCIAL RESTRICTIONS ON DISTRICT

To the Congress I repeat: You cannot justify your parsimonious attitude toward the District of Columbia by failing to appropriate a fair share of the funds that are required if the cost of running the District of Columbia is to be met.

Mr. President, what are some of the politicians saying now? Just listen to them: "What about the tax rates in the District of Columbia? Why not have higher real estate taxes in the District of Columbia?"

Are they ready to eliminate the zoning requirements which the Congress has imposed upon the District of Columbia—for example, the one which regulates the height of buildings in the District of Columbia, with the result that the owners of property in the District cannot erect buildings high enough to be as profitable economically as they otherwise would be—profitable enough to result in the payment of greater taxes?

Of course, Congress is not going to eliminate those zoning requirements; and Congress should not do so, because it has a responsibility to keep the Capital City beautiful. That is why such restrictions were imposed in the first place.

Is Congress ready to remove the restrictions which make the District of Columbia inaccessible to heavy industry? Is Congress ready to permit heavy industry, and the accompanying payrolls, to be brought into the District of Columbia, with the result that additional tax dollars will flow into this city?

Of course, to do so would be to bring over the Capital City a smoke screen different in type from that which usually hovers over it. It would be a screen of industrial smoke, instead of a screen composed of the type of forensic smoke which so much of the time hovers over this city—in fact, a good deal of it is based on the type of forensics which is indulged in by those who oppose the appropriation of sufficient funds to permit the District of Columbia to be operated in the way in which it should be operated.

No, I am not going to support the District of Columbia Commissioners in their failure to recommend funds for an adequate school lunch program. So long as I serve in the Senate, Mr. President, I shall continue to fight for fair play for the taxpayers and the residents of the District of Columbia.

THE DISTRICT PROBLEM

As I said, in substance, to the Appropriations Committee this afternoon, "Remember, this local government cannot take in the suburbs. What in our own States happens to be metropolitan areas develop in the suburbs? Before we know it, we have taken the suburbs into the city, and we have brought their tax resources into the city. We cannot do that here. The District of Columbia cannot annex Virginia and Maryland."

Yet, many thousands of the people who work in the District of Columbia sleep in Maryland and Virginia. Maryland and Virginia are their bedrooms. The District of Columbia, Mr. President, has a very difficult tax situation.

There is much unsoundness in some of the speeches being made which seek to compare the tax situation in the District of Columbia with the tax situation in areas of similar size elsewhere in the United States, because Congress has put into effect some of the restrictions which make the comparisons fallacious.

WHY SHOULD TEACHERS SUBSIDIZE WELFARE NEEDS?

Mr. President, I do not intend, either, to support any proposal which would cause the teachers of the District of Columbia to subsidize the welfare program which ought to be financed by the Congress of the United States. That is what Congress is asking them to do by the attitude now prevailing with regard to the District of Columbia budget. What are we doing? Even to feed the 1,000 children, instead of the total 7,000, it is proposed to utilize money transferred from other educational funds, which ought to go into classrooms, or into teachers' salaries, or into employing more teachers, so the teaching load could be lighter, or other needed educational costs.

It is just too bad there is no home rule in the District of Columbia, so that if any mayor or city council proposed any such atrocious suggestion, the people would be able to take care of them at the polls. We have placed ourselves in the position, Mr. President, of not being subject to any electoral discipline by the citizens of the District of Columbia. Therefore, about all they can do is come before a committee such as mine and present their evidence and their protests. Those of us who hear the evidence and the protests have an obligation to act in their behalf. That is what I have been trying to do this afternoon.

PRAISE FOR THE WASHINGTON PRESS

I have been pretty critical, now and then, of the press, both here and elsewhere; but I also have never hesitated to commend the press when I thought it deserved commendation, although I recognize, unfortunately, justifiable occasions are too rare.

I desire this afternoon to commend the local press, all three of the newspapers, for the fine job I think they are doing in getting the facts to the people of the District of Columbia and to the Congress with regard to the public welfare problem, the hungry children problem, and the educational problem.

I close this part of my remarks with the plea that from the President of the United States on down through the Government, in every office where there is any responsibility connected with District of Columbia affairs, we be given some backing and some support for a large enough appropriation to feed the 7,000 hungry youngsters who, the record of my committee shows, are now suffering from want of food.

The evidence is overwhelming as to the cost of the failure to supply the needed food to the District of Columbia children. If anyone in our Government thinks we are saving money by not providing funds necessary for lunches to feed these youngsters, he ought to read the transcript of the testimony before our committee. Such a so-called saving produces a greater cost from the standpoint of juvenile delinquency and hospitalization resulting from illness that occurs from malnutrition.

SHOCKING TESTIMONY

Mr. President, if you want the kind of evidence that startles you, but is a fact, let me tell you that there are, in a home for 82 mentally defectives, 2 attendants. Those two attendants have to maintain a 24-hour supervision of those unfortunates.

Mr. President, do you think it would be economy to cut the number of attendants to one? And yet, without knowing the facts, I submit there are Members of this Congress who, in recent days, in speaking about District of Columbia fiscal policies, have suggested that savings ought to be made on personnel.

My answer to them is, "Put up or shut up. Where are you going to make the savings on personnel? Come on, give us the list of people who can be eliminated from their jobs in safety to good government in the District of Columbia."

Do we want to reduce the number of those two attendants at the home for the mentally defective, or do we want to justify an over-

crowded situation for dependent children? This situation is so bad in the District of Columbia that the record before my committee shows we are sending dependent children in the District of Columbia—I repeat, dependent children—to homes for juvenile delinquents.

Just think of it. All Members of Congress who are parents of children ought to understand my meaning. How in the world can a Member of the U.S. Congress talk about economizing on personnel when there already are such overcrowded conditions and there is such a shortage in this whole field of public welfare work that we are now sending some dependent children to homes for juvenile delinquents because there is not enough room for them in the juvenile dependency institution?

Mr. President, could it possibly be that unexpressed and latent in the thinking of those who are arguing for false economy in the District of Columbia budget is the idea that, after all, an idiot is not a human being, or that, after all, a little dependent child can be dispensed with, or that a juvenile delinquent should not receive the rehabilitation care a moral society is expected to provide?

I would not like to think, Mr. President, that such a cold, asocial attitude could possibly exist in the breast of any Member of Congress. Yet as I conduct the hearings and have submitted to me in the record statements of attitudes which have been expressed in the budget fight for the District of Columbia I am almost forced to the conclusion that at least it is fair to say, in view of the sordid conditions which exist, that those who make an argument for economy in public welfare in the District of Columbia have walked out on their obligations.

I make this speech on this subject today, Mr. President, in the hope that it may stir up a little support from some groups in this city which in my judgment are notefully cognizant of the seriousness of the situation. I say that in appealing to the ministerial association of every church group in the District of Columbia; Catholic, Protestant, and Jew. I say to the clergy of the Catholics, of Protestants, of the Jews, and of all other faiths who believe in a Creator, now is the time to be of great moral assistance to those in the District of Columbia who are trying to get some action from the Congress of the United States by way of a sufficient appropiration to meet these governmental needs.

I know, Mr. President, if the service groups, if the ministerial association, if the Parent Teacher Associations, if the citizens groups and all the many public-minded organizations in the District of Columbia knew how deplorable the conditions are they would make the rafters of the White House shake before they finished with their presentation of this great moral issue.

Mr. MORSE. Mr. President, the argument has been made that the 1,000 pupil program, costing $133,000 is but a pilot program to gain experience in this field. I deny the validity of the argument on the basis that a pilot program financed by voluntary contributions, at present existing in the school system, is now taking care of some 700 children. Why, for an additional 300 it is necessary to get a pilot, I fail to see. The pilot program excuse is a pretty thin one.

Mr. President, what we need is full steam ahead to meet this human need of 7,000 hungry children in the District of Columbia. The Committee on Appropriations of the Senate recommends a parsimonious $133,000 to feed nearly a thousand hungry children out of a total of 7,000. What is happening to us in the Senate of the United States?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I promised the Senator from Connecticut that I would be very brief. I wish the Senator would let me finish my statement. Perhaps then the Senator from Connecticut will yield. I know the Senator wants to help.

Mr. HUMPHREY. I merely wish to associate myself with the Senator's remarks.

Mr. MORSE. I understand that the Senator from Minnesota wishes to associate himself with me on this subject and I thank him. I am very saddened by this performance on the part of the Appropriations Committee. There is no justification for it from the standpoint of the human need of 7,000 hungry children in the District of Columbia.

I send to the desk three amendments which I have had drafted to meet the need which, in my judgment, exists. I request that my amendments be printed. I accompany them with a notice in writing of my intention to move to suspend the rules in order to achieve their adoption. Rule XL of the Senate Rules calls for such written notice. I therefore send my amendments and the written notices to the desk, and ask that they be printed at this point in the RECORD as a part of my remarks.

The PRESIDING OFFICER. The notices of motion to suspend the rule and the amendments will be received and printed and will lie on the table; and, without objection, they will be printed in the RECORD.

The notices and amendments submitted by Mr. MORSE are as follows:

NOTICE OF MOTION TO SUSPEND THE RULE

Mr. MORSE submitted the following notice in writing:

"In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph (1) of rule XVI for the purpose of proposing to the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes, the following amendments, namely:

"On page 2, line 1, strike out '$27,000,000' and insert in lieu thereof '$27,700,000'.

"On page 6, line 23, strike out '$517,000' and insert in lieu thereof '$1,217,000'."

Mr. MORSE also submitted the following amendments to the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes, viz: On page 2, line 1, strike out "$27,000,000" and insert in lieu thereof "$27,700,000".

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"On page 6, line 23, strike out '$517,000' and insert in lieu thereof '$1,217,000'.

"On page 27, line 22, strike out '$18,039,000, of which $17,409,000' and insert in lieu thereof '$17,159,000, of which $16,529,000'."

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On page 6, line 23, strike out "$517,000" and insert in lieu thereof "$650,000".

Mr. MORSE. Mr. President, I feel strongly that additional money for the Federal payment can provide the financing, but if that should not prove to be the case, I for one am willing to defer some perhaps desirable but nonurgent highway construction and apply the savings to the children's lunch program. By a coincidence I have noticed one such project, the proposed Glover-Archbold Parkway construction whose price tag, according to the Appropriations Committee, amounts to $880,000. I hope that working with my good friends upon the committee as we consider my amendments next week, perhaps I can convince them that filling hungry children's stomachs is as important for the future of this Capital City as is the construction of a highway through a natural and unspoiled recreation area.

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

THE PRESERVATION OF WATER RIGHTS

Mr. MORSE. Mr. President, I received a letter today from the Honorable Walter J. Pearson, president of the Oregon State Senate transmitting senate joint memorial 8 relative to the preservation of water rights; senate joint memorial 9 urging the establishment of a single vital statistics registration center by the Federal Government; senate

joint memorial 11 urging Congress to appropriate funds to improve the Tualatin River Basin.

I ask unanimous consent that the memorials be included in the CONGRESSIONAL RECORD at this point in my remarks.

There being no objection, the memorials were ordered to be printed in the RECORD, as follows:

SENATE JOINT MEMORIAL 8

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas it is believed that the Congress of the United States, the Federal courts and all Federal departments and agencies concerned should recognize the importance and sanctity of water rights of individuals and of the several States; and

Whereas it is feared that failure to recognize and acknowledge the importance of such rights may develop into a pattern of Federal usurpation of individual and States' rights over water: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That the Congress of the United States be and it respectfully is memorialized to take all necessary action:

(1) To preserve the water rights of the individual and of the States and to prevent Federal usurpation of those rights;

(2) To see that legislation is initiated and supported to reestablish to the individuals and to the States such rights as may have been taken from them by either the Federal courts or any department or agency of the United States; and

(3) In every way possible to reaffirm, renew and defend the concept that water rights are property rights and that these established rights to the use of water, by a State or an individual, should not be taken away without due process of law and adequate compensation; and be it further

Resolved, That copies of this memorial be sent to the President and Vice President of the United States, and to those Members of the House of Representatives and the Senate representing the State of Oregon.

SENATE JOINT MEMORIAL 9

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas 1½ million American citizens are visiting, working, and living in foreign countries; and

Whereas no governmental agency makes permanent birth, death, marriage, divorce, adoption, and other vital records for these citizens comparable to those obtainable by citizens resident in the continental United States through State offices of vital statistics; and

Whereas vital events affecting many United States citizens go unregistered, and the lack of proof of the facts of such events make difficult the collection of insurance, qualification for inheritance, obtaining veterans' benefits, and proof of United States citizenship; and

Whereas the forms and procedures used by the State Department make no allowances for errors and an incorrect State Department report of birth cannot be corrected or changed; a child of American citizens adopted by other American citizens in a foreign country can never have a birth certificate in his new name; an American woman bearing a child out of wedlock can never obtain a new birth certificate for her child if she marries; American citizens adopting foreign children overseas cannot obtain a new birth certificate for their child from the Federal Government until they have returned the child to this country; and

Whereas overseas births to American parents not registered with the State Department must be judged on an individual basis by the Immigration and Naturalization Service of the Department of Justice for the possible awarding of a certificate of citizenship, and neither this certificate nor the State Department report of birth is comparable to a standard certificate of birth issued by the State governments within the United States; and

Whereas a number of persons have been denied passports because either (a) the official State-delayed certificates of birth which they present in evidence of their American citizenship are not acceptable to the State Department; or (b) they are adopted persons who have subsequently received new birth certificates in their adopted names when their status was legally changed; even though such certificates meet required national registration standards and clearly show the types of records used to establish conclusively the date and place of birth of the registrant and the names of his parents; and

Whereas all State registration offices recognize the principle that a person should have a birth certificate in his legal name and that such certificate should make no reference to his previous status: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That action be taken to establish in the Federal Government a single vital statistics registration office with responsibilities, duties, and scope of activities similar to those of offices of vital statistics now existing in every State, such central Federal office of vital statistics registration to prepare, register, and issue necessary certified copies of birth, death, marriage, divorce, adoption, and allied records of such occurrences to American citizens visiting or living outside the United States and its Territories; be it further

Resolved, That the proposed Federal vital statistics office should receive from the Immigration and Naturalization Service the facts of vital events concerning all naturalized citizens necessary to the preparation and filing of vital records and the issuance of certified copies thereof; and be it further

Resolved, That copies of this memorial be sent to the President and Vice President of the United States and to all Members of the Oregon congressional delegation.

SENATE JOINT MEMORIAL 11

To the Honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the Tualatin River and its tributaries, located in northwestern Oregon, form a basin for an area of land covering approximately 711 square miles; and

Whereas in the past, due to the absence of any flood control and irrigation facilities, adjoining lands have been adversely affected by inundation during winter months and lack of adequate supplies of water during summer months; and

Whereas there is contained within the Tualatin River Basin many and varied interests urgently in need of preservation and protection, such as fish, wildlife, extensive recreational facilities, agricultural pursuits, and many other needs vitally affected by the presence or lack of water; and

Whereas the Bureau of Reclamation, Department of the Interior in the course of an investigation and report submitted in 1956 did recommend an extensive plan of improvement for the Tualatin River Basin; and

Whereas the report of the Bureau of Reclamation did recommend immediate construction of Scoggin Dam and Reservoir to provide 46,000 acre-feet of usable storage space; and

Whereas due to the accelerated increase in population since 1955 within the Tualatin River Basin, with its attendant additional demands in uses of land, natural resources, and recreational facilities, the conditions requiring flood control, irrigation and other protective measures in said area have become acutely aggravated: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That immediate action be taken by the Congress of the United States and the Federal Government to appropriate the necessary funds and to authorize and direct immediate consideration of suitable facilities, including but not limited to, a dam, reservoir, channel improvement and such other reasonable and necessary facilities and improvements in the Tualatin River Basin, Oreg., to provide and preserve adequate and safe flood control, irrigation and recreational facilities as will contribute to the betterment of fish and wildlife conditions and to the welfare of those citizens of the United States and the State of Oregon vitally affected and concerned thereby; and be it further.

Resolved, That copies of this memorial be sent to the President and Vice President of the United States, and to all Members of the Oregon congressional delegation.

SPAIN'S COMING ORDEAL

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD, a most remarkable, critical article from the May issue of Esquire magazine—an article entitled "Spain's Coming Ordeal." It is by a former speechwriter for an administrative assistant of President Eisenhower. This is Emmett John Hughes, chief of foreign correspondents for Time and Life. During World War II he was press attaché at the U.S. Embassy in Madrid. He is the author of two books, "The Church and Liberal Society," published in 1944, which was a Catholic Book-of-the-Month Club selection, and "Report From Spain," a penetrating analysis of the origins and practices of the Franco dictatorship in Spain, published in 1947. He has returned to Spain twice for further research since writing the latter book. I urge my colleagues to read Mr. Hughes' article.

I wish also to have printed in the RECORD two newspaper articles relating to the present situation in Spain: one which appeared in the St. Paul, Minn., Dispatch of May 18, and four other Ridder newspapers; and the other from the Washington Evening Star of May 20.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Esquire magazine, May 1959]

SPAIN'S COMING ORDEAL—AS THE ANTI-FRANCO TIDE SWELLS, U.S. DIPLOMACY CONTINUES ITS SIESTA

(By Emmet John Hughes)

For a decade now in this divided world, both Western policy and U.S. diplomacy dis-

played, too often, one classic mark, one chronic weakness. This has been—with many a crisis, in many a nation—to rise to meet each occasion only when the chance or challenge is sufficiently lost to prevent its being surely won, and thus to snatch delay from the jaws of defeat. This is troublingly true in Spain today, where U.S. diplomacy is enjoying a singular siesta time. The consequences could be costly. And the final result could be tragic—alike for the people of Spain and the policy of America.

Ever the land of paradox that Galdós describes, Spain today boasts surface signs of well-being that obscure the sobering truth. In its foreign relations, it has been the beneficiary of nearly $2 billion in U.S. economic and military aid. Militarily, Spain will eventually inherit the $400 million worth of U.S. Strategic Air Command bases recently completed. Economically, the face of the land here and there shines with some show of progress: long, low aqueducts watering thousands of arid acres in the south; Madrid's new de luxe hotels and workers' apartments, attesting to the city's great postwar building boom; the miles-long rows of firs and acacias lining the highways, mute witnesses to the biggest reforestation program in modern Spanish history. And to the eye of many an American, striving to assess the grander strategy of the struggle for the world, the whole national scene in Spain sometimes seems a great comfort: Here no fractious parliament, such as has so often filled the air of France with pretentious and contentious nonsense. Here no open, organized, massive Communist Party, such as afflicts Italian democracy. Here, rather, rises the glowing image: a firmly united nation, a Government of order, surely a loyal and secure fortress of the West.

Three facts fatally mar this image. Spain is not united. Its Government is confused and fearful of its own future. And little in the land is notably secure. This is the true state of this nation two decades after the end of its catastropic civil war and the ascent to power of that rather remarkable personality, the Caudillo of Spain, Generalissimo Francisco Paulino Hermenegildo Téodulo Franco Bahamonde.

How can there be so sharp a contrast between appearance and reality in this land?

Perhaps because there is so much truth in the old cliché that Africa begins at the Pyrenees, the understanding of many an American or European seems to end at the same frontier. And today Spain's paradoxes multiply and bewilder.

Here is a military dictatorship decisively dependent upon army and police power, committed to the firm denial of such democratic devices as freedom of assembly or freedom of press—but solemnly allied with the United States in covenants proclaiming the common cause of freedom.

Here is a head of state whose personal popularity is so insignificant that not even his fondest admirer pretends that his power could survive a free expression of national opinion—yet a man whom a considerable majority of the people have preferred to see in office rather than face an unknown, undefined alternative.

Here is a totalitarian state where the single national party, the Falange, faces no political challenge or competition—and yet that party fears it is heading toward total extinction.

Here is a regime that designates itself Catholic with a fervor and truculence unique in the world—and which reserves its most abusive language for the vilification of all Catholic-led Christian democratic movements in Europe.

Here is a regime which, with passionate sincerity, ever proclaims the decadence and evil of both capitalism and political democracy—and whose most crucial political assets today are the friendship and aid of the U.S. Government.

These anomalies, in recent months, have assumed clear shape—and made ominous news. Behind the smooth political façade, both Socialist and Communist underground activity has been quickening; its centers are in the areas of traditional strength in the north: Bilbao, the Asturias, Barcelona. On another political front, Franco police have had to round up scores of moderate and monarchist opposition leaders—students, lawyers, doctors, journalists. And behind the economic façade has persisted the flight of as much as $300 million in currency to safekeeping in foreign banks. This last, of course, represents no treasonous act by radical enemies of the regime—but the prudence (or the panic) of many of the nation's biggest and richest leaders: bankers, industrialists, cabinet ministers, members of Franco's own family. Yet—through all such travail and despite all such omens—the adulatory rhetoric of the controlled press of Spain has droned on, as with Arriba's salute to Franco on the most recent anniversary of his assumption of power: "The moral qualities of Francisco Franco as a ruler are infinitely superior to those of Emperor Augustus, Charles V, and Napoleon."

The most elemental facts of economic life give key clues to the nation's contradictions and conflicts. The misery of centuries persists, with per capital income averaging less than $300 per year. Drought still is king in the land of clay and sand, and the loss of a year's wheat crop can cost—and has cost—more than the sum of a whole year of U.S. economic aid. An antiquated rail system stumbles along with locomotives whose vintage goes back to the 1880's. Foreign trade remains the smallest (per capita) in Europe: in the first 9 months of 1958, the country bore a trade deficit of $263 million, and gold reserves dipped so near totally vanishing that the nation could barely find ways to pay for the crude petroleum it must import each year.

Such facts make any honest economist shudder, but they bring sharper pains to the millions in Spain's countryside. The lives of these millions can be judged by one statistic: While the total population has risen almost 20 percent (from 25 million to nearly 30 million) in the last 20 years, the value of agricultural production has remained exactly the same. For uncounted scores of thousands, especially in the countryside and villages, this simple statistic means hunger, tuberculosis, and home in a slime-filled cave. The cave population around Madrid alone numbers some 20,000.

To blame one political regime for the need of millions would be a foolish slander; but the bold boasts of the Government's social program only summon attention to the sham and fraud which are that program's plainest marks. The splendid new highway running out of Madrid to Barajas Airport obviously meets the scrutiny of hordes of tourists—so the "welfare program" in this area has consisted of building neat, red-brick walls across inhabited caves so that foreign visitors are spared their troubling sight. There also exists a vaunted "resettlement" program for such cave dwellers. This program consists of asking the family its place of origin, shipping it there, and dumping it at the local station. As a result, cave dwellers around the capital now refuse to confess any place of origin other than Madrid itself. As for the vast funds of social security, they have been looted by no one knows how much, through a succession of financial scandals.

Neither graft nor the pompous lie is any newer to Spanish Government than disillusion and suffering are to its people. Yet it is doubtful if the presence of such annoying phenomena has rudely forced itself upon the attention of visiting U.S. Congressmen, Cabinet officers, generals, or admirals, whose sweeping firsthand view of the Spanish scene generally ranges from the splendid new Government buildings to the Palace bar, and to the sumptuous dining terrace of the Ritz Hotel. And these half-hidden facts of economic life prepare one for the deeper, subtler contrasts between reality and appearance which spell the political life of Franco Spain.

THE PERILOUS BALANCE OF HATE AND FEAR

For 20 years now, fear has been the source of strength for the Franco regime—sharp and vivid fear of renewal in any form of the civil war of the thirties that cost more than a million lives, wracked and devastated the country, grimly augured World War II, and invited both Fascist and Communist political invasion. It is, in fact, well to remember the rather awesome omen that Spain was two decades ago. The fact has some bearing on present and future.

This popular fear—which the regime has systematically enjoyed and exploited—scarcely knows any limit in political or ideological terms. Socialists, Republicans, Monarchists, as well as the mass of the uncommitted or apolitical, all have tended to share common acquiescence in any political formula sparing the ordeal of civil strife. What would happen were Franco to die tomorrow? The question brings a shudder not only to servants of the regime, but scarcely less to his opponents. "I suppose if we had 2 months of political freedom here," a Madrid lawyer speculated to me when I last visited him, "the surest thing to expect would be the sight of Franco's body being dragged by a mule down the Gran Via." Within the government, no apologist seriously pretends that the regime has any significant popular strength beyond the people's fear of what will happen when it ends. No official will even bother to try to persuade one that Franco's power could survive any test of the popular will. Free elections? Each official echoes the question with honest astonishment. "But they are impossible." Thus, in a bizarre way, the very unpopularity of the regime serves as candid rationale for its methods.

Every Spaniard I know describes, in only slightly varying ways, this perilous balance of national hate and fear. As fair a conception as any is that privately expressed, not by any fanatic enemy of the regime, but by one of its ranking ambassadors. "The feeling about Franco," he murmurs, "that you foreigners so often find incomprehensible—it is not very complicated. It is all summed up in an old folk rhyme of ours about love:

"'Neither with you, nor without you,
Have my sufferings relief;
With you, because you kill me,
Without you, because I die.'"

And such security as is not provided by this inhibition of public passion, or the suppression of serious public discussion, is furnished by force. Army, civil guard and police add up to a total of more than half a million men always under arms: a remarkable, as well as revealing, statistic—in a nation of 29,500,000 people. It is enough to suggest (if such suggestion is necessary) that fear alone is a poor guarantor of perpetual civil peace.

While the Franco regime has continued to achieve domestic order by its own special devices, it has performed an even more remarkable tour de force on the international stage. Here, in a few swift years, Franco Spain has rushed back from diplomatic ostracism, by a hostile world, to the strong and consoling embrace of the United States. In the first postwar years, the Western Powers joined in excoriation of the Spanish Government for its origin, its nature, its record and its close association with the aggressor states, followed by the Anglo-French-American demand in 1946 for the peaceful

withdrawal of Franco. That era of bold and vain rhetoric ended officially in September of 1953 with the signing of a mutual defense agreement by Spain and the United States. And lest anyone deceive himself that this agreement hinted any reform or liberalization in the nature of his government, Franco told his Cortes with pride: "If the Spanish nation * * * has undertaken to cooperate closely with the United States, it has done so maintaining intact its ideology."

If this revolution in foreign relations (and the dollar benefits deriving therefrom) has been extravagant, even more startling has been the review of the event taken by Spain's leaders. Essentially—and publicly—Franco and his counselors give credit neither to the United States, nor to the exigencies of U.S. policy confronting Soviet aggression, but to their own virtue and sagacity. This view of recent history begins with the curious notion that all Western nations stand in debt to Spain for the Franco government's decision to limit its military assistance to Nazi Germany to the Spanish Blue Division that fought on the Russian front. This thesis—that one nation's failure to attack another puts the latter under deep moral obligation—not only suggests a kind of international ethics unknown outside the Communist world, but also colors all interpretation of present and future. Thus, as the year 1959 began, both Spanish press and Spanish officialdom, in all their utterances, largely ignored the very existence of U.S. aid. Franco's annual yearend speech—all 8,000 words of it—contained not a single reference to the United States. Instead, he uttered this not-immodest judgment upon himself and his regime: "Over the course of 22 years * * * nothing has been freely vouchsafed us excepting the aid and assistance of the Almighty." There are surely Members of the U.S. Congress, notably on the Appropriations Committee, who, without being impious, would question the accuracy of this declaration.

Meanwhile, the entrance of America upon the Spanish national stage has been on the grand scale. The great base-building program spans the country: from the huge docks of the Navy base at Cadiz to the splendidly modern SAC bases outside Sevilla, Madrid, and Zaragoza—linked by an almost 500-mile-long oil pipeline slicing clear across the peninsula. Close to 20,000 Americans have taken up residence in Spain in connection with the military program. American tanks and jets spearhead the Spanish ground and air forces—while the Spanish Government hopes to get more U.S. assistance in a $400 million program to modernize its five-division army.

Not surprisingly, in all of this U.S. enterprise and investment, Spanish officialdom has been eagerly cooperative. Rather surprisingly, this spirit has inspired U.S. officers and diplomats in Spain with a warm sense of gratitude, at times seeming to border on euphoria. As a ranking U.S. officer told me on my last visit to Madrid: "These Spanish officials just couldn't be nicer—not a bit like the goddam French." One of the men in charge of the U.S. Military Mission in Madrid exulted to me: "Why this Government does not even hold the War of 1898 against us." One day, walking away from a Spanish Victory Day military parade, the wife of a top U.S. diplomat in Madrid deplored American ignorance about the true nature of the Franco regime: "Why, how can people back home talk about this being a dictatorship—all those tanks we saw in that parade were ours." In some similarly fatuous mood of fraternity, the Pentagon, when visited by Defense Minister General Agustín Muñoz Grandes, World War II commander of the Spanish Blue Division, fighting beside the Nazis, felt moved to award him the Legion of Merit.

Paradoxically (as always) even as the Spanish regime has achieved this triumphant rapprochement with America, its own essential and profound isolation in the world has become ever more apparent. This isolation is not dictated from without, but bred from within. It is ensured by a political discourse and a national press that effectively keep the people in ignorance of the simplest world affairs. "We are a closed society," a leader of Spanish Catholic Action concludes sadly. "The mind of Spain for 15 years now has been drugged with nonsense of the Government's invention. I know a pathetic Falangist leader who went traveling for a month in Italy and France, and came back weeping. Why? 'Now I know,' she said, 'the lies we live on in Spain—Communists are not running wild in the streets of Paris and Rome.'"

From minds thus sealed against truth, there comes a view of the world and a conduct of foreign affairs often so anachronistic or warped as to be scarcely believable. In all seriousness, the Foreign Office in Madrid has in the past called upon the French Ambassador to prove his interest in friendly relations by seeing that "remarks hostile to Spain" were no longer uttered by deputies in the French Assembly. In its English-language broadcasts to the United States, Radio Nacional's Voice of Spain beguiles American listeners with such sermons as: "Democracy as a system of government has proved a failure * * * and the United States and Germany have moved away from it." And Madrid officialdom occasionally seems unable to realize that Chancellor Konrad Adenauer is not the pure-blooded political heir of Adolph Hitler: German Embassy officials in Madrid are commonly nonplused by Falangist leaders telling them how deeply they regret "your" loss of World War II.

From all these facts of Spanish political life—the rule by fear and force, the twisted vision of the world itself—there emerge questions posing, once again, the possibility of tragedy for the Spanish people. And they address sharp issues to the makers of U.S. policy.

What is the ultimate meaning—and the ultimate risk—of intimate alliance with this regime? Is it prudent that its fate be allowed also to be the fate of U.S. policy? And what can its fate be? After Franco—what?

THE POST-FRANCO REGIME: WHAT WILL IT BE?

The dilemma for Spain is clear and imminent. And time for its resolution is fast slipping away. Not long ago one of the highest officials of the government told me his candid fear: "I have not been so worried since 1936."

Franco himself is neither so idle nor foolish a man as to be unaware of the fateful issue. He has, however, been fumbling with it for a decade now. By the law of succession of 1947, Spain at that date became officially a kingdom, albeit without a king. It took 7 years for the first gesture toward serious action—and this a rather abortive one. Late in 1954 Franco met near the Portuguese border with Bourbon Pretender Don Juan—the symbol, for monarchists, moderates, most Republicans within Spain, of the last hope for peaceful transition toward freedom. The result of that meeting was the bringing to Madrid of Juan's son, Prince Juan Carlos, to be tutored in the ways of royalty. The attempt was transparently obvious: to find a royal figure who could be indoctrinated in the ways of the regime, who would not be so alien as the pretender to Falangist totalitarian doctrine, who might somehow, some day, lend some monarchist respectability, a touch of legitimacy, to a post-Franco regime, unreformed and unrepentant. The 3 years spent in this effort have only made it more than ever clear that Juan alone stands as the only successor to Franco whom the people would take seriously. Not even the young Juan Carlos himself can see any other king for Spain but Juan. Yet 3 precious years have passed—and nothing happens.

A monarchic restoration, on its political face, looks sensible to the point of being inescapable. The institution traditionally commands the loyalty of Spain's army, decisive arbiter of Spanish politics. The fears of army and church—as well as the nervous skepticism of great masses of the people—make impossible any thought of an immediate republican restoration. And the conferring of a crown is a simple-sounding political act capable of quick execution.

The full truth, unhappily, is by no means so simple. As one fretful government leader observes with accuracy: "Monarchy—a fine-sounding word. But what does it mean? We cannot revert to 18th century absolution, so presumably it means a parliamentary monarchy. Parliament? But this means political parties. What parties? How do you decree them into existence? With what freedoms? The man who thinks that monarchy means merely capping the present structure of government with a splendid crown is a fool."

Precisely here—at this critical point and moment—the Spanish regime must pay the full price for a decade and a half of political temporizing and expediency. For, in the most literal political sense, the Government of Spain has never been formed and does not exist. What exists—and all that has ever existed—is a political alliance of three key national forces: Church, army, and Falange. These three are united in nothing more fundamental than the resolve to guard what they conceive to be their respective rights. As the peace of Spain is essentially a truce, in like manner these forces are less true allies than chance cobelligerents. One rather notorious demonstration of this fact occurred, 4 years ago, when the Falange presided over what is called elections to the Madrid city government, i.e., publication of a single party-approved list for popular ratification. After Madrid monarchists stunned the party by presenting their own candidates, the Falange assured itself a comfortable 80 percent of the vote by such devices as: Total party control of press and radio; free rein for Falangist thugs to attack monarchist observers at the polls; and party-controlled arithmetic that, in some sectors, recorded a Falangist vote greater than the number of all registered voters. All this was duly hailed by the Falangist press as proof of an extraordinary political maturity.

Only the consummately adroit political tactics of Francisco Franco have held these forces together so well for so long. Yet not even he can make a bishop who cherishes the monarchy, a Falangist who despises it, and a general who is happy with the present life all rejoice in change—the same change.

The roots of this fatal conflict in the regime go back to the civil war, even beyond. For the Falange Party, these roots are radical and fiercely anticlerical: one of the founders of the party has written of his pleasure at watching the Communist mobs of 1931 burn Jesuit churches in Madrid. Countless key Falangists—like Juan Aparicio, until recently government boss and censor to the nation's press for more than a decade—came to Spanish Fascism out of the ranks of anarchism. The Falange's red-and-black flag itself preserves the traditional colors of Spanish anarchism. The party's greatest strength lies in those rural areas that today as always know greatest poverty and hold greatest danger of flaring revolution. Such origins and history explain the common Spanish aphorism that the blue-uniformed Falange is "azul por fuera y rojo por dentro" (blue on the outside, red on the inside). For many of these men—however time or hunger for survival may

temper their pure zeal—the prospect of a Bourbon's return seems as intolerably incongruous as would have been a fanatic Nazi's cheering of a Hohenzollern restoration.

The Spanish church hierarchy, while scarcely less bound into the regime than the Falange, has scarcely more in common with the diehard core of the party than it has with the Socialist underground. Over the years, many a bishop has clashed bitterly with the Falange on all issues that traditionally plague the church in a one-party state: education, social welfare, and the press. Occasionally and with ringing force, a church voice has been raised in protest against the very strategy and premises of Falangist rule. One such voice has been that of Jesuit Father Jesús Iribarren, founder and director of Ecclesia, official organ of Spanish Catholic Action. Four years ago Father Iribarren wrote a scathing attack upon the suffocating censorship: "A Catholicism must be weak and a national unity shattered, which have to be protected day by day with * * * imposed commentary and the order of obligatory silence * * *. It is said that there are things which cannot be told because the people are mental minors * * *. But * * * the answer would be valid only if steps were being taken simultaneously to make adults of the people. Not long after, Father Iribarren was removed from his post, and most of the hierarchy relaxed back into the embrace of the regime which is pledged to guard its welfare.

But if the great part of the hierarchy tends so to slumber, a great part of the Catholic laity knows no such facile peace. One Catholic Action leader has told me what he thought would be the fate of the church upon the fall of the Franco regime: "1936 again—churches made into bonfires—probably worse." To such people, the return of a monarchy, the breaking of Falangist power, and a modicum of civil freedom in Spain are more than political wishes. They are the imperative—the only—hopes for escaping sure eventual disaster.

Beside Falange and Church, there stands the army: the decisive monolith—and political enigma. Ever since 1898 and the disappearance of the Spanish Empire, the army has been, in Ortega y Gasset's phrase, like a loaded gun, finding no target but the domestic politics of Spain. Ten to fifteen years ago, one could have said confidently that the army would encourage—might even someday precipitate—a monarchic restoration. But the key traditionalist generals have died. The vioce of the army is now heard to rise only in murmur over its inadequate pay. In a sudden national crisis, what would the army do? The knowing Spaniard shrugs his unhappy, "Quien sabe?" (Who knows?).

Within these forces, and through all the people, there stirs today's struggle in the shadows. Only rarely is a public sound uttered, a public blow struck—for the moment. Yet, ranged on one side are the stubborn Falangist, the content reactionary, the privileged general, the apolitical or unaware bishop or industrialist. And in anxious array against them stand the ever more desperate reformistas—many a liberal, many a monarchist, many a Catholic—who dread that time is running out. For these last see ahead a political point-of-no-return, fast approaching. That can come with the black moment when even the monarchic idea has become hopelessly tainted with Falangism. Or it could come with Franco's sudden death. Or it could come with sudden, savage violence in the streets. And as the month—and the year—passes, the hopeful point of light at the end of the tunnel seems to get smaller, smaller.

Of such fears, and of this looming struggle, comes the sense of total suspense that hovers in the air of Spain today. When will Franco act? In time? How? Will an authentic parliamentary monarchy be allowed to come to life? Or will the price that a king pays for his crown be a guarantee to perpetuate the privileges of the Falange?

To these questions, only one man knows the answers—if he himself has decided. And no friend or foe knows this man truly well.

Francisco Franco is a Gellegan. Notoriously, all men of this northwesternmost Spanish province bear the traditional marks of Latin peasant character: they are stubborn, shrewd, cautious, patient, suspicious. All these are marks of the man and his political methods.

Like the country he rules, the man seems a living paradox: an unassimilated mixture of lofty mysticism and cold pragmatism. Not only is his personal Catholic devotion deep in intensity and scrupulous in observance, he believes with utter sincerity that he has borne and still bears a solemn mission to "save" Spain. Yet he can execute political maneuvers with the cool skill of a Tammany politician; he has more than once let personal vendettas in his cabinet seethe until he could seize the right moment to dismiss both antagonists, frighten whatever sides were forming to draw an issue, and bury the nagging problem in the spurious excitement of a government reshuffle.

There is much in this man (beyond his profound dislike of bullfights) that is not in common keeping with the Spanish temper. He is a stranger to fierce passion. As a young (and brilliant) officer fighting in Morocco or as a mature commander in the civil war, he could always bear bad news with stoic calm. He meets any political crisis with the same poise, the same impenetrable coolness. For all his impassioned patriotism, he occasionally reveals a sadly cynical view of the people he rules. In the weary tone of a father dismayed by haplessly wayward children, he once remarked: "We used to do one thing well—fight bulls. And now even that is no longer so." And some who have watched him for years hold that all his political attitudes—his cold dispatch, his skepticism, his passionless cunning—were born of his formative years battling Moor, playing off one tribe against another, maneuvering and weaving and dodging with tireless skill and improvisation. Thus, at least, has he ruled his own people.

He is, in morals and manners, a man of discipline edging on ascetism, order verging on fastidiousness. He is known for singularly un-Latin fidelity to his wife; to her and his three grandchildren his devotion is warm and complete. He does not smoke or drink, even wine. He has a passion for punctuality and for personal neatness. At work, he is feverishly industrious, maddeningly meticulous, and stubbornly secretive. At the Palace of the Pardo, he stays at his desk in disdain of hourly routine, often lunching as late as 5 or 6 in the afternoon. At Cabinet sessions, he has shown himself able (until recently) to sit from 5 p.m. to 3 a.m. without stirring, without even sipping a glass of water (while colleagues with weaker kidneys or stronger appetities miserably slide in and out to satisfy their needs). Discussion at Cabinet delves to the most minute details, but when he faces serious decisions he listens to many and confides in none.

He is, plainly, a man alone, if not lonely. Ill at ease with people generally, boasting no intimate and trusting no confidant, he seemingly has ever lived so. The family into which he was born brought strangely little warmth to his life. He was never close to his father, and of his two brothers, the younger, Ramon, was a dashing aviator hero in the republican days; a career of fighting Francisco's armies in the civil war ended with a fatal crash in 1936. Now, more than 20 years later, in the Palace of the Pardo, the cold and quiet older brother ponders what finally to do with the victory he wrought, for he alone knows what he proposes to do with his country.

But many a citizen of Spain, these days, wonders: Does he know?

WILL THE FUTURE BE TRAGIC?

Neither for the people of Spain nor for the diplomacy of America do there exist brisk and simple answers to present dilemmas or future dangers. No simple axiom rules, no neat epigram reveals, no slick syllogism can resolve the nation's problems. Yet it would not seem too much to ask of U.S. policy that it begin, at least, to show some awareness that the dilemmas and the dangers exist.

The issue can be neither evaded nor concealed by diplomatic genuflection to the sovereignty of Spain, as a thing that must be untouched and unmoved by U.S. pressure or influence. For no matter how passionately the United States professes a policy of noninterference in domestic Spanish affairs, the fact is that both its military and its economic investment in Spain does profoundly affect these affairs. In essence, the U.S. military presence casts America in a clear role on the Spanish scene—as an almost indispensable ally and friend of the Franco regime. As a politically temperate and dispassionate Madrid friend of mine recently remarked, coolly and without much rancor: "You know, of course, that you now have become the great strength of this regime. We are all, in a real enough sense, dependents of the Pentagon."

If Washington is unaware or unconcerned, Moscow is not. The Communist underground in Spain is thriving. Its efficiency can be judged from the speed with which Radio Moscow reports and comments on local Spanish developments. Its number of trained agents has increased precisely as the development of U.S. bases has summoned Soviet attention. And its propaganda shows the new zeal and force that might be expected, now that it has become so simple and plausible to identify the will of America with the rule of Franco.

The worst, indeed, may not happen. Time may not, perhaps, run out before chaos comes again. The Falange may be forced to tolerate slow emergence of new political groupings, the monarchy may be restored before it has become hopelessly compromised by Falangist sponsorship, and a measure of civic freedom may let in some saving air for a people to breathe.

Yet the chance of all this happening spontaneously—and in time—scarcely seems the kind of rock upon which a provident diplomacy builds. For, in a near and rather fearful future, it is entirely possible that the following events could come to pass:

Spain could erupt in turmoil—with tens of thousands of U.S. soldiers and civilians, scores of U.S. bombers and jets, caught on the chaotic scene.

Forces of reform or revolution could swiftly gravitate toward the extreme left, to begin a reenactment of the tragedy of the 1930's.

This time there would and could be no U.S. "neutrality" for the whole military posture of the Western allies could be put in jeopardy.

And—once again—U.S. policy would be forced, by rude exigency of the moment, into actively defending a kind of status quo hard to reconcile with American professions of political principle.

None of these can be called an imminent prospect. But the pertinent question is: must U.S. diplomacy abjure all clear sense of purpose until such propects are imminent—or inescapable?

If it is American purpose to slow the pace of political change in Spain as much as possible, all is well—for this is the end

now being served by the entire weight of the U.S. presence in Spain, the full spirit of U.S. conduct.

If it becomes American purpose to encourage and urge change—in the name of the hope of peace and some freedom for the Spanish people—then U.S. diplomacy must soon find its tongue and its will.

Such a new sense of purpose might serve—and save—a number of things. It might, for example, save America and its allies a tormenting future crisis. It might spare the people of Spain infinite unwanted suffering. And it might spare freedom yet another national casualty, needlessly left to die.

[From the St. Paul Dispatch, May 18, 1959]

WITH EMPTY PORTFOLIO—FRANCO FOE VISITS STATE DEPARTMENT

(By Robert E. Lee)

WASHINGTON.—A European prime minister with a practically empty portfolio but plenty of hope checked in quietly with the State Department last week on a deliberately unheralded visit.

He was Felix Gordon Ordas, first minister of the Spanish republican government-in-exile which looks toward the day when a bloodless revolution of the ballot box will return it to power.

Neither the Department nor Gordon Ordas acknowledged that the informal meeting took place. It was reliably reported, though, that it did occur, as have other sessions when Gordon Ordas and other exiled Spanish republicans were in town.

Meetings of this nature are delicate as the United States has recognized the government of Generalissimo Franco since the end of the 3-year Spanish Civil War in 1939. However, the State Department regards the government-in-exile represented by Gordon Ordas as probably the largest and certainly the most legitimate of the forces hoping for Franco's demise.

Gordon Ordas has no misapprehensions about the difficulty of the task confronting the loosely-knit, prodemocratic opposition to Franco, which includes various shades of exiled republicans and assorted groups within Spain. The latter consist of an underground, some union and student groups, Basque nationalists and others adding up to a force of questionable size and political influence.

THOUSANDS AT WORK

But the Prime Minister claims the adherence of some 200,000 republican exiles in France where his government is based at Paris—and 100,000 elsewhere in the world, mostly in Latin America. He says "many, many thousands" of Spaniards are actively at work in the underground. That the underground numbers more than a handful is indicated by the Franco government's virtual admission that it has more than 1,000 political prisoners.

According to Gordon Ordas, the internal opposition to Franco also includes influential military people who have become disenchanted with the regime, important priests and a small but very active cadre of Communists.

There are also many neo-royalist Spaniards who hope to install the pretender, Don Juan, or his son, Don Carlos, on the throne vacated by Don Juan's father, King Alfonso, in 1931. There have been recent reports that Franco, now 66, is considering setting up a monarchist successor to himself, although he said in February that monarchy was out during his own lifetime.

While Franco appears to be in good health and going strong, according to Gordon Ordas and others who should know, everyone with something at stake is speculating on the possibilities should he die soon or for some other reason abandon his position. It appears that nothing can be done while he lives and rules, except plan and plot.

It also appears that no Spaniards, within or without the country, want a repeat of the 1936–39 bloodbath in which 1 million of the 26 million Spaniards then living there were killed.

LIKELY PROSPECT

A likely prospect, in the view of U.S. observers, is that power would pass to the chief of the military staff, Augustin Munoz Grandes, who shares with Franco the distinction of wearing five stars. Grandes, so the speculation goes, might decide to bring back Don Juan or Don Carlos and set up a limited, constitutional monarchy with a parliament chosen in a mildly democratic manner.

Another possibility is that one or more military leaders would seize power after Franco's fashion or form a junta and try to maintain the status quo.

But Gordon Ordas, a prominent member of Parliament during the precivil war days of the Republic, says his government-in-exile is counting on free elections, in which he claims the Republican Party could win "more than 80 percent of the votes."

By Republican Party he means a combination of the anti-Franco and anti-Royalist forces with whom the Paris government has agreed to form a single party of the left after dissolving itself. If this united front ever came about it would be liberal but not necessarily Socialist, according to U.S. sources.

Gordon Ordas has firmly rejected collaboration with the Communists and he also rules out any accommodations with the Royalists, saying their approaches to the Paris government have already been rebuffed.

RELYING ON PRIESTS

Because of the possibility of political persecution in Spain, he is vague about what kind of an underground organization would be awaiting the fall of Franco.

He hints strongly at a working agreement with military elements, and places heavy reliance on priests of the Roman Catholic Church.

"The priests in the Basque are all Republicans," he says, "and so are many in Madrid. Elsewhere in the country their loyalties are divided."

He places much stock in a recent move of Pope John XXIII—the overturn of an arrangement Pope Pius XII had with Franco under which Franco had a strong voice in naming Spanish bishops.

Gordon Ordas insists that the United States' $400 million Navy and Air Force base program in Spain not only helps Franco but also gives the Communists political ammunition. He insists we don't need the bases from a military standpoint.

[From the Evening Star, May 20, 1959]

REBELS FIGHT IN SPAIN, CUBAN ADVISER SAYS

(By Neal Wilkinson)

HAVANA, May 20.—Armed rebels have been fighting the Franco regime in Spain for more than a month in a revolution directed by veterans of Fidel Castro's July 26 movement, according to a highly informed source here.

The resolution, according to Gen. Alberto Bayo, technical adviser to the armed forces of Cuba, began on schedule on April 14. He revealed details and tactics of the revolution, known as the "14th of April movement," in an exclusive interview with the North American Newspaper Alliance.

The general, known as "El Gran Bayo" to revolutionary forces in Latin America and in Spain, where he led Loyalist forces during the Spanish civil war of the 1930's, said that he was elected leader of the April 14 movement several months ago at a convention of Latin American revolutionaries in Caracas, Venezuela. Cuban and Venezuelan leaders have been the most vigorous opponents of Latin dictatorships in recent months.

TRAINED CUBAN REBELS

General Bayo is the man who trained Fidel Castro and his original followers in guerrilla tactics in Mexico 3 years ago. He is credited with the master plan for the overthrow of the regime of Fulgencio Batista.

The Spanish revolution which allegedly began on April 14 is confirmed by other sources here. The Cubans claim:

1. A train was dynamited, on the evening of April 14, at the entrance to a tunnel near Puerto de Pajares. The dynamiting allegedly was done by a band of guerrillas led by Antonio Rodriguez, who is a Cuban and a veteran of the Spanish civil war.

2. Government troops in Catalonia and Andalucia are engaging the rebels;

3. Fighting is particularly heavy in the region between Lavinana, Mieres, and La Felguiera, where miners have fled to the hills carrying with them supplies of dynamite;

4. That rebel strongholds have been established in Asturias and Barcelona;

5. Two weeks ago a plane crashed near Madris, killing all 28 passengers. The Cubans claim the crash was caused by an act of sabotage by the rebels.

SPANISH ENVOY PROTESTS

Juan Pablo de Lajondio, Spanish Ambassador to Cuba, has protested to the Cuban Ministry of State regarding these claims, particularly regarding the plane crash 2 weeks ago. The Ambassador conceded that a plane did crash but objected to the claim that rebel sabotage was involved.

General Bayo, in the exclusive interview with this reporter, pointed out that General Batista also denied every claim of rebel success during his regime. By the time the rebel claims in Cuba had been verified, he said, the revolution had been won.

"Franco is keeping the truth from the world, just as Batista did," he said. "But our intelligence is very accurate, although it takes several weeks sometimes, for reports to reach us." Other sources reported here that Spanish Loyalists in Latin America have maintained a courier service to Spain and a network of spies there for nearly a quarter of a century.

General Bayo insists that he is not sensationalizing:

"We would be very stupid indeed to make false claims. The people who live in these (Spanish) regions would know that we were lying, the word would spread and if our words proved false the revolution would be lost before it had begun."

CALLS CRASH SABOTAGE

He said that the plane crash unquestionably was the work of sabotage. "We issued many warnings before that," he said. Don't fly on Franco's airlines. This is total war. They will be sabotaged." The only reason General Franco acknowledged the disaster, he said, was that the news of an air crash is difficult to suppress.

"A filed cable concealed by thick grease is most effective" in sabotaging planes, he added.

General Bayo said that the April 14 movement probably would be branded as Communist. "The Russians were an ally of the Spanish Republic and we are blamed for their sins," he said. "Franco was backed by Hitler and Mussolini. Russia later became your ally against them in World War II. Does that make the United States 'Communist'?"

The general also said that he valued United States understanding of revolutionary problems, both in the Americas and in Spain, but that contained U.S. support of dictators had backfired militarily by creating alliances between democratic revolutionists and Communists.

ALIBI IKE, RUNNING TRUE TO FORM

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Alibi Ike, Running True to Form," written by Samuel B. Gach, and published in the California Jewish Voice.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALIBI IKE, RUNNING TRUE TO FORM

(By Samuel B. Gach)

She did not know that her remark would hit the press and become public.

This astonishing immoral alibi was part of what Ike told newsmen Wednesday when questioned about the propriety of Clare Booth Luce's below-the-belt punch at Senator MORSE of Oregon.

Ike explained that though her crack about MORSE being kicked in the head by a horse may have been ill advised, it was human and made in privacy.

This hypocritical regime has for 6 years been pointing to what it termed the lack of ethics and downright immorality of Ike's predecessor Harry Truman and his administration. We also recall every pledge Ike made when running and every snide crack he made against the people who made him.

We weren't blinded by shining brass then nor are we any more disillusioned now. The outfit was phony to begin with and hasn't changed a bit. It hasn't kept its pledges and its morals are low.

The crack about Luce's remark not having been meant for public consumption is the code to the high principles which have governed our country since 1953. It spells that everything goes, but don't get caught.

Ike tore the hide off of Truman and blamed him because a few supernumeraries latched on to a free icebox. Ike, in turn, was forced by exposures to ask for resignations from several of his top people, including his first aid Sherman Adams, for deeds done or in the works on every Commission which would have robbed the taxpayer blind.

Did he flinch, stammer or blush? No. Upon a return from his usual weekend of golf or from his more frequent longer vacations, he would don the halo, attend services Sunday, and tell the world what a good boy am I.

Now the whole free world is rejoicing in Harry Truman's 75th birthday coming up May 8 and with respect and affection recalls the simplicity, straightforwardness, good humor, his uninhibited consideration for his fellow man and his genuine piety.

Unlike his successor, Truman never felt comfortable with the millionaire class which Ike has cultivated. The people and their problems were his prime concern. And to this day he is tireless in his interest in the welfare of our country.

History will say that though the mantle of leadership was thrust upon him, Harry Truman, humble citizen, intuitively made the right decisions at moments of crisis in history.

And what will they say about Ike and his administration? One thoroughly experienced judge of events, past and present, has said it for American listeners just this week. We share his opinion wholeheartedly. The remarks of Britain's Field Marshal Viscount Montgomery on a Murrow telecast deserve to be rebroadcast.

In a nutshell, Monty labeled Ike's leadership in war and peace as timid, weak and ill. And which unbiased and unblinded American can, after 6 years of administration fumbling, deny the truth of this charge?

A quick rundown: They hate us in Canada and South America. Since permitting the Reds to enter the Middle East, by our coddling of the Arabs and giving them Suez, we are distrusted in Europe.

We lost considerable of southeast Asia to the Reds and our former friends, Burma and Indonesia, don't want us around. India doesn't like us and North Africa hates our guts. The Middle East is seething and heads of kings have hit the dust. All this and Eisenhower too.

Monty was right and Truman was great. So history shall say. You can understand Ike's hatred of Truman. The previous administrations gave him the boost to where he is. But he is placing himself where in history he will be.

THE WHEAT BILL

Mr. NEUBERGER. Mr. President, I believe the distinguished Senator from Delaware [Mr. WILLIAMS] deserves great credit for his persistence in seeking to place a limitation on the amount of the price support payments which any one farm operation can receive in a given calendar year.

Since I became a Member of the Senate, in 1955, I believe I have consistently supported the Senator from Delaware in every effort he has made in this respect. I believe that his success today is a signal accomplishment, and I was greatly pleased to be able to associate myself with him in that cause.

I feel that it is desirable that this limitation apply across the board to any one operation, rather than to have it apply to a single crop or commodity, which could then result in many times $35,000 being paid. I hope that the amendment of the Senator from Delaware, which the majority of the Senate supported, will be retained in conference and will be sent to the desk of the President for his signature.

I think the record should note one other thing: When I requested a yea-and-nay vote on the administration's alternative farm program as offered by the distinguished minority leader, I received very little support from the Senate in that respect. I think this raises some doubts about the offering of the proposal. When something so important as the administration's farm program is offered as a substitute for the bill before the Senate, there should be a yea-and-nay vote on it, so that there will be an accurate determination of senatorial sentiment in that regard.

LONG-RANGE WHEAT SOLUTION NEEDED

Mr. President, I regret that the Senate has not seen fit to adopt a comprehensive, long-range approach to problems involving the production of wheat.

As a cosponsor of S. 1484, authorized by the Senator from Kansas [Mr. CARLSON], which would provide a wheat stabilization plan containing the two-price concept, I had hoped that the principle of the domestic parity plan would receive more extensive consideration by the Senate.

Earlier this year I pointed out to members of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture and Forestry the reasons why I believe that S. 1484 provides an excellent starting point for necessary revision of portions of our Federal agricultural program. I have noted that S. 1484 would:

First. Assist in reducing huge wheat surpluses held by the Commodity Credit Corporation.

Second. Provide savings to the Treasury of over $750 million in decreased storage and price support payments.

Third. Permit adoption of a wheat program favored by a majority of wheat farmers, including the Oregon Wheat Growers League in my State.

Mr. President, I think that S. 1484 represents a workable and realistic wheat program. While the urgencies of the present situation demand immediate action, I hope that the Senate will not regard the present legislation as a final solution, but will reexamine the triple benefits which I believe that S. 1484 will supply to the public and the farmer.

The wheat stabilization embodied in S. 1484 recognizes four basic and vital concepts.

First. The expansion of CCC wheat stockpiles should be halted and holdings reduced to a normal level.

Second. A decrease in the net income of wheat farmers does not necessarily mean a reduction in wheat production.

Third. Solution of the overall farm problem is not aided if reduction in wheat acreage results in a shift to other crops which may be in surplus.

Fourth. Greater yields per acre should not be automatically reflected in larger Government stores of wheat.

I believe that these basic premises are sound. S. 1484 provides the administrative details which would make their implementation reality. The bill should be enacted and the program given a trial.

Mr. President, I think that we should recognize that wheat surpluses represent an opportunity as well as a problem. Our abundance can mean freedom from hunger for countless thousands in less fortunate countries. This is why I am happy to be a cosponsor of the comprehensive food for peace bill introduced earlier this year by the senior Senator from Minnesota [Mr. HUMPHREY]. This legislation would permit the United States to more effectively aid underdeveloped nations to feed their citizens and to promote economic progress. I think that this proposal has great significance for wheat. Many Western and Asian nations now suffer from inability to produce an adequate food supply—including bread—for their citizens. Within the past few years Oregon wheat growers have demonstrated that wheat can become an important food in the diet of Oriental peoples.

Mr. President, on May 17, 1959, the Sunday Journal of Portland, Oreg., published an excellent editorial entitled, "Wheat Surplus and World Market." The editorial discusses the need for the creation of a program which will more adequately assist in channeling our excess wheat production into the world's hungry mouths. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Portland (Oreg.) Sunday Journal, May 17, 1959]

WHEAT SURPLUS AND WORLD MARKET

The U.S. wheat surplus problem would be much easier to deal with were it not inextricably involved in foreign policy.

To the average American, it makes sense to take wheat out of bulging bins and ship it abroad. The United States has been doing this in recent years to a greater degree than ever before under special surplus disposal programs.

But these programs, which have sometimes been described as a fire-sale approach, do not sit well with other friendly wheat-producing nations. The United States has been accused of undercutting other nations in world markets, and this has been a principal source of irritation with Canada.

Just recently a joint Canadian-U.S. research committee came up with a report to the effect that U.S. wheat surplus disposal programs have harmed Canada and will continue to do so for some time to come. The authors said the United States had definitely captured wheat markets from Canada in Cuba, Brazil, Colombia, and Venezuela. The United States can sell cheaper abroad because its producers are subsidized, while Canadian wheat men produce largely for the world market price.

The research committee is gloomy about the future, predicting that the excessive world carryover of wheat is going to be greater than ever. Its figures at the beginning of the 1957–58 marketing year said Canada and the United States had enough wheat on hand to supply their own needs, plus three-fourths of the entire world trade for 2 years.

We assume that what is meant by world trade is limited to that which moves normally in commercial trade channels without relationship to actual need in underdeveloped countries. Nobody that we know of has come up with figures showing what dent would be made in the world surplus if the needs of hungry people could be met.

Recently a new wheat utilization committee was formed in Washington, with representatives from five wheat-producing countries, the United States, Canada, Argentina, Australia, and France, as the result of a food for peace conference, to study future wheat disposal plans. Such a conference had been proposed earlier by President Eisenhower to study ways of channeling surplus grains to needy nations.

Press reports indicated the conference showed greater concern over the protection and expansion of commercial markets than over finding ways to feed the hungry.

Still some positive steps were taken toward the latter goal, including plans to improve emergency wheat distribution by establishing stockpiles around the world and to develop a feeding system for classrooms and refugee camps. Representatives of the five nations agreed also to discuss plans for the acceptance of payments in the so-called soft currencies.

To put wheat products into hungry mouths makes more sense than to continue paying enormous storage costs for wheat we don't know what to do with. An international approach is necessary to accomplish this goal. Let us hope plans initiated at the five-nation conference will be vigorously carried forward.

CLARIFICATION AT GENEVA—NEW SECRETARY OF STATE HERTER DOES WELL

Mr. JAVITS. Mr. President, while the debate among military experts may be as to whether U.S. armament for war is superior to that of the Soviets, there is no doubt that American armament for peace is by far the better. The West has come to Geneva with a sincere and workable plan for reunifying Germany and promoting the peace; our side is willing to compromise on some of the details but we have made clear the goal we seek and our determination to achieve it through negotiation; we have equally made clear that we will not turn to appeasement. The Soviets on their part remain intransigent; they cling stubbornly to their old policies of relentless pressure, a policy which leads only to future Berlin crises, to future Quemoy-Matsu incidents, to future stresses.

Will Rogers, more than three decades ago, observed that the United States has never lost a war nor ever won a peace conference. Times have changed. The next war, which could be a nuclear conflict, can in effect be won by neither side—its end result would be near universal devastation, the experts say.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Clarification at Geneva," published in the New York Times of May 21, 1959. The editorial analyzes well the U.S. position at Geneva.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 21, 1959]

CLARIFICATION AT GENEVA

The Geneva Conference of Foreign Ministers has already produced one important result: It has brought about a necessary and enlightening clarification of both the aggressive and dictatorial Soviet designs and the real significance of the Western peace plan. The clarification is an essential first step toward a true appraisal of the situation, and it should dispel a lot of muddled Western thinking that has been playing into Soviet hands.

As expounded by the Western Foreign Ministers, they have come to Geneva with the high purpose of engaging in serious and meaningful negotiations not only to cope with the Berlin crisis precipitated by the Soviets but also to pave the way to a just and lasting peace. To that end they have agreed on a peace plan which, as Secretary Herter emphasizes, is hailed throughout the world. It has ended the Western practice of merely responding to Soviet challenges and has not only given the West the initiative but has also put the Soviets on the defensive.

Furthermore, in a direct indictment of the Versailles Treaty that ended the First World War, this plan renounces peace by dictation and discrimination against whole nations and envisages instead a peace based on consent. Such a peace calls first of all, as the "key to everything," for German reunification under a freely elected all-German Government able to sign a peace pact freely negotiated. The Western Powers have again solemnly pledged their support to it and Premier Khrushchev's assertion that "nobody wants German reunification" can henceforth be echoed in the West only by accusing the Western Powers of perpetrating a cruel hoax on the world.

Finally, the plan proposes a system of European security and armament control to meet professed Soviet concern and assure the peace and safety of both East and West Europe, including Soviet Russia and Germany, under mutual obligations freely negotiated and therefore acceptable in the common interest.

In contrast, the Soviets, far from merely seeking Western recognition of the status quo, evil and dangerous as it is, really propose to change it in order to win a new basis for Russia's century-long expansion to the west. To that purpose they are trying to impose not only on Germany but on the whole West, and by a victor's "diktat" backed by rocket threats, a so-called German peace treaty which would definitely dismember and neutralize Germany, take West Germany out of NATO and not only render it defenseless against the East to the detriment of Western defenses but also force American and British withdrawal from the European continent, leaving it to Soviet mercies.

The Soviets already proclaim the annexation of Greater Berlin to their East German puppet state, and give the West the alternative of either withdrawing its forces from West Berlin or admitting Soviet troops to it, a third proposition of the United Nations forces in West Berlin being ruled out by Secretary General Hammarskjold himself.

Finally the Soviets pay lip service to German reunification by the will of the German people and by free elections. But they prevent the German people from expressing that will and present as spokesmen for the East Germans Soviet citizens and commissars who in German eyes are renegades and traitors ready to Sovietize all Germany.

Unless the Soviets abandon these aims, the prospects at Geneva are dark indeed.

DETERIORATION OF GETTYSBURG NATIONAL SHRINE

Mr. YOUNG of North Dakota. Mr. President, Jess Gorkin, editor of Parade magazine, has done all of us a service by writing an open letter to the Members of the Senate concerning the Gettysburg Battlefield. The letter was published in Parade magazine for May 17, 1959.

I feel as much ashamed of the condition into which this national shrine has fallen as Mr. Gorkin does. By arousing millions of readers to the situation at Gettysburg, Mr. Gorkin has made it mandatory for Congress to take action. We should preserve our shrines in the best possible condition. By doing so, future generations can see Gettysburg as a beautiful memorial.

I ask unanimous consent that Mr. Gorkin's open letter to the Senate be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

IT'S NOT TOO LATE TO SAVE GETTYSBURG

THE MEMBERS OF THE U.S. SENATE,
Senate Office Building
Washington, D.C.

Gentlemen: The battle of Gettysburg and the memory of the men who fell here moved Abraham Lincoln in 1863 to deliver a simple, eloquent address that continues to stir men's souls. In it Lincoln spoke with feeling of the brave men who had consecrated the battleground with their blood. He described it as "fitting and proper" that the Nation dedicate a portion of the field to their memory.

Now that shrine is in danger. Last December 14, Parade described the march of commercialism across the slopes where 160,000 Confederate and Union troops fought the Civil War's bloodiest battle. Thus began a new battle of Gettysburg, which President

Eisenhower, whose farm overlooks the battlefield, and his Congressman, JAMES M. QUIGLEY, Democrat of Pennsylvania, carried to the committees of Congress. They sought $750,000 to buy land within Gettysburg National Military Park before private owners could exploit it. But the House Appropriations Committee denied them the money.

Now it is up to you in the Senate. And for each day lost, a part of our heritage is lost. Next year, or the year after, may be too late to save Gettysburg.

I wish I could guide you over these historic acres. I would point out a rusting auto that marks the spot where Gen. George Meade, the Union commander, set up his field headquarters. You would see a free museum and souvenir shop near the scene of the first fighting. Another souvenir stand and gas station stand near the place General Barksdale was killed at the head of his Mississippians. The left flank of Confederate artillery was dug in where the Sweet Kiss shop now stands.

Or you can follow the route of Pickett's historic charge: across an auto junkyard, past a new motel on the left flank, beyond plots for a housing subdivision. Finally, you should pause at the cemetery where Lincoln spoke his memorable words. Within 100 yards of this hallowed resting place may rise an industrial plant for the land is owned by a large steel corporation.

The memory that inspired Lincoln's stirring words must be worth more to America than the $750,000 needed to stop the advance of commercialism. How will you vote, gentlemen of the Senate?

Respectfully yours,

JESS GORKIN,
Editor, Parade.

PROPOSED ABOLITION OF CAPITAL PUNISHMENT IN DISTRICT OF COLUMBIA

Mr. KEATING. Mr. President, the Judicial Conference of the District of Columbia Circuit today adopted a resolution recommending that mandatory capital punishment be abolished in the District of Columbia. The resolution was adopted by an overwhelming vote of 89 to 8, following the submission of a report on the subject by a special committee appointed to study the problem. The special committee consisted of a cross-section of eminent lawyers who have practiced on both sides of criminal cases. Only 1 of the 30 members of the committee dissented from its report.

This action represents a great forward step in the continuing process of bringing up to date the criminal laws of the Nation's Capital. The present mandatory death statute in the District of Columbia for first degree murder cases is unique. No other State in the Union has such a harsh inflexible provision. New York State, for instance, years ago agandcned the mandatory death sentence.

Such rigid justice is self-defeating. It does not protect the public because it often leads to acquittal of the guilty to avoid the death penalty. At the same time it can lead to an indefensible meting out of the ultimate penalty without regard to the particular facts and circumstances in a given case. The ends of justice are not served by any such mechanical formula for punishment.

Mr. President, I have today requested the legislative counsel to draft a bill to remove this archaic requirement from the District of Columbia Code. I shall present the proposed legislation to Congress in the very near future. I am hopeful that Congress will be spurred by the recommendations of the judicial conference to quick action on this measure.

MUTUAL SECURITY PROGRAM—STATEMENT BY AMERICAN FARM BUREAU FEDERATION

Mr. DWORSHAK. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement by the American Farm Bureau Federation with regard to the mutual security program. The statement was presented to the Committee on Foreign Relations on May 22, 1959, by John C. Lynn, legislative director, and Herbert E. Harris II, assistant legislative director, of the Federation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE WITH REGARD TO THE MUTUAL SECURITY PROGRAM PRESENTED BY JOHN C. LYNN, LEGISLATIVE DIRECTOR AND HERBERT E. HARRIS II, ASSISTANT LEGISLATIVE DIRECTOR, MAY 22, 1959

The American Farm Bureau Federation appreciates this opportunity to present its views with regard to several aspects of the mutual security program.

Farm Bureau supports in principle the mutual security program; however, we believe substantial savings can be made in the $3,930 million requested by the administration without impairing the effectiveness of the program. The proposed savings we recommend in the mutual security program will still provide authorizations at about the level of the appropriations made by the Congress for this year.

We recognize the need for sound fiscal policy and a balanced budget, and will continue to make recommendations for appropriations dealing with other parts of the budget consistent with sound fiscal policy. We have recommended to the Appropriations Committees dealing with agriculture substantial reductions in the forward authorization for programs directly affecting farmers.

It is becoming increasingly clear that inflation is our most serious economic problem. Farmers and ranchers have experienced in recent years a price-cost squeeze. Since increased costs rather than reduced receipts have been the principal element in this squeeze, farmers are determined to work aggressively for a balanced Federal budget. They know an unbalanced budget is a major factor contributing to this inflationary threat which should be of concern to all citizens.

We will encourage labor and business to work with us toward a balanced budget, feeling as we do that all of us must make sacrifices to check inflation and to achieve a sound economy. We emphasize agriculture's readiness to bear its share of the adjustments which must be made. We will continue to press for action in the Congress, where the major responsibility lies, to modify agricultural legislation so as to steadily reduce the role of Government in individual farming operations.

Farm Bureau's 1959 policies adopted by the voting delegates in 48 States, Puerto Rico, and Hawaii state:

"The United States must demonstrate to the world that a dynamic, expanding, competitive capitalism is a major factor contributing to the more abundant life that people everywhere are seeking. For an economy to be dynamic and expanding, goods and capital must flow freely. This requires world trade and world investment."

We feel that one of the paramount factors that will give strength to the free world is a high-level, mutually advantageous international trade. We have given vital support to the reciprocal trade agreements program and continue our firm belief that two-way mutually advantageous trade is preferable to unilateral transfers by the United States through grants or excessively long-term credit.

Private investment is essential to the development of the free world. We sincerely hope that proposals to encourage the expansion of U.S. private investment will be carried out in such a manner as to expand the opportunities for private investment. We do not believe the ready availability of public funds in the nature of long-term soft loans is compatible with this objective. Countries who refuse or do not see the necessity to establish economic and political policies which encourage private investment should not have recourse to public funds. The availability of public funds under such conditions does receiving countries an injustice by encouraging them to continue unsound economic policies that discourage private investment and economic growth.

Farm Bureau's 1959 policies directly relating to the mutual security program state:

"The mutual security program represents an effort to unite the nations of the free world as partners in the struggle for a lasting peace. We should continue to stand ready to support constructive assistance to (1) friendly countries that show a willingness to use such assistance properly and (2) peoples in other areas of the world who are striving to obtain their freedom, provided such assistance will help them gain their freedom and not perpetuate their oppression. Programs should be designed to assist in the development of projects that will make a lasting contribution to the economy of the cooperating country.

"Proper safeguards should be taken (1) to avoid waste and the disruptive effects of projects not geared to the economies of cooperating nations, and (2) to prevent the initiation of projects which encourage socialism and stifle free enterprise.

"Assistance to underdeveloped countries must emphasize those political and economic principles which foster individual initiative.

"Economy is essential. We, therefore, support this program only to the extent that it is directed toward the effective achievement of its primary purpose of securing lasting world peace."

For several years Farm Bureau has presented annually to this committee a very detailed and comprehensive statement regarding the mutual security program. Each year we have made concrete recommendations to the committee that we thought would be helpful in improving this program. In our statement this year we are including specific recommendations for further improvement in the program. We are suggesting a total appropriation of $3,100 million. This is a reduction of $830 million from the request made by the administration. (See attachment: Recommended authorizations for mutual security program.)

We believe that there could be a better utilization of the funds accumulating as a result of the Public Law 480 program (the Agricultural Trade Development and Assistance Act) and that more consideration should be given to the proper utilization of such funds. According to our best information there is over $1,900 million in foreign currencies accumulated under this program that could be used for economic aid. In determining the level of econmic aid, it should be borne in mind that these funds are available for loans and, where possible,

the mutual security dollar appropriations should be decreased.

We commend the Congress for giving added emphasis to loans rather than direct economic aid. It seems to us that there is little need for direct economic aid except in unusual circumstances.

MILITARY ASSISTANCE

Military aid should assist our allies to build their own defense resources and thereby reduce their dependence on the United States for military goods and personnel.

The administration requests $1,600 million; we recommend $1,500 million. For the last several years we have recommended and Congress has appropriated funds for military assistance substantially less than has been requested by the administration. For example, last year the administration requested $1,800 million. Farm Bureau recommended $1,500 million and Congress appropriated $1,515 million. It is truly remarkable that even with the reduced appropriations each year since fiscal year 1955, expenditures for military assistance under the program have remained almost constant, ranging from $2.2 to $2.6 billion. Despite the $300 million reduction in military assistance last year, the estimated expenditures were $100 million over the expenditures in fiscal year 1958. The carryover at the end of fiscal year 1958 was $3.4 billion.

Farm Bureau has stated in the past that the carryover on this program was excessive. As this committee recalls, fiscal year 1954 began with a carryover of $8.5 billion. The substantial reduction in this carryover illustrates the soundness of Farm Bureau's position. We recognize the progress which has been made in reducing this carryover to reasonable proportions. We believe that the administration request can be reduced by $100 million without impairing the effectiveness of the program. We further recommend constant vigilance in this program to assure that military equipment be provided so as to strengthen the military posture of the free world's defense against Communist aggression. We are sure that this committee is aware of examples where this equipment could be utilized in a vastly different manner. Certainly we must guard against the increasing possibility of the friction between countries of the free world by expanding their armaments through U.S. grants.

DEFENSE SUPPORT

We recognize that defense support is by and large direct economic aid under another name. The administration's request of $835 million for fiscal year 1960 is $85 million more than was appropriated for the current fiscal year. Farm Bureau recommends that the authorization for this item be $520 million. We have seen the authorization for defense support remain at a consistently high level for a number of years. We doubt that such vast sums of U.S. capital can be injected into the economy of the principal recipients of this aid with beneficial results.

From July 1, 1945 to June 30, 1958, for example, total Government grants and credits to Korea, Taiwan, and Vietnam have exceeded $4.4 billion excluding all direct military assistance programs. Usually waste follows a program which is based on the unsound principle that the United States can somehow insure the economic stability of countries, irrespective of the domestic economic policies it adopts.

There may be, for example, instances where countries insist on maintaining a larger military establishment than that recommended by our own Defense Department. Under such situations, we feel that defense support funds should be withheld from them on a proportionate basis. Otherwise, we are placing the United States in the position of supporting the maintenance of military establishments in excess of the needs that are determined by our own military experts.

So long as the U.S. Government continues to show a willingness to provide these tremendous grants of aid on a continuing basis, we cannot expect the recipient countries to assume an increasing share of the responsibility for defense or economic growth.

We believe that an appropriation of $520 million for this purpose for the forthcoming fiscal year, if properly utilized, is adequate.

DEVELOPMENT LOAN FUND

We supported the establishment of the Development Loan Fund because it was our understanding that it would be used sparingly and that other sources of credit would be utilized to the maximum before request was made through this source.

The administration last year asked for $625 million for this Fund. The Congress appropriated $400 million. In spite of this action by the Congress—which we supported—the administrators of this Fund, for all practical purposes, committed $625 million. We were disappointed that the Congress adopted a supplemental appropriation of $150 million. We believe that the $400 million appropriated last year was sufficient; and we believe that the administration was wrong in committing this Government to more than the Congress had appropriated, even though the conference report seemed to go a long way in giving the administration a green light to commit more funds than were appropriated. Since this tended to commit a new Congress, we think this is unsound legislative procedure.

The budget request is for $700 million. We recommend $500 million with the understanding that the supplemental appropriation made for the current fiscal year be deducted from this amount.

Economic aid should emphasize loans rather than grants. It should be made clear that public loans are limited and that such loans are an unsatisfactory substitute for private investment. The Development Loan Fund, established under the mutual security program, should be used only after it has been clearly demonstrated that financing is not available through private investment, the World Bank, the International Finance Corporation, or the U.S. Export-Import Bank. Development loan funds should be made available only where it is clearly demonstrated that the repicient country is prepared to follow national economic policies which promote private enterprise investment to the maximum extent. We believe that there are now established sufficient sources of credit, both bilateral and multilateral, to meet the needs of countries desiring loans for economic development. Where credit in the nature of economic aid is provided, the United States should exercise direct control over disbursements.

Farm Bureau policies have long recognized the fundamental importance of private investment to economic development of underdeveloped countries. Where public funds are provided they should be in the nature of supplements rather than substitutions. We have visualized the Development Loan Fund as a method by which additional bankable loans would be made possible.

We recommend that the Development Loan Fund only make credit available when such credit can be used as a means of making additional financing available through private investment or through established "bankable loan" institutions. "Soft loans" are an expedient and must be administered with caution and prudence, otherwise, a disservice may be done to the recipient.

In addition to limiting funds available for loans from the Development Loan Fund, we recommend that section 202(a) be amended by inserting before the period the following: ", first priority shall be given to loans for projects where it can be clearly demonstrated that such loans will, in fact, make possible additional financing through private investment, the Export-Import Bank, or the International Bank for Reconstruction and Development."

The additional language suggested in section 202(a) would give first priority to loans for projects that will make possible additional financing through the established banking institutions, both public and private. For example, country "A" needs a fertilizer plant. This country might have a deposit of phosphate rock where the plant should be located, but there would need to be built 20 miles of railroad line into such a site. We will assume that neither the International Bank, nor private investors would want to build the railroad; however, the above institutions might have indicated that they would finance the development of the phosphate deposit and build the necessary fertilizer plant, if the country in question would provide the rail facilities. Under the proposed amendment to section 202(a) the Development Loan Fund would give first priority to a loan for the construction of the rail facilities.

By "first priority" it is intended to mean—and we believe the committtee report should so indicate—that even though there are pending other loans where the Development Loan Fund would be required to put up all of the financing, such a loan as described above would take priority over all other applications. This is using the Development Loan Fund for true economic development by assisting in the generation of bankable, repayable loans. This would be a demonstration of how Government financing, through the Development Loan Fund, could bring together governments and private investors in a most appropriate way.

We have grave concern that due caution is not being exercised to avoid the making of loans for projects which could have been financed through other established lending agencies. We urge the committee to make a thorough examination of this point.

During the present session of Congress, Farm Bureau has supported the increase in the U.S. quota to the International Monetary Fund of $1,344 million. This would bring the U.S. share to $4,125 million. We further have supported the increase in the U.S. subscription to the World Bank from $3,175 million to $6,350 million. In 1955 we supported the establishment of the International Finance Corporation with an available capital of some $100 million. We believe these institutions provide important sources of credit to the countries of the free world.

Farm Bureau has given vigorous support to the Export-Import Bank. The Bank is now authorized to have loans and guarantees outstanding at any one time of $7 billion. The Export-Import Bank became the first public agency, either national or international, to arrange credits for large scale economic development throughout the world. It has authorized loans of over $10 billion in some 1,600 individual credits and encouraged more than $1 billion, in private investment abroad.

All of these institutions have been tested by time. They have proved successful largely because of the sound operating procedures which they have established. They are, in most cases, making sound, bankable loans.

It is our view that unless the funds available through the Development Loan Fund are reasonably limited, the effectiveness of the lending institutions which are making sound, bankable loans will be severely impaired and curtailed. The careful work being done, for example, by the Bank, the Fund, and the Export-Import Bank of persuading countries to adopt reasonable economic and political policies could be negated through an abundance of soft loans too freely given through the Development Loan Fund.

Despite the fact that the Development Loan Fund was originally presented as a means to provide private enterprise with needed capital, we would estimate that not more than 10 percent of the loans made by the Development Loan Fund have been, in fact, to private enterprise.

Section 202(b) of the Mutual Security Act of 1954, as amended, states:

"The Fund shall be administered so as to support and encourage private investment and other private participation furthering the purposes of this title. * * * The provisions of section 955 of title 18 of the United States Code shall not apply to prevent any person, including any individual, partnership, corporation, or association, from acting for or participating with the Fund in any operation or transaction, or from acquiring any obligation issued in connection with any operation or transaction, engaged in by the Fund."

We believe that Congress adopted this language for the specific purpose of encouraging loans to private enterprise rather than on a government-to-government basis. We feel that this principle is still sound. It has not been properly implemented. We believe that the committee will agree that at least 25 percent of the funds provided in fiscal year 1960 for the Development Loan Fund should be used for loans to private investors. The Development Loan Fund should not be used as a means to encourage socialism by expanding the nationalization of industries in underdeveloped countries. The Farm Bureau feels that private competitive enterprise has been the basis for the tremendous strides that the United States has taken in the economic field. We feel that the underdeveloped countries of the world should be encouraged to take the maximum advantage of the benefits of this system that has worked so well for us. The United States must not be a part of leading underdeveloped countries down the dead-end street of socialism. We, therefore, recommend that this committee's report make clear that at least 25 percent of the funds provided in fiscal year 1960 for the Development Loan Fund should be used for loans to private enterprise.

BILATERAL TECHNICAL COOPERATION

Technical assistance should be continued as an important part of our foreign policy. The primary objective of this program should be to aid underdeveloped countries to develop their manpower and natural resources and expand their production and commerce through improved technology and practices rather than by loans or grants. Maximum emphasis should be on the development of industries which complement national economies rather than on agricultural development.

As we understand the technical cooperation program, it is the exchange of American know-how and show-how. Farm Bureau believes that one of the most effective means by which we can assist other countries in achieving their desires of economic development is through such a program properly administered.

While such a technical cooperation program should be limited largely to technical demonstration of know-how and show-how, there is another aspect to which we would like to give emphasis. We firmly believe that one of the fundamental reasons for the tremendous economic growth in the United States has been our economic system of free, competitive enterprise. The climate has been provided by our governmental policies that encourages opportunity and individual initiative, which we think is essential to real economic development in any country.

The proper selection and training of our personnel who are to go into the field on technical cooperation programs is of the utmost importance. They are more than technicians. They should be ambassadors for the American way of life. The understanding and friendship which they can create will be of lasting importance to the United States and to the free world alliance. We cannot force advanced technical methods upon other peoples—we can simply give them the opportunity to know about them. We should not attempt to force any political and economic system on other peoples. However, we can and should give them the opportunity to know about the advantages of the system which has contributed so greatly to the economic development of the United States.

SPECIAL ASSISTANCE PROGRAM AND CONTINGENCY FUND

We recognize that the President should have available funds that can be used for emergencies, such as natural disasters abroad. Since there is presently authority in the bill to transfer some funds from one category to another and since Public Law 480 provides substantial authorization which can be used by the President for these types of emergencies, we recommend that the contingency fund be eliminated. This will be a savings of $200 million.

We do not have specific recommendations for reductions in the special assistance program category. However, we urge that every effort be made in these individual projects to effect needed economies.

MULTILATERAL TECHNICAL COOPERATION AND THE SPECIAL FUND

Farm Bureau recommends that the authorization provided in this bill for U.S. contributions to the so-called United Nations Special Fund be deleted. For a number of years there has been considerable pressure brought, at least partially, by the Soviet Union and her satellite countries to establish a Special United Nations Fund for Economic Development (SUNFED). Last year the General Assembly of the U.N. adopted a resolution which established a United Nations Special Fund. This Fund was described in the resolution as being for the purpose of providing "systematic and sustained assistance in fields essential to the integrated technical, economic, and social development of the less developed countries." This language could be interpreted as encompassing every conceivable type of program or project in any country that might be affected. We feel that this program is contrary to stated U.S. policy, and that it does, in fact, inaugurate SUNFED. The managing director of the fund has stated that richer nations should be expected to contribute $35 billion toward this program over the next 10 years.

Farm Bureau is opposed to channeling large sums of the U.S. money or food through the U.N. and subjecting them, in any degree, to the influence of Soviet Russia. We will do the underdeveloped countries of the free world a disservice if we allow this to happen. We feel that it is a matter of real urgency that prompt action be taken by the Congress to prevent the United States becoming "trapped" by the device of the U.N. Special Fund.

The present mutual security bill proposes to increase the amount of money the United States should pledge for this fund. Despite the fact the Congress authorized and appropriated only $20 million last year for the United Nations technical assistance program and the special fund combined, the United States pledged $38 million, subject to the 40 percent limitation which Congress placed in the act last year. Other countries failed to pledge sufficient funds even to meet this requirement, and it is now estimated that the United States will be required to contribute only $23 to $25 million of the $38 million we pledged.

The following table may be helpful in explaining the situation:

United Nations expanded technical assistance program and special fund

	Million
Fiscal year 1959:	
Requested and appropriated	$20
Pledged for calendar year 1959	38
Amount matched (estimated)	23
Fiscal year 1960:	
Requested	30
Plan to pledge	40
Amount matched	?

We stand on our recommendation that this so-called special fund should be terminated immediately. However, we also understand that a number of commitments have been made at the United Nations which make it very difficult for Congress to legislate on this matter. We believe Congress should make a careful study of U.S. policy before additional U.S. funds are committed. In view of the serious implications and long range effects of this action, certainly pending this study, the authorization for the special fund at least should be held at the current level and not expanded.

We reiterate our position that the U.S. contribution to the U.N. expanded technical assistance program should be reduced to 33½ percent. Farm Bureau's 1959 policies state:

"We shall continue to insist that funds made available by the United States for the specialized agencies of the United Nations be appropriated directly to the agencies. The administration of such funds should be the primary responsibility of these agencies."

INVESTMENT GUARANTEE PROGRAM

The investment guarantee program was designed to insure investors against some of the abnormal risks they encounter in many foreign countries, such as expropriation or confiscation, inconvertibility of foreign currency investment receipts into dollars, and loss of investment for reason of war. We support the administration's request to broaden the guarantee to include revolution, insurrection, and civil disturbance arising therefrom. We also support the requested increase in issuing authority from $500 million to $1 billion.

Recommended authorizations for mutual security program

[Millions of dollars]

	Administration request, fiscal year 1959	Farm Bureau recommendation, fiscal year 1959	Appropriation, fiscal year 1959	Administration request, fiscal year 1960	Farm Bureau recommendation, fiscal year 1960
Military assistance	1,800	1,500	1,515	1,600	1,500
Defense support	835	725	750	835	520
Development Loan Fund	625	400	[1] 400	700	[1] 500
Bilateral technical cooperation	142	142	150	719.5	179.5
Multilateral technical cooperation	21.5	17	22	31.5	16.5
Contingency fund	200	212	155	200	272
Special assistance	212		200	272	
Other programs	106	106	106	112	112
Total	3,941.5	3,102	3,298	3,930	3,100

[1] Less supplemental appropriation for fiscal 1959.

The recommendations that we have made are designed to (1) bring more soundness into the mutual security program and (2) recognize the critical need for reducing Federal expenditures in order that we might help balance the Federal budget. We recognize that the unsettled conditions in the world today require the continuation of expenditures for mutual security, and we feel reasonably sure that the request being made by the Defense Establishment takes into consideration the military aspects of our mutual security program. We believe the recommendations made herein will not impair the essential operations of the mutual security program. We urge the Congress to adopt these recommendations.

ALCATRAZ

Mr. HRUSKA. Mr. President, the Omaha World-Herald recently published a series of articles on Alcatraz, perhaps the Nation's most famous penitentiary.

The articles were written by Mr. Bill Billotte, an experienced and proven newsman, who spent several days on the island prison gathering material about its purpose and operation for his firsthand, well-written report.

Alcatraz holds a certain fascination for each one of us. The World-Herald recognized the value of a factual report for this very reason. It has performed an important public service in undertaking and executing this assignment.

The public ought to be informed about the remarkable work which is being accomplished, and at the same time ought to be disabused of popular misconceptions which have gained acceptance through the years.

Alcatraz is especially susceptible of misunderstanding since its mission is to handle the worst offenders in our entire penitentiary population.

The public needs to have a critical evaluation of our penal institutions from candid sources. If our prisons are to enjoy the confidence of the public, it is necessary for us to know about their objectives, the people who operate them, and their success in achieving the desired goals in their proper administration.

Such appraisals, furthermore, should come not only in the wake of prison riots or disorders. They should be made continuously. It is our responsibility to determine whether the prisons have adequate facilities and are properly staffed. It is equally our responsibility to ascertain that their programs are intelligently, humanely, and effectively administered. Only in this manner can we justify and assure the improvement of our penal institutions.

In short, we ought to have available at all times a realistic account of what our prisons are like and whether they are fulfilling their purposes.

Mr. President, throughout the years, many thoughts were planted in my mind concerning Alcatraz. Some of these thoughts, I now know, rested on fact, while others were fed by too much imagination.

Recently, I visited Alcatraz as a member of the Committee on the Judiciary. The opportunity to observe the plant at work and to discuss its problems at firsthand with the staff served to dispel many erroneous impressions and brought into sharp focus its factual side.

By the very nature of the institution, however, not very many persons can have the experience of viewing the workings of the prison so directly. It is, therefore, especially important that accurate, intelligent reports be made available. For this reason, I was very much interested in reading reporter Billotte's ably written articles. I found them vividly done, and factual. Moreover, they contained valuable insights applicable not only to this institution and the men confined there, but to our prisons generally.

P. J. Madigan, warden of Alcatraz, said that Mr. Billotte's stories "presented our institution in its true light without the glamour or ruthlessness which sometimes creeps into articles about Alcatraz."

I am confident that this kind of reporting will be of benefit to those who administer such institutions. They will be equally of value to all those who recognize the importance of such work and seek its steady improvement.

Mr. President, I ask unanimous consent that the series of articles referred to be printed in the body of the RECORD following my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the World-Herald, Apr. 19, 1959]

ALCATRAZ MAKES CONS TREMBLE

(By Bill Billotte)

ALCATRAZ ISLAND, SAN FRANCISCO BAY.—Six men in prison blue shuffled with queer, jerky motions up the ramp from the green and white launch bobbing at the dock.

Their handcuffed wrists were shackled to a chain around their waists.

They wore felt slippers. Leg irons caused their jerky walk.

Four of the men were whipcord-lean, one was heavy-set and the other had the build of a bank clerk watching his diet.

HARD-EYED STARE

They were preceded by three armed men who had moved to strategic spots on the small dock as the prisoners hobbled to a standstill.

All six prisoners had the hard-eyed stare of soldiers after too many days in combat.

One man looked back toward the huge rock looming out of the early-morning mist halfway across the harbor.

Slowly he turned his head toward the magnificent San Francisco skyline.

He breathed deeply, then said almost inaudibily:

"Man, oh man. Just look at it."

EARNED RIGHT TO LEAVE

This man and his shackled companions had earned the right to leave the 12-acre Rock.

The name of that Rock is Alcatraz. The names have become synonymous.

It is a name that makes the strongest of criminals tremble.

Later authorities told about the six. They had served an aggregate of 45 years on the Rock.

They were getting off because correctional officers, who had watched them during the years, said they were ready for another try in a regular prison.

Those six seemed as relieved as the average convict going home after completing a sentence.

Why do they feel that way?

TOUGHEST 1 PERCENT

Is it necessary for a free Nation to have a prison as tough as Alcatraz?

Is the expense, admittedly high, justified for 300 men when a prison such as Leavenworth can take care of more than 2,500?

Are the correctional officers at Alcatraz brutal?

How can they keep these men in line and eventually send them back to the prisons from which they came with a new slant on prison life?

What manner of men are these who comprise the toughest 1 percent of the entire Federal prison population of more than 20,000?

These articles will give you the answers.

[From the World-Herald, Apr. 20, 1959]

ON THE ROCK—NO-NONSENSE PRISON HOLDS "MOST RUTHLESS" CRIMINALS

(By Bill Billotte)

ALCATRAZ ISLAND.—What manner of men are confined on this natural rock fortress?

Cold statistics and the men responsible for holding them in custody will tell you they are the most ruthless criminals in America.

Two men who can provide most of the answers about the men at Alcatraz are Warden Paul J. Madigan and W. P. Irving, training officer.

Mr. Irving was senior correction officer more than 10 years. Warden Madigan is a solidly built man with steady blue eyes.

These officers tell you straight off that Alcatraz is a no-nonsense prison.

Warden Madigan said a new prisoner is told the same thing the day he checks in.

Correction officers are highly conscious that the inmate population of Alcatraz is made up of the problem prisoners of all other Federal institutions.

For a decade some Members of Congress have made an issue of the tax money required to operate Alcatraz.

They point out that it takes $10.34 per day to sustain an inmate.

For all other Federal institutions the average is $4.58.

Critics further claim that Alcatraz is the white elephant of the Federal prison system because it is not centrally located. The cost of transporting prisoners is high.

They say the constant battering of the sea corrodes installations. And one prison employee is required for every three prisoners.

The critics also say it is impractical to have a prison so isolated that even the fresh water has to be brought in by tanker.

But Warden Madigan answers:

"I think the money is well spent. We take the pressure off all other Federal correctional institutions. The men they send to us are all problem cases.

"Other Federal prisons have extensive rehabilitation programs. If these programs are to function properly, those prisons must be relieved of the tensions created by men who think of nothing but escape."

As the worst troublemakers in each prison are weeded out, they are sent to Alcatraz, said the warden.

Prisoners are not sentenced to this prison.

"They earn their way on and they earn their way off," Warden Madigan said.

Millions of dollars probably have been saved at other institutions because prisoners who would have led rebellions have been sent on to Alcatraz, Warden Madigan said.

[From the Omaha World-Herald, Apr. 21, 1959]

ON THE ROCK—ALCATRAZ COUNTS MEN CONSTANTLY

(By Bill Billotte)

ALCATRAZ ISLAND.—One word describes the security measures in this prison:

Incredible.

Aided by nature, which sends riptides swirling around these 12 acres of solid rock, Federal authorities have taxed their ingenuity to provide other safeguards.

The 300 prisoners are counted every 25 minutes, day and night.

About the island and in the cell blocks, there are innumerable "snitch boxes" which locate any metal object on you.

There are no trusties. No prisoner walks anywhere on his own.

There is no commissary—a great privilege of the inmates of other prisons.

The men of Alcatraz can buy nothing, read no newspapers. They may talk only during specified periods.

Relatives are permitted to visit prisoners 1 day each month but must arrange the visit in advance. Attorneys with legal business may visit by prearrangement with prison officials.

Tear-gas bulbs set in the ceiling of the dining hall hang over the prisoners' heads as they eat.

All the security buildings are located on the crest of the Rock. A steep road circles upward to that peak.

There is a huge gate with bars of steel as you step through the door into the main building. The gate is controlled by an officer locked in the control room.

Only he has the key to this room. It is a protection against convicts ever taking over the prison.

The control room is a closed cubicle protected by 2½-inch bullet-proof glass with closed gun ports which can be opened only from the inside.

Pistols, machineguns and tear gas are locked in a vault accessible only from the control room.

The officer on duty passes out rifles and revolvers to the armed correction officers. No officers who come in contact with the prisoners carry weapons.

The control room also has an elaborate communications system to all parts of the prison. This includes the eight guard towers and the Coast Guard.

Beyond two more locked gates in the center of the prison are the cell blocks—A, B, and C. Cell block A is never used because it is made of soft steel, a carryover from the days when Alcatraz was an Army disciplinary barracks.

The other two blocks have a total of 336 cells. Each block has three tiers of one-man cells. Each row is locked from a control box at the end.

Here is one example of the security on Alcatraz:

As I was preparing to leave the island I was taken to the dock by an officer. He stood away from the launch and signaled a tower.

The man in the tower sent a key sliding down the cable to the officer below. The officer took the key and unlocked the cable that was mooring the launch to the dock.

Then the launch was searched. Meanwhile every prisoner on the island was counted.

A whistle was sounded on the launch. Only then was I permitted to step onto the boat for the trip across the bay.

ON THE ROCK—MANY HAVE TRIED; NONE ESCAPED

(By Bill Billotte)

ALCATRAZ ISLAND.—Seven inmates and three officers have died in daring but futile escape attempts from the Rock.

The bloodiest and most tragic in the 25-year history of the prison started on the afternoon of May 2, 1946. It ended 36 hours later.

When the last gun smoke and tear gas drifted off the island, 3 convicts and 2 guards were dead, and 15 others wounded.

The two ringleaders were bank robbers. The escape had been planned for months.

Joseph Paul Cretzer, killer of a U.S. marshall and perpetrator of nine daylight bank robberies, made most of the plans.

He had been sent to Alcatraz after he and another convict had captured a dump truck on McNeil Island Prison. They used its uplifted body as a shield to drive through a hail of gunfire to crash the main gate.

His companion was Bernard Coy, who had a record of escape and who boasted that no prison could hold him.

He was right.

Both he and Cretzer went off the Rock at the end of the break. But they went in plain pine boxes.

Five other convicts joined Cretzer and Coy in the plot.

Success in the opening stages depended upon capturing guns from an officer, stationed in a cage and gun gallery. He kept order in the main cell block.

The time was 2:30 p.m.

Coy made a bold, acrobatic climb to the cage and pried his way in with a bar made of plumbing fixtures. In this gun gallery was Officer Burt Burch armed with a .30-caliber rifle and a .45-caliber automatic pistol.

The opportune moment came when Officer Burch was at one end of the gallery. Coy slipped in through the pried opening in the bars, surprised Officer Buch and knocked him unconscious.

Coy stripped Officer Burch of his coat, took gas grenades, the rifle, automatic and some gas masks. He kept the rifle and gave Cretzer the automatic.

Both men still had the weapons when they were killed.

The courage of one correction officer, H. W. Miller, thwarted the escape.

Despite a savage beating and fatal gunshot wounds, Officer Miller hid the one vital key that would have permitted Cretzer and Coy to enlist the aid of other convicts.

The prison launches and Coast Guard boats circled the grim Rock throughout the siege. A contingent of Marines was brought in.

Although Cretzer knew within the first few minutes the escape attempt had failed, he held out for 36 hours.

Shouting curses and threats at the authorities, Cretzer told his fellow convicts:

"We are as far away from San Francisco as ever."

There were many other escape attempts. Watchful sentinels on the Rock believe there will be more.

But they are betting on the Rock.

[From the Omaha World-Herald, Apr. 24, 1959]

ON THE ROCK—SELFISHNESS KEY TRAIT AT ALCATRAZ

(By Bill Billotte)

ALCATRAZ ISLAND.—"These men demonstrate every day why they were sent here."

The speaker was square-jawed Training Officer W. P. Irving who has spent 13 years with America's most dangerous criminals.

Selfishness is the basic emotion of the men confined on Alcatraz, he said, adding:

"Do you know why we could never have a good band or a baseball team on this island?

"I'll tell you why. Each guy in the band has to play a solo—he doesn't care anything about harmony. He wants to be the lead instrument.

"It is the same in baseball. They don't care which team wins the game. Each one just wants to prove that he is top dog. He will run over a teammate to make the play."

Officer Irving smiles when you mention the desperate loyalty one inmate has for another as portrayed on television and in the movies.

"These men care nothing for each other," he said. "I have heard them joke about an inmate minutes after he died out there in the bay.

"I have watched them when one was telling another about some small good fortune that had come his way. Always the one who was listening was impatient. He wanted the other to finish so he could start talking about himself.

"The first reason for which they were sent to prison was because they were so egotistical they would not obey the rules of society. The reason they are on Alcatraz is because that first fall meant nothing to them. They tried to run the prison.

"Here, their kind is a dime a dozen. When they start to realize that they are just another bunch of Federal prisoners doing time they have taken the first step back."

Lt. James T. Mitchell walked into the room. He was in civilian clothes ready to return to San Francisco after finishing his 8-hour shift.

He is a huge man with a round jovial face. He has been a correctional officer for 12 years. "When you come into contact with these men day after day you have to guard against letting them win your confidence," he said, "They will go for days trying to make you think you are working at a boys' reformatory.

"Then the minute you relax—wham. And when they hit, they hit hard."

Officer Irving laughed when Lieutenant Mitchell left.

"There's a guy who has fooled many an inmate. Notice how big and soft he looks? Well, Jim is as hard as nails. He can sprint like nobody's business and climb like a monkey."

[From the Omaha World-Herald, Apr. 24, 1959]

ON THE ROCK—LAW MOST POPULAR READING IN STIR

(By Bill Billotte)

ALCATRAZ ISLAND.—What do the inmates do to keep from going stir-crazy?

Not even the authorities who run things on this barren rock pretend that the men have an easy time.

At certain hours of the day and night when the convicts are locked in their cells they can read or listen to restricted radio programs through headphones.

All have periods when they can exercise in the recreation yard. It measures 45 by 90 yards.

Most of the men work in shops making gloves, furniture, clothes or brushes. Those who do not work get no time off for good behavior.

The convicts are locked in their single cells about 5:30 p.m. and remain there until 7:15 a.m.

What is their favorite reading?

Law books.

There are probably more authorities on the writ of habeas corpus than in some law schools.

That is the law which Webster's will tell you "inquires into the lawfulness of the restraint of a person who is imprisoned or detained in another's custody."

"And, believe me, that is a law the boys out here never tire of exploring," said Training Officer W. P. Irving.

"There have been times when I thought the Rock was getting me. A prisoner comes up and says 'I know they can't hold me and you know it—I'll be long gone in a couple of weeks * * * I have a writ of * * *'

"Well, 3 years later the same guy walks up to me and gives me the same line for the umpteenth time. But he is still here.

"One of the few things a convict can spend money on is legal help from the outside."

The records on the Rock show that more than 1,700 convicts have filed appeals since the prison became the top security institution of the Federal system in 1934.

A number of them have gone as far as the U.S. Supreme Court.

How many succeeded?

Eleven.

A few were sent back to trial courts for further action.

But the curiosity of the inmates spreads into many fields. Although they are not allowed to read newspapers, each may subscribe to eight magazines.

Every prisoner uses the privilege to the fullest. Some magazines that appear on the convict lists are surprising:

Good Housekeeping, Successful Farming, Fortune, New Yorker, American Builder, Better Homes and Gardens, Ebony, American Chess Bulletin, Motor Trend, Metronome, Down Beat, Field and Stream, the Reader's Digest, the Cattlemen, Bridge World, Yachting, Supreme Court Reporter, Federal Reporter, U.S. News & World Report, American Pigeon Journal, and Pacific Poultryman.

Officer Irving said that although only a few inmates have finished high school before coming to the rock, they read an average of 80 books a year.

[From the Omaha World-Herald, Apr. 26, 1959]

ON THE ROCK—"SERVE POOR FOOD AND YOU HAVE TROUBLE IN PRISON"

(By Bill Billotte)

ALCATRAZ ISLAND.—The basic concept for the treatment of prisoners on Alcatraz has changed little since the prison's start in 1934.

Shortly before that the country became shocked and frightened by kidnapings, bank robberies, gang killings, and other atrocious crimes.

Congress passed a number of new laws giving the Federal Bureau of Investigation and some other Federal law-enforcement agencies jurisdiction over some offenses previously under the States.

Attorney General Homer Cummings led a vigorous drive to capture and severely punish the criminals.

It was decided that as a part of the campaign an institution should be established which would feature maximum security and minimum privileges.

Thus Alcatraz, which had been a military disciplinary barracks, became a Federal prison.

Then and now, authorities say, the intention was to deflate the big-shot, impress upon him that he is a tinhorn misfit who hasn't the courage to make a legitimate living.

The rules are laid and the prisoners follow them. The authorities are too impersonal to be brutal. But if an inmate swings at an officer he ends on the floor.

And he loses some of his few privileges. The cells in D block, which are called the special-treatment cells, await those who want to do it the hard way.

The food is as good as is served in the average middle-class home.

Here is a lunch I ate:

Mock veal cutlets, boston baked beans, fried cabbage, buttered beets, catsup, mustard, tossed salad with dressing, bread, cabinet pudding, fruitade and hot tea.

A typical supper:

Cream of tomato soup, roast ham, celery dressing, natural gravy, snowflake potatoes, creamed corn, hot rolls, braised spinach, chocolate milk, combination salad, coffee, applesauce, bread, butter, ice cream with butterscotch sauce.

The meals, as any penologist will tell you, loom as large events in a prisoner's life.

"Serve poor food and you've got trouble," is the answer to anyone who criticizes the grocery bills.

What tortures the men on the Rock, the authorities say, are the fleeting glimpses of San Francisco's skyline through a lifting fog, the glittering lights that change it into a multicolored necklace flung up against the sky on a clear night.

They can see it. But they can't touch it.

THRONG OF YOUNGSTERS GROWING UP ON ALCATRAZ ISLAND

(By Bill Billotte)

ALCATRAZ ISLAND.—Not all who live here are criminals shut off from the world because of their violent acts against society.

Here, too, live the families of many of the men who run the prison.

Every morning a throng of fresh-faced youngsters with lunch buckets and books heads for the dock to take the Alcatraz trolley for San Francisco and a day in school.

Some of these youngsters have lived on the Rock all their lives. They grow under a set of rules that other youngsters their age could not even comprehend.

Their playgrounds are surrounded by high wire fences. But they are well equipped.

The gleeful shouts of the kids mingle strangely with the mournful hoots of the freighters and Navy fighting craft that nose their way cautiously through the fog of the bay.

The youngsters have been briefed carefully about their behavior on this off-beat 12-acre island. They cannot wander at will, although the mystery that broods over the Rock must sometimes entice the more adventurous.

If any of the children were seized as hostages, the convict would have a strong bargaining position.

The children, ranging from five to those in high-school age, board the launch *Warden Johnston* shortly after 8 a.m. on school days. They are transported 1½ miles across the bay.

Usually there is a scattering of officers' wives riding with the kids. The women may spend the day shopping, have a date at the beauty shop or to take in a movie.

Wives skip movies of the gangster type. Families on the island do save money. Rents range from 16 to 35 dollars a month.

Prison authorities approve because the officers are immediately at hand should there be a break. All officers are subject to emergency call but those living off the Rock would be delayed in reaching their posts.

About one-third of the employees live on the south end of the island. Clustered about the old parade ground that once resounded to bugle calls are small bungalows, apartment buildings and bachelor quarters.

The playgrounds are nearby.

In the fall of 1956, the Rock became the site of a wedding.

Pretty 17-year-old Ann Burrows was married to Willis J. Palm, 26, a plumbing-supply firm employeee who refused to let the difficulties of an Alcatraz courtship discourage him.

They met "right where the boat comes in" at San Francisco, from the Rock. They dated frequently, each time requiring recognition from the tower officer when Ann was escorted home.

"There wasn't much chance of fooling any one about what time you got in," said Ann.

ON THE ROCK—AVERAGE STAY IS ONLY 5 YEARS

(By Bill Billotte)

ALCATRAZ ISLAND.—There are several popular misconceptions about this most-talked-of prison in the Federal system.

Probably the oftenest mentioned is that the oldest installations on the island were built by the Spaniards.

Interesting but untrue, says Warden Paul J. Madigan, a student of Alcatraz history.

Just about the time members of the American Congress were completing the first draft of the Declaration of Independence, a Spanish brigantine dropped anchor to windward of the island.

A helmeted conquistador, Lieut. Juan Manuel de Ayala, and part of his crew rowed ashore. They took possession for Spain.

Lieutenant Ayala looked long at the birds that were making the bleak rock their home and wrote on his map "Isla de Los Alacatraces," the "Isle of the Pelicans."

For 70 years it remained just a refuge for sea birds. In 1948 the last Mexican Governor of California granted it to a man named Julian Workman, with the understanding that he establish "a light which may give protection on dark nights to the ships and small vessels which may pass there."

His heirs gave the island to the U.S. Government in 1850 when California became a State.

It was made into a highly fortified spot against enemies who might want to attack from the Pacific. It remained a fort until the end of the century.

Alcatraz then became a disciplinary barracks for the military. During the Indian Wars many a bonneted chief spent gloomy days staring into the foggy bay.

Warden Madigan was a guard in the early Federal Prison days when inmates were not even permitted to talk to each other.

"I have a hard time convincing people that the men who are sent to Alcatraz do not spent their lives here." Warden Madigan said. "As a matter of fact the average stay is 5 years.

"It is all up to the prisoner. Once we are convinced he can rejoin the prison population in another institution and behave himself, he is sent on his way."

No playing cards are allowed on Alcatraz.

But the prisoners have worked out a system using dominoes.

They carry the dominoes in bags, have a board they erect in front of the dominoes so the other participants in the game can't see their "hand."

"We have bridge players who could hold their own in fast tournaments on the outside," said Training Officer W. P. Irving. "You can hear the prisoners arguing the merits of the Culbertson or some other system as they walk back and forth in the yard."

[From the Omaha World-Herald, Apr. 28, 1959]

ON THE ROCK—CAPONE RACKETS STOPPED AT WALL

(By Bill Billotte)

ALCATRAZ ISLAND.—Has Alcatraz fulfilled the mission for which it was intended when an aroused Congress struck against big-time crime in the early thirties?

Those who run the prison say it has.

When Al Capone, probably the all-time kingpin of American crime, arrived at Alcatraz he became just another bewildered crook.

An authority explained:

"In the Atlanta Prison Capone abused the privileges extended to the inmates as an integral part of an overall reformative program. He tried to capitalize on them by getting officers to work with him.

"In other words, he sought to carry on rackets from inside the prison. Upon his commitment to Alcatraz, it was necessary to admonish him several times.

"For he found the discipline more rigorous than in other prisons. After his initial tenseness had passed, however, Capone made an average adjustment."

And that is the story of the Machinegun Kellys and all the rest of the hoodlums who carried their underworld influence into other prisons before coming here.

Now an $185,000 improvement program is well on its way and other plans are on the drawingboard for Alcatraz.

The general opinion is that Alcatraz will be the top security prison for many years.

Nebraska Senator ROMAN HRUSKA, who visited the institution on behalf of the National Penitentiaries Subcommittee of the Judiciary Committee, said:

"Throughout the years many thoughts were planted in my mind concerning Alcatraz. Frankly some were good and some were not. Some rested upon fact and others came from a lively imagination.

"The opportunity to inspect the institution and to discuss its problems with custodial staff and the administrative personnel served to dispel many erroneous impressions.

"Of course, I was immensely impressed by the intense efforts which were pursued to maintain maximum security standards.

"After an inspection, it was readily apparent to me why there is such a high maintenance cost at Alcatraz."

Senator HRUSKA said that although the geographical location and physical equipment of the prison make it expensive to operate, the "Bureau of Prisons considers it so important as a crime deterrent that its continued operation is planned." He added:

"The warden and his staff have a grim task to perform. You leave the place with a genuine respect for the resoluteness and yet the humanity with which they daily carry out their duties."

CONSERVATION OF NATURAL RESOURCES

Mr. DODD. Mr. President, although the hour is late, I feel an obligation to make a statement concerning the conservation of our natural resources, since the press has been notified of my intention to speak on this subject today.

The PRESIDING OFFICER (Mr. MOSS in the chair). The Chair interrupts the Senator from Connecticut to say that he has read the statement which is about to be made by the Senator. The Chair commends him highly for his presentation of the problem and his approach to it.

Mr. DODD. I thank the Presiding Officer, the distinguished Senator from Utah. That was a very generous and kind thing for him to say.

I feel this is a matter of grave importance. It is not a dramatic subject. I did not expect, when I prepared my remarks for delivery, that it would capture the headlines or attract any attention at all as a speech made in the Senate. But it is a matter about which we cannot say enough, because I believe it is one of grave importance for all of us; and because it is a grave matter, we must all put our minds to it.

I am especially hopeful that somewhere, somehow, it will be possible to attract attention among those who will take the time to read what has been said. Then perhaps we can get action. I hope the statement will receive attention in the White House, first of all, and later, I hope, in Congress, at the time when studies are made of our mineral resources, but principally and more properly studies of our natural resources.

Mr. President, the mineral resources of this planet are limited; but the appetite of man, while the earth endures, is unlimited. Herein lies a great enigma, an apparent contradiction which casts a fearful shadow over prospects for continued human advance.

The succeeding stages of civilization, the ages of stone, bronze, and iron, are delineated by, and named after, man's progressive mastery of the use of minerals.

Logic dictates that at some point in time, unpredictable, but no less certain, the falling curve of mineral deposits will intersect the rising curve of mineral consumption. When that point arrives, unless man has evolved another material basis for his civilization, his brief hour of abundance and progress will signify just another temporary phenomenon, an interesting curiosity, a cheerless footnote in the endless geological history of our planet.

How close are we to that point of mineral exhaustion?

Not until this century did men unlock the secrets of the earth sufficiently to challenge the adequacy of its resources.

It was not until the era of Theodore Roosevelt that alarm over natural-resource depletion resulted in a national conservation movement. And since the death of Theodore Roosevelt in 1919, more of the earth's mineral resources have been consumed than during the entire period of man's existence on earth prior to that time.

At midcentury, President Truman appointed a distinguished commission, headed by William S. Paley, to draw up a balance sheet of our total mineral assets, contrasted with our foreseeable needs.

On June 2, 1952, this President's Materials Policy Commission published one of the most significant Government reports ever made. The exhaustive survey of the Commission sought to answer this question: Has the United States of America the material means to sustain its civilization?

The answer, spelled out in five volumes, was conditional. If we embark upon a comprehensive program of conservation of present mineral resources and development of new sources of supply, we can sustain our civilization. If we do not, our days as a secure and prosperous people are numbered. That was the message of the Paley Commission.

Seven years have passed since the publication of that definitive study. While significant accomplishments have been made in some areas, the comprehensive national program called for in the Paley report has not been devised or enacted. The diminution of our natural resources has proceeded at an accelerated pace.

So the time has come, Mr. President, I believe, to restate this urgent problem, to renew the plea that long overdue remedial action be taken, and to suggest some lines of attack.

I do not pretend to speak as an expert on conservation. I have no special qualifications in this field. To the many people who have spent a lifetime studying this question, my remarks today may seem quite elementary. But though my concern with conservation has been as a layman, it has been nevertheless the concern of a lifetime. My interest started when, as a schoolboy, I studied the writings and deeds of Theodore Roosevelt, Gifford Pinchot, and the other early leaders of the conservation movement. That interest has continued through the years. At this moment I recall particularly the writings of the late Bernard de Voto, who for so many years eloquently and tirelessly pleaded this great cause.

Mr. President, as I speak of him, I am reminded that when I was in the House of Representatives he called on me and he counseled with me. We spent long hours together, talking about this great problem. I owe him a great debt for stimulating the interest I had at that time and for increasing my interest in this whole subject. He was a great man, and a leader of those who believe in conservation.

Mr. President, I have come to feel that in the long run there is probably no program more important to the future of this country and to the welfare of future generations than a dynamic program of conservation.

The facts I shall state are not new. The suggestions I make are not original. But we shall not act with urgency and decisiveness until the truth of these facts and the soundness of these suggestions have been pointed out so often that the Nation will no longer delay.

This is the motive that impels me to speak today.

Here are the facts:

Ninety percent of our virgin timber stand in the commercial forest area has been cut. We are using up our inventory of saw timber at a rate of 40 percent faster than its annual growth.

The erosion of our soil and the destruction of our agricultural lands have been a national disgrace, and may become a national clamity.

Even our supply of water, once considered unlimited, is now proving inadequate in widespread sections of the country, due in considerable measure to soil erosion.

Our annual consumption of minerals is more than 6 times what it was in 1900, at the beginning of the conservation movement.

The United States, once a large exporter of raw materials, has for some time been a large importer. Last year, more than 10 percent of our raw materials came from foreign sources. This year, that figure must increase. Next year, it will increase further.

At one time, we were huge exporters of copper, lead, and zinc. Now we are the world's largest importers of these materials. Our imports of iron ore are

constantly increasing. Only the artificial, restrictive policy of the administration prevents our petroleum imports from skyrocketing.

As of today we are at least partially dependent upon foreign sources for every basic basic metal except magnesium and molybdenum.

Turkey and the Philippine Islands are now our chief sources of chrome. Africa and South America provide a large part of our copper. We are dependent upon the Far East and Bolivia for our tin. We have been importing large amounts of petroleum from South America and the Middle East. Much of our iron ore comes from Liberia and Labrador. With each passing year, our dependence upon more and more foreign sources of supply will grow.

Of 100 minerals in common industrial use, only one-third are entirely supplied by domestic producers. Another one-third, including such basic minerals as iron, petroleum, copper, and lead, are obtained partly from abroad and partly from home. The final one-third are provided almost entirely by foreign sources.

Some may draw comfort from the fact that the forecasts of mineral exhaustion in past decades have been proven unwarranted by discoveries of vast new reserves and by technological advances. But that comfort should dissolve when we speculate for a moment upon the fantastic increase in mineral consumption which has taken place and which will take place in the immediate future if present trends continue.

Three principal factors cloud the future: First, in the past 40 years we have consumed more minerals than those consumed during all the prior period of life on earth. Second, population experts tell us that more people will live in the 20th century than the total of all those who have lived previously since the creation of man. Third, up to now only a very small percentage of the earth's population has been responsible for this tremendous consumption of minerals. But as the drive for industry gathers steam in the underdeveloped nations, consumption figures will multiply at rates that are almost impossible to comprehend.

The United States is peculiarily dependent upon mineral resources.

Our national goal is an ever expanding standard of living for an ever growing population. Our society, more than any other in the world, is dependent upon the constantly increasing consumption of raw materials. Our people use eight times more of these materials per capita than do the other peoples of the world. At present, the average American consumes 18 tons of raw materials each year.

Let us for a moment speculate on our approximate materials position as it will probably be in the year 1980, based on a projection of present trends.

By 1980, the United States will be consuming 50 percent more raw materials annually than it does today. Mineral consumption will be 90 percent greater than today. Our consumption of nonferrous minerals will be 85 percent greater; our use of mineral fuels will be 97 percent greater; that of construction materials, 35 percent greater; and that of nonmetalic minerals, 133 percent greater.

Our population will be in excess of 225 million. Our gross national product will exceed $600 billion.

To expand our economy at present average rates will require doubled and redoubled supplies of many raw materials which already are in short supply.

Our dependence on foreign sources for the 26 most important materials, from antimony to zinc, will range from 25 percent to 100 percent. All supplies of such vital minerals as chrome, corundum, industrial diamonds, graphite, quartz, nickel, and tin will have to come from overseas. As a matter of fact, this is largely the situation right now.

How long will foreign sources of supply prove sufficient for our deeds? More than 2½ billion tons of 30 leading minerals are mined annually throughout the free world. This amount is irreplacable; once removed from the earth, it is gone forever.

There are no exact figures on worldwide mineral resources; and we do not know exactly how much is being consumed.

The experts say that at present there are no critical shortages of vital materials. But they also say that shortages are inevitable, even if present rates of consumption are maintained—and we know that these rates will be sharply increased.

And even if foreign resources were adequate for the foreseeable future, how long will these foreign sources of supply continue to be available to us? That depends on what action we take in the months and years ahead.

Our growing dependence upon foreign supplies will greatly change our position in world affairs.

Four dangers to the United States are posed by the problems I have just outlined.

The first is the military danger. As our great industrial machine becomes more and more dependent upon foreign sources of supply, our national defense becomes more and more vulnerable. If a protracted global war is still possible in this nuclear age, the danger of a cutoff of vital supplies is paramount; and this weakness could well be our Achilles heel.

A second, and more likely, danger is that Communist penetration into resource areas of the world, combined with the future reluctance of newly industrializing nations to provide us with the raw materials they will need for themselves, may so reduce our supplies as to progressively impair and undermine our economy and, with it, our military strength.

The third danger is related to the second. Mere availability of raw materials is not enough. They must be available at prices low enough to make their use possible. For instance, we already know how to convert salt water into fresh water. But we cannot do it economically enough to justify the use of this process.

As our native resources become less and less accessible, and as the competition for worldwide resources becomes keener, the cost of obtaining these materials will become greater and greater. A principal ingredient in our prosperity has been cheap energy and cheap sources of raw materials; and these increased costs would inevitably and remorselessly force down our standard of living.

The fourth danger, and the one most distant, is that the world's expanding rate of materials consumption will at length exhaust the earth's supply of minerals, one by one. If technology does not succeed in developing substitutes, if our material civilization is unable to change its base, then that civilization will disappear, and man's abundance will vanish with the natural resources that made it possible.

These, in brief, are the dangers that we face. Fortunately, there are many in this country and in the world who are aware of them, and who have sounded the alarm. We have been given ample advance warning.

But the warning has not been adequately heeded. Seven years after the publication of the Paley report, these dangers loom more imminent than they did at the time when the report was made.

What shall we do?

Before we can act, we must have up-to-date, current figures and estimates upon which to base our action.

Therefore, Mr. President, I recommend that a new Materials Policy Commission be appointed by President Eisenhower. I recommend that the Commission undertake a study commensurate with the study of the Paley Commission; and that, unlike the Paley Commission, the new Commission emerge with a comprehensive program of specific legislative proposals.

Almost 10 years have passed since President Truman decided to appoint the first Materials Policy Commission. I believe that such a time interval is the maximum that should be allowed between definitive studies of a problem so fundamental, complex, and changing.

No individual Senator has the competence or the staff facilities to make the extensive investigation and the comprehensive evaluation that this problem requires. So many problem areas are involved, and the jurisdiction over these areas is so widespread among the agencies of the executive branch of Government and among the committees of Congress, that the individual agencies and committees are not equipped to adequately tackle this question. The Bureau of Mines, for instance, has an extensive and many-sided program for conserving mineral resources, which includes yearly estimates of reserves, exploration for new reserves, the development of substitutes for scare minerals, and other activities. But even this program, considerable as it is, involves only a small area of the total natural-resources problem.

That is why I advocate a new Materials Policy Commission, with authority to examine all aspects of this problem, with sufficient facilities to accomplish

this task, and with the responsibility for recommending a specific, balanced, and fully integrated legislative program.

While we are waiting for authoritative recommendations, we need not stand idle. The suggestions of many past commissions and committees and the dictates of our own commonsense outline a course of action which we can pursue.

We must develop and expand all available foreign sources of raw materials. Our foreign-aid program has a special role to play in this. Aid to underdeveloped areas, to assist in the development of untapped resources, should have high priority. This is the most important and effective type of foreign aid. This is the kind of aid that will do most to help our friends around the world, and to help ourselves as well.

Through the World Bank, the Export-Import Bank, the International Finance Corporation, and other such agencies, more capital must be channeled into resource development.

We must take a long, hard look at our attitudes and policies regarding foreign trade. Within a few years the United States will become just as dependent upon imports as many European nations are today. Consequently, we shall find it absolutely essential to sell abroad ever-increasing amounts of manufactured goods, in order to pay for imports of raw materials. Before long we shall have as great a need for foreign currencies as other nations now have for American dollars.

Foreign trade is now, and will continue to be, the lifeline for the United States and for the rest of the free world. A liberalization of our reciprocal trade policy is as essential to conservation of vital resources as it is to the growth of commerce.

The protectionist policies of our country which have discouraged imports of some raw materials must be reexamined. No temporary advantage for any particular industry should be placed above the national interest. This national interest is best served by encouraging imports of the raw materials of which adequate domestic supplies are not guaranteed for the foreseeable future.

It is often argued that if increased imports of certain raw materials were allowed, the domestic industries engaged in mining those resources would go out of business, exploration for new deposits would then cease, and our country would become totally dependent upon foreign supplies.

This reasoning has frequently been accepted by Congress; but it should now be reexamined. If we discourage imports of relatively scarce materials until we have exhausted our domestic supplies, we shall indeed become dependent on foreign supplies, and that dependence will be total and final.

I suggest three alternative lines of action which I think offer hope of a more prudent solution to the problem.

We can expand our stockpiling program to the extent necessary to provide adequate supplies of critical materials to tide us over any reasonable emergency period. We can promote various methods of Government assistance to these resource industries, so as to keep them in working operation on a level sufficient to permit rapid expansion to meet the needs of a prolonged emergency.

And we can provide that in the case of such industries the Federal Government will assume a substantial responsibility for carrying on the search for new sources of materials within our own borders, a search that would otherwise end if domestic producers went out of business or sharply curtailed their activities. I realize that this is an extremely difficult and complicated question, and that each industry is entitled to individual consideration of its case. I hope the proposed Materials Policy Commission study will thoroughly probe these questions.

The success with which we acquire, for our own use, the raw materials of the world will bring its own problems. While underdeveloped nations need the money we have to pay for their raw materials, they cannot help but feel resentment at the loss of materials they may need for their own future development. Eight percent of the non-Communist world cannot go on using up 50 percent of the resources production of that world without arousing a fierce resentment. As knowledge of the shortage of resources spreads throughout the world, we can well understand the feelings of leaders of underdeveloped nations who see their raw materials being exploited to sustain what must seem to them a fantastically extravagant mode of living in the United States.

For practical and moral reasons, we must work out a policy for exploiting natural resources that is for the benefit of the entire free world, and not just for the fortunate minority that lives in the United States.

Our conservation program must therefore call for the most careful use of our own resources while we strive to develop a technology that will make possible man-made substitutes that will solve not only our own problems, but those of the whole world.

A great contributing factor to the decline of our resources has been the enormous waste in extracting them. About 50 percent of the commercial grades of coal are left in the ground during the process of mining. More than one-half of the petroleum in a pool is never recovered. Enough natural gas is wasted each year to supply the needs of millions of homes.

Here we come face to face with a basic question of government philosophy.

During the 50 years that we have had National and State conservation programs, their effect has been limited largely to the public domain. Where regulations have been imposed on private property, the usual purpose is to protect adjoining property holders from injury.

We have never clearly defined the legitimate interest which the Nation and future generations have in the conservation of all natural resources, whether publicly or privately owned. In most States a timberland owner is still permitted to wantonly destroy forests. A coal operator may mine only 5 or 10 percent of a vein. Farmers may destroy or abuse their property at their own pleasure.

As we leave the era of abundance and enter the era of scarcity, all of our national resources take on a national importance that transcends commercial rights or private whims. We must devise a body of National and State laws which will preserve our national heritage from private ignorance and private neglect.

This will not be easy, and the first step is to promote public awareness of the danger we face, because regulatory laws will never be passed and enforced until there is public acceptance of the principle behind them.

What is that principle?

It is, I think, that while men have a right to use natural resources, they have no right to abuse them. With the right to use, goes the obligation to protect the same right to use for future generations.

And when the scarcity of resources reaches the extent that their conservation becomes a vital national interest, then the Nation is compelled to enact regulatory laws to protect that interest.

The discovery of new resource reserves offers the most hopeful immediate remedy. We must push ahead in completing topographical and geological surveys of our own country. We need not assume that the United States has been just about explored out. As of recent date, available geological maps cover only about one-seventh of our country, and topographical maps cover less than half of its land area. It is generally agreed that undiscovered mineral sources may well be far greater than those already found and exploited.

The 85th Congress enacted legislation which makes an advance toward an adequate program of Government-sponsored exploration, in partnership with business. But this year the House Appropriations Committee failed to grant the modest appropriation requested by the Interior Department. I hope that we shall deal more adequately with the needs of this vital program in the Senate.

Our remaining publicly owned timber resources, waterpower sites, and grazing lands must be zealously protected from selfish exploitation by special interest groups.

Thus far we have dealt with methods of conserving known resources, developing foreign supplies, and discovering reserves which exist but have not yet been found.

These activities, important as they are, are really only delaying actions in the fight against scarcity.

The essential element in any successful conservation program is the element of creativity. Technology offers the only final solutions.

The Government must expand its research assistance to business in developing ways to use lower quality materials. Only a comparative handful of known minerals are useful to industry today. Silicon, for example, is the most abundant metal in the earth's crust, but its industrial application is still very limited. Scientific research will find uses for many of these unused materials. This is one of the principal hopes we

have for sustaining man's material progress in an age when stores of present industrial minerals are declining.

Only recently, an important breakthrough was made in converting oil shale, of which we have an almost limitless supply, into petroleum.

We are only at the beginning in our efforts to tap the vast mineral sources of the ocean and to make ocean water useful to agriculture and industry. Such research as this is essential to the future of this Nation and should be encouraged and assisted in every way by both Government and industry.

We must improve our methods of industrial reclamation. It is almost impossible to overestimate the potential of scrap of all kinds. Private industry is developing better and better methods to reclaim metals, and as these methods are developed, National and State regulations may be necessary to insure that proper use is made of them.

Government must also further encourage the development of synthetic materials.

We are faced, within the next generation, with the fantastically complex problem of developing artificial minerals and synthetic products to take the place of declining natural resources. To do this will require a technology far beyond what we have now, and a people possessing technical skills far superior to those which they possess today.

This technology is not the task of a few scientists. It is a task which cannot be accomplished without great numbers of professionally trained people and skilled technicians.

Our greatest undeveloped resource is the intellectual potential of our children. At present we are not even beginning to produce the quality and quantity of students needed for the future. Improved public and private systems of education are an essental part of an adequate conservation effort, and the Federal Government has a vital role to play in this improvement.

As a Nation, we are not making the needed effort either to build an adequate education plant or to properly provide for our teachers. But an effective program of education means more than erecting additional buildings and matriculating ever larger numbers of students.

We must place greater emphasis on the value of education in our national life, and we must insist upon higher standards in our schools.

The beaux ideals of American life today are not the men of learning, the Dr. Salks, or the Dr. Tellers. If financial reward and public acclaim are any indications, we seem to reserve this niche for our athletes, for movie stars, for rock and roll singers, and for others who contribute to national entertainment, but not to national improvement. We, the parents of this country, by our deeds, have not placed the proper value upon education. How then can we expect our children to?

And we have failed to set up adequate standards of excellence for our schools to meet. The United States is the only advanced Nation in the world which does not have national standards of excellence in education. A high school diploma here can represent 4 difficult years of scholastic achievement, or it can represent 4 easy years of poor grades in a watered-down course of study which includes such subjects as driving, cooking, grooming, etiquette, and the other commonplaces of daily life that should be learned at home.

A university degree may represent years of disciplined mastery of the arts, the sciences, and the humanities, or it may represent little more than a high school education.

All of those who employ the products of our colleges are well aware that it is possible to graduate from many American universities without knowing how to spell or how to write clearly or coherently, without competence in any foreign language, without a fundamental knowledge of mathematics, and without any real knowledge of the literature, culture, and history of our own people.

This is a strong indictment, but those who have had experience with the products of our system will agree that it is a fair indictment.

We shall have to do better than this if we are to solve the technical problems that now begin to press us on all sides.

Our use of the earth's resources has enabled us to attain a standard of living and a technological potential which makes it possible for us to succeed in the technical goals which I have been discussing.

We have a heavy obligation to future generations and to the peoples of the world whose resources we have exploited. We can meet this obligation by freeing mankind, through scientific progress, from its dependence on the earth's limited mineral wealth.

The most important manmade substitutes developed thus far are synthetic nitrogen, synthetic rubber, and atomic energy. It is no coincidence that these products resulted from Government programs. Private enterprise exists for current profit, and while it invests in research projects which it hopes will result in future profit, it cannot be expected to carry the main burden for the Nation. The past indicates that development of essential substitute products will have to be initiated and largely sustained as a result of Government programs, until these substitutes are commercially feasible.

This is one area where foresight on the part of the Government is essential to survival.

Man's ingenuity has solved many problems. One of the most important tasks of Government today is to see to it that man's ingenuity is mobilized and given sufficient encouragement and assistance to solve this one.

I take an optimistic view of man's prospects for meeting this challenge of the future.

I believe that geological discoveries will expand known reserves beyond our present imagining. Science will develop uses for minerals in the earth's crust which are now unusable and of which there is an almost limitless supply. Technological advances will completely alter all present estimates.

But we cannot wait idly for these developments to automatically take place. They will come about only as a result of great effort, expense, and planning. Government has an inescapable responsibility to help initiate, sustain, and support these activities. Private interests must regard their stewardship of natural resources as a public trust. Individuals must, in an attitude of self-discipline, reexamine buying habits that have meant consumption of precious resources for show, rather than for use.

Our continuance as a prosperous Nation, and as the hope of freedom in the world, may well depend upon our response to the challenge of our vanishing natural resources.

MAJOR LEGISLATION PASSED BY THE SENATE SINCE JANUARY 7, 1959

Mr. HUMPHREY. Mr. President, there have been some rather uncomplimentary remarks concerning the record of the Senate thus far in the 1st session of the 86th Congress. The partisan and editorial comment has laid a smoke screen over the record of the Senate's achievements. That record is significant and substantial. Remember, too, Mr. President, the first session has several weeks yet to run.

The Democratic majority will present to the people a record that is responsible, comprehensive in program, and geared to the needs of the Nation and our role of world leadership.

Here is the record, Mr. President; it speaks for itself. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MAJOR LEGISLATION PASSED BY SENATE SINCE JANUARY 7, 1959

Cloture: Liberalized the cloture rule by providing that two-thirds of the Senators voting may close debate on any measure, including rule changes; and affirmed the fact that the Senate is a continuing body.

Hawaii: Provided for admission of Hawaii to the Union as the 50th State.

REA: Restored authority of REA administrator to approve or disapprove loans without supervision by Secretary of Agriculture. Vetoed.

Draft: Extended draft to July 1, 1963; extended Doctor Draft and Dependents' Assistance Acts, and the suspension of personnel strength limitation on Armed Forces.

Space: Authorized $48.3 million supplemental appropriations for fiscal 1959 to expedite projects of National Space Agency.

Modern Navy: Authorized $110 million construction program of modern naval vessels for 1960.

World Bank: Increased U.S. subscription to the International Monetary Fund by $1.375 billion and the World Bank by $3.175 billion.

Economic study: Provided $200,000 for a major study of the Nation's economy by the Joint Congressional Economic Committee.

Depressed areas: Authorized a new Federal program with an initial authorization of $389,500,000 in loans and grants for industrial redevelopment in economically depressed areas.

Housing: Provided for a $2.7 billion housing program over a 6-year period, emphasizing low-cost housing, college housing, urban renewal, and a more realistic building program for the elderly.

Airports: Authorized $465 million 4-year airport construction program, including discretionary funds for expansion to handle jet planes.

Labor: Labor-Management Reporting and Disclosure Act to curb undemocratic and racketeering practices in labor unions and labor-management relations.

Temporary unemployment extension: Extended benefits of Temporary Unemployment Compensation Act of 1958 for 3 months to jobless whose State payments expired before April 1, 1959.

Railroad retirement: Provided for a 10 percent increase in benefits under Railroad Retirement and Unemployment Compensation Acts.

TV education: Authorized grants up to $1 million to each State for purchase of TV facilities and equipment upon their agreement to provide land, building, and operate and maintain an educational channel.

Insurance taxes: Provided for a permanent and more realistic formula for taxation of life insurance companies.

Unemployment problems: Established a Commission on Unemployment Problems of 11 members, 5 to be appointed by the President and 6 by Congress, to make a study of the problems and report in 60 days.

Health for peace: Authorized a $50 million a year program to improve health conditions through international cooperation in research training and planning.

Bank mergers: Requires that bank mergers have the approval of Federal Reserve Board, Comptroller of Currency, or Federal Deposit Insurance Corporation to assure against monopoly.

ADJOURNMENT TO TUESDAY

Mr. DODD. Mr. President, in accordance with the order previously entered, I move that the Senate stand adjourned until 12 o'clock noon next Tuesday.

The motion was agreed to; and (at 7 o'clock and 18 minutes p.m.) the Senate adjourned, under the order previously entered, until Tuesday, May 26, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 22, 1959:

IN THE AIR FORCE

The following-named officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

TO BE MAJOR GENERAL

Brig. Gen. Wendell W. Bowman, 596A, Regular Air Force.

Brig. Gen. Harold H. Twitchell, 19034A (colonel, Regular Air Force), U.S. Air Force, Medical.

Brig. Gen. Harry C. Porter, 976A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Dale O. Smith, 1074A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Robert M. Stillman, 1114A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Daniel E. Hooks, 1166A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Benjamin O. Davis, Jr., 1206A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Albert P. Clark, 1218A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Von R. Shores, 1236A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Conrad F. Necrason, 1246A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. J. Stanley Holtoner, 1283A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Lewis L. Mundell, 1286A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Robert Taylor III, 1347A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Robert J. Friedman, 1397A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Waymond A. Davis, 1470A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Marcus F. Cooper, 1543A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Sam Maddux, Jr., 1561A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Frank E. Rouse, 1595A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Osmond J. Ritland, 1731A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Beverly H. Warren, 1768A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Keith K. Compton, 1849A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Horace M. Wade, 1872A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. David A. Burchinal, 1936A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. James F. Whisenand, 1945A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Glen W. Martin, 1955A (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William W. Momyer, 1964A (colonel, Regular Air Force), U.S. Air Force.

To be brigadier general

Col. Norman L. Callish, 951A, Regular Air Force.

Col. Clair L. Wood, 1157A, Regular Air Force.

Col. James R. McNitt, 1183A, Regular Air Force.

Col. Robert S. Brua, 19063A, Regular Air Force, Medical.

Col. Charles H. Morhouse, 19057A, Regular Air Force, Medical.

Col. Theodore C. Bedwell, Jr., 19101A, Regular Air Force, Medical.

Col. Frederick Bell, 1223A, Regular Air Force.

Col. William G. Lee, Jr., 1234A, Regular Air Force.

Col. John N. Ewbank, Jr., 1381A, Regular Air Force.

Col. Harold K. Kelley, 1408A, Regular Air Force.

Col. Henry C. Huglin, 1436A, Regular Air Force.

Col. Robert F. Burnham, 1534A, Regular Air Force.

Col. Clyde Box, 1535A, Regular Air Force.

Col. Irving L. Branch, 1557A, Regular Air Force.

Col. John S. Samuel, 1638A, Regular Air Force.

Col. Henry C. Newcomer, 1641A, Regular Air Force.

Col. Frederic C. Gray, 1729A, Regular Air Force.

Col. John A. Pechuls, 1754A, Regular Air Force.

Col. Horace D. Aynesworth, 1771A, Regular Air Force.

Col. William E. Elder, 1772A, Regular Air Force.

Col. John A. Rouse, 1807A, Regular Air Force.

Col. Theron Coulter, 1819A, Regular Air Force.

Col. Gladwyn E. Pinkston, 1828A, Regular Air Force.

Col. James B. Tipton, 1854A, Regular Air Force.

Col. John A. Dunning, 1855A, Regular Air Force.

Col. Milton H. Ashkins, 1876A, Regular Air Force.

Col. Harvard W. Powell, 1921A, Regular Air Force.

Col. Gilbert L. Pritchard, 1974A, Regular Air Force.

Col. Reginald J. Clizbe, 2004A, Regular Air Force.

Col. Joseph A. Cunningham, 2054A, Regular Air Force.

Col. Dorr E. Newton, Jr., 2055A, Regular Air Force.

Col. Thomas R. Ford, 2065A, Regular Air Force.

Col. Walter R. Graalman, 2274A, Regular Air Force.

Col. Charles H. Terhune, Jr., 3424A, Regular Air Force.

Col. Harold E. Humfeld, 3857A, Regular Air Force.

Col. Selmon W. Wells, 3991A, Regular Air Force.

Col. William T. Seawell, 4034A, Regular Air Force.

Col. George S. Brown, 4090A, Regular Air Force.

Col. Grover C. Brown, 4144A, Regular Air Force.

Col. Seth J. McKee, 4279A, Regular Air Force.

Col. Loran D. Briggs, 4412A, Regular Air Force.

Col. John C. Meyer, 4496A, Regular Air Force.

Col. Jack J. Catton, 4719A, Regular Air Force.

EXTENSIONS OF REMARKS

Domestic Donations of Department of Agriculture—Surplus Foods Up 42 Percent in First 9 Months of Fiscal Year

EXTENSION OF REMARKS

OF

HON. HUGH SCOTT

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, May 22, 1959

Mr. SCOTT. Mr. President, I hold in my hand some data with regard to donations of surplus foods which I think are of considerable interest, and I ask unanimous consent that a statement I have prepared in regard to this subject be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DOMESTIC DONATIONS OF USDA SURPLUS FOODS UP 42 PERCENT IN FIRST 9 MONTHS OF FISCAL YEAR

More than 2¼ billion pounds of surplus foods have been donated by the U.S. Department of Agriculture during the first three-fourths of the current fiscal year, for use in school lunch programs and by charitable institutions in this country and by needy persons in this country and abroad.

Total distribution of 2,252,500,000 pounds represented an increase of 42 percent in donations to recipients in this country over the same period a year ago, and a decline of 15.9 percent in the volume of donations to foreign recipients.

The donated foods were acquired by the Department in the operation of price support and surplus removal programs, and were donated through the direct distribution program of USDA's Agricultural Marketing Service. Not included in these figures are foods which the Department has purchased specifically for schools participating in the national school lunch program.

Surplus foods donated through the program were used during this period by more than 14 million schoolchildren taking part in school lunch programs, and by about 1.4 million persons in charitable institutions. In addition, they were being distributed in March to 5,741,298 needy persons in this country.

Distribution of surplus foods to schools and institutions is made in all the States, the District of Columbia, and in five Territories. Forty-four States, the District of Columbia, Puerto Rico, and the Trust Territory of the Pacific Inlands are currently taking part in distribution of surplus foods to needy persons. Not all areas in all participating States take part, however; in March, 1,214 counties and 164 separate cities took part—a slight increase over December participation.

The following table shows the number of needy persons in family units receiving donated foods in March 1959:

Alabama	13,210
Arizona	60,956
Arkansas	295,378
California	52,445
Colorado	26,370
Connecticut	1,025
District of Columbia	34,185
Georgia	38,488
Illinois	85,687
Indiana	103,654
Iowa	91,094
Kansas	12,107
Kentucky	294,874
Louisiana	178,925
Maine	60,541
Maryland	45,827
Massachusetts	4,198
Michigan	514,851
Minnesota	51,252
Mississippi	400,920
Missouri	122,466
Montana	13,012
Nebraska	2,010
Nevada	1,247
New Hampshire	8,992
New Jersey	17,695
New Mexico	42,057
New York	405,013
North Carolina	739
North Dakota	12,820
Ohio	67,504
Oklahoma	257,368
Pennsylvania	858,791
Puerto Rico	605,666
Rhode Island	12,312
South Carolina	1,886
South Dakota	38,531
Tennessee	171,041
Texas	143,051
Utah	25,778
Vermont	15,157
Virginia	41,580
Washington	7,151
West Virginia	301,264
Wisconsin	65,142
Wyoming	9,688
Trust Territory	4,050
Total United States	5,741,298

With the increase in the number of recipients, the donation of foods to needy persons increased by 80.2 percent over the same period a year ago. Distribution to charitable institutions was up 15.8 percent, and distribution to schools for lunch programs was increased 1.3 percent.

After all requests for donations of foods in this country have been met, remaining foods are made available to voluntary U.S. relief agencies for distribution to needy persons abroad. During the past quarter-year, 19 of these agencies distributed USDA surplus foods to needy persons in 78 foreign countries.

Most of the foods donated during the past quarter-year again were cereal products, including flour, cornmeal, and rice; remaining foods distributed were principally dairy products.

The following tables show the surplus foods donated, the quantities of each, and their costs. Figures cover the 9 months of July 1958 through March 1959, with comparisons to the entire 12 months of the preceding fiscal year (July 1957 through June 1958):

Quantities of surplus foods donated for domestic and foreign use, fiscal year 1958 and estimated July–March fiscal year 1959

[Million pounds]

Commodity	Domestic								Foreign distribution		Total distribution	
	Schools		Institutions		Needy persons		Total					
	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959
Beans, dry	17.9	4.1	0.3	(1)	1.0		19.2	4.1			19.2	4.1
Butter	68.9	55.6	29.0	20.0	12.9	41.8	110.8	117.4			110.8	117.4
Cabbage		3.4		.9				4.3				4.3
Cheese	32.9	31.1	14.4	8.2	68.9	50.8	116.2	90.1	193.4	[2] 38.5	309.6	128.6
Corn									62.5	31.5	62.5	31.5
Cornmeal	16.6	14.0	8.6	6.0	96.1	107.8	121.3	127.8	298.2	182.8	419.5	310.6
Eggs, dried	4.6						4.6				4.6	
Flour	58.6	64.2	72.6	60.7	149.0	187.3	280.2	312.2	769.7	667.0	1,049.9	979.2
Grapefruit, canned	6.5						6.5				6.5	
Milk, nonfat dry	21.1	23.0	14.7	12.6	87.3	97.0	123.1	132.6	549.7	376.6	672.8	509.2
Peanut butter	4.9	6.8					4.9	6.8			4.9	6.8
Rice	19.8	18.7	8.7	9.4	56.3	59.8	84.8	87.9	59.6	46.3	144.4	134.2
Wheat									39.9	26.6	39.9	26.6
Total	251.8	220.9	148.3	117.8	471.5	544.5	871.6	883.2	1,973.0	1,369.3	2,844.6	2,252.5

[1] Less than 50,000 pounds.

[2] Includes requests approved prior to July 1, 1958.

Cost of surplus foods donated for domestic and foreign use, fiscal year 1958 and estimated July–March fiscal year 1959 [1]

[Million dollars]

Commodity	Domestic								Foreign distribution		Total distribution	
	Schools		Institutions		Needy persons		Total					
	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959	Fiscal year 1958	July–March 1959
Beans, dry	1.6	0.4	(2)	(2)	0.1		1.7	0.4			1.7	0.4
Butter	42.6	34.3	17.9	12.4	8.0	25.8	68.5	72.5			68.5	72.5
Cabbage		.1		(2)				.1				.1
Cheese	13.1	12.8	5.7	3.4	27.5	21.0	46.3	37.2	80.6	[3] 15.9	126.9	53.1
Corn									3.0	1.7	3.0	1.7
Cornmeal	1.1	.7	.6	.3	6.5	5.5	8.2	6.5	21.6	11.1	29.8	17.6
Eggs, dried	5.2						5.2				5.2	
Flour	4.6	4.2	5.6	3.9	11.6	12.2	21.8	20.3	60.0	47.9	81.8	68.2
Grapefruit, canned	.9						.9				.9	
Milk, nonfat dry	3.8	3.8	2.7	2.1	15.8	16.0	22.3	21.9	101.6	65.0	123.9	86.9
Peanut butter	.8	1.2					.8	1.2			.8	1.2
Rice	2.3	2.1	1.0	1.1	6.4	6.9	9.7	10.1	3.5	3.0	13.2	13.1
Wheat									2.2	1.7	2.2	1.7
Total	76.0	59.6	33.5	23.2	75.9	87.4	185.4	170.2	272.5	146.3	457.9	316.5

[1] Represents total cost to the Federal Government. Includes commodity cost, warehousing, transportation, processing, repackaging, and miscellaneous handling charges.

[2] Less than $50,000.

[3] Includes requests approved prior to July 1, 1958.

New Maritime Developments

EXTENSION OF REMARKS

OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Friday, May 22, 1959

Mr. MAGNUSON. Mr. President, many promising new developments in ship design, navigation, and expediting cargo shipments were discussed at length in the address my colleague, Senator LEVERETT SALTONSTALL, of Massachusetts, delivered last night May 21, 1959, before the Propeller Club of Washington, D.C.

Because of the new light cast upon this vitally important subject, I ask unanimous consent that Senator SALTONSTALL'S address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR LEVERETT SALTONSTALL, OF MASSACHUSETTS, BEFORE THE PROPELLER CLUB OF THE UNITED STATES, WASHINGTON, D.C., MAY 21, 1959

Control of the sea—a watchword of the past—is still today synonymous with world leadership. Ocean commerce is the very lifeblood of the world. Nations aspiring to world leadership always sought to promote their own trade through ocean commerce, and it is more than coincidence that through the ages world leaders have been strong maritime nations.

Today commerce consists not only of trade upon the sea, but above it in the modern jet airplanes now just going into trans-Atlantic service. One jet passenger liner makes the round trip from New York to Paris in the course of a day.

Can we draw a historical parallel from those nations which preceded us in leadership of the world's activities upon the sea? Each of these nations conquered a new frontier of commercial enterprise. The Phoenicians explored the Mediterranean from end to end, passing the Pillars of Hercules and reporting back what they found beyond. The Romans carried this further, exploring down the coast of Africa and up the coast of Europe. The Vikings and Venetians further expanded the realm of man's knowledge of the world around him.

Henry the Navigator of Portugal sent men around the Cape of Good Hope. Isabella of Spain financed Columbus. Following these acts, Spain and Portugal became the leading centers of western commerce, until leadership was wrested away from them by the seadogs of England.

A century ago the United States was making a bid for maritime leadership with packets and clipper ships. Much of the ship development was done in East Boston by our own Donald MacKay, who took large risks by building ships on speculation. The courage of the captains was legendary. However, our western expansion halted this growth, and British steamers soon took over the sea.

Again, later, in the last throes of sail, the most unusual schooner ever built, the *Thomas W. Lawson*, was launched in Quincy. She was an effort to create a minimum cost collier. She suffered two collisions in her career with steamers whose captains did not realize she was moving faster than they were.

The First World War wiped the sailing ship from the sea for good. During it, we built up a large merchant fleet of Hog Islanders and other ships. Our great trouble was that we let our sea leadership go back to Europe after the war. Until the Maritime Commission programs of the 1930's little was done to expand U.S. activities on the sea.

During World War II the United States again inherited the responsibility of leadership in the defense of freedom. With it came leadership in world commerce. Whether we like it or not, we must face up to the challenge and shoulder the responsibility it imposes. We have begun to do that already, with our ship replacement program, but more must be done. Today we must seek out the new frontiers and conquer them.

Time is our new frontier—not geography. Today time is money more than ever before. Magellan's crew took 3 years to circumnavigate the world. Now a satellite does it in 90 minutes or less. The cargoes of today need to be carried at greater speeds. The turnaround of the vessels carrying them must be cut. Now the battle is not to the discoverer, but to those who take the risks of new investment, of new research and development, and make those risks pay off. Our American forefathers on the sea risked all they had on their voyages of discovery of new markets in the spice islands and the Near East.

In recent years man has broken the sound barrier and speed has become a vital and precious commodity in exploiting the medium of the air. But man has yet to break the sea barrier to any like degree. Through the years there has been no dramatic improvement in the speed of surface vessels from the days of square riggers to our most modern nuclear-powered vessels. If ocean commerce is to remain vital and strong, competition demands that ocean vessels achieve faster, improved speeds. For speed is the key to both economical operation and the quick service which today's world demands.

Here in the United States we are testing the nuclear possibilities of a general cargo ship, the NS *Savannah*, shortly to be launched at Camden. Her namesake predecessor taught the world many of the advantages of steam. While the first *Savannah* had difficulties with her fuel supply, this *Savannah* will have none.

But nuclear propulsion raises another difficulty of its own—great weight. The shielding required to surround a nuclear powerplant takes up much valuable cargo space, so it is probable that for the present it will only be feasible for larger vessels.

Partly to solve the problem of getting more productive space, our research people have under test a gas turbine engine which, though it requires fuel, is relatively economical in the use of that fuel. It can be built cheaply of standard parts, so that the entire powerplant is relatively light in weight for the power it delivers.

I am told that our gas turbine Liberty ship, the *John Sargent*, has made 20 knots—light, of course. What would this have accomplished had it happened during World War II? It could well have shortened the war, for these gas turbine engines can be mass produced. I am told that they are very similar to a Pratt and Whitney J-57 but with another turbine wheel attached; put together they cost about $225,000 to produce 16,000 horsepower and only weigh about 6,000 pounds. With intercooling, I understand it can equal a diesel in fuel economy and is actually more efficient on cold days at sea level than it is at high altitudes, because of the greater density of the air.

Speed is the way to today's fast-moving world. What are we doing to increase the speed of our vessels?—not by just a few knots—but by double or triple the present possibilities? No displacement vessel has yet, to my knowledge, exceeded 45 knots, not even submarines which do not meet surface resistance.

But there are possibilities—for example, of hydrofoil craft which go far beyond 45 knots. Hydrofoils, in principle, are nothing more than miniature airplane wings, terribly strong, operating just below the surface of the water in a medium 800 times as dense as that supporting an airplane. The foils actually lift the hull out of the water, thus enabling the vessel to achieve greatly increased speeds. It derives obvious advantages from the density of water. Anyone who has ridden on an aquaplane or water skiis knows how this principle works. Last year I had the opportunity to manipulate one of the Navy's experimental hydrofoil vessels, and what a thrill it gave me.

The Maritime Administration is experimenting and private research is investing in hydrofoil craft to learn their possibilities and their limitations. They may hold the key to increased speed for ocean travel and commerce. A few years ago the Congress appropriated $1 million for hydrofoil research. Yet the money was never spent. Fortunately, farsighted officials of the Maritime Administration embarked last year upon a thorough research project designed to investigate the possibilities of hydrofoil application to maritime vessels. I quote from Clarence Morse, Maritime Administrator, when he made this announcement a year ago last January:

"We intend to take a closer look at the possibilities of hydrofoils for larger ships. In the air, aeronautical scientists have broken the sound barrier. Why shouldn't we break the sound barrier on the surface? Why should we continue to think in terms of 30–35 knots? Why shouldn't we think in terms of Mach II, or better, at sea?"

He also said:

"We will still have a merchant marine when the rocket boys are landing on the moon—and we will have a merchant marine which is far more efficient than our existing fleet."

Again, let us look at our competition. In the Western World, a few hydrofoil passenger craft are now operating—in Italy, Switzerland, Puerto Rico, and elsewhere. But, Russia, our chief competitor, has them in regular use on inland canals. I have been shown photographs of Russian hydrofoil vessels which operate at high speed on her inland canals in less than a meter depth of water.

Other hydrofoils are being tested on the ocean, where it has been found that they can maintain high speed in spite of rough seas. By lifting the hull of the ship 14 feet or more above the water, which is entirely practical in the open ocean, seas of up to 20 feet in height—or over 90 percent of those encountered in the North Atlantic—can be passed over without difficulty.

Airplanes may carry the most expensive types of cargo, but here may be a vessel which carries the intermediate merchandise—not ore or oil—but general cargo. Time is money, and the investment in a cargo delivered in 3 days is far less than the investment in a cargo delivered in 2 weeks.

Delivery, however, involves more than just moving things from place to place across the oceans—it involves cargo handling with its high manpower costs. What new advances are contemplated here? We all know of the roll-on, rolloff ships, which though not yet perfected may still have great potential. We know that conveyer belts and forklift systems are now standard on docks and piers. Tomorrow new systems may make these standard in ship's holds. Ships have been ordered that use cranes rather than masts and booms for cargo hoists. Expanded use of specially designed vessels to transport solids in a liquefied state offer great possibilities (sugar and sulfur are present examples). Container ships, which though expensive, have obvious advantages, are being studied. New equipment purchases for the piers of our ports must be encouraged, and

ships fitted to make best use of them. Many well-known efficiencies in time and laborsaving devices are well known, but have not been put into practice to any extent.

Nowadays a ship spends from 35 to 50 percent of her time in port. Since she earns only while moving, any speedup of the turnaround in port can generate new profit.

Much can be done in the way of voyage planning with the new data processing equipment. Cargo stowage plans can be worked out and optimum voyages and schedules predicted far in advance, making better use of our investment in ships. An idle or empty ship is an expense, not an earner.

So much for the present. Research is the key to the future. Research is now going forward on those advances which I have discussed tonight and many more with which you are better acquainted than I.

But research is worthless unless the idea is tried. Some ideas can be tried inexpensively, such as the new layout of the navigation bridge which has been suggested. Others are tried by the Government which has already made the major investment in some navigation systems for the benefits of our armed services. These new developments in navigation will provide greater safety and thereby greater opportunity to operate at greater speed.

Take, for example, space research now under way.

Navigational satellites may soon be circling our earth which will enable a mariner to determine his position within a small fraction of a mile on any place on the earth. This will eliminate the need for Loran and other equipment which requires stations closely spaced around the globe. Once in orbit, these satellites may make the investment for the shipowners much less costly in time saved and accidents avoided. One collision or one wreck costs the whole industry money, for it comes out of insurance premiums. We taxpayers can assist in many ways, but eventually the burden of the responsibility to maintain our Nation's supremacy on the sea will fall on you people.

Just as the railroads have lost much of their more valuable cargo to the trucklines which provide greater flexibility of service, you are endangered by the airplane with its greater speed and opportunity to land closer to the point of destination. The railroads have not been replaced in the carrying of iron ore and coal, but they have lost much of their miscellaneous tonnage.

Flexibility, efficiency, greater speed, lower cost, and less weight. These are all goals toward which we must strive. There is no reason why you and I should not consider looking forward to turbine or nuclear powered hydrofoil craft crossing the Atlantic at speeds in excess of 100 knots, carrying medium-size general cargoes, turning around in less than a day. This will accomplish in sea transportation many of the gains which have been accomplished in the last 30 years by the trucking industry on land. Ships will no longer be economically restricted to hauling large cargoes along relatively fixed routes due to the need for large terminal facilities and deep harbors. Smaller craft will be operating at greater speeds, with more frequent service to many more ports, including those on our Great Lakes which have opened a new market to the salt water shipper. Other new markets in Africa, in South America, in Southeast Asia, and in India are only just now being developed.

If we are willing to take the risks of developing new ideas, many of which are already known and well established, we can look forward to closer contact by our own ships with our neighbors across the sea and within our own Nation.

I believe we are prepared to take these risks. Already our Maritime Administration is doing much research, our Navy is looking at new ideas, and, best of all, our shipping companies are building new ships.

This work needs more effort and more coordination. The National Academy of Sciences is presently making oceanographic studies, a subject closely related to shipping. This study should be expanded or a parallel one instituted to coordinate and expedite research on commercial ships, setting up a fund to which private companies and Government bodies could contribute men, ships, and material.

Private cooperation with Government is the key to this work. An example in which I take some pride is the way in which work has been carried out under the Saltonstall-Kennedy fisheries research program, where privately owned ships have experimented with new types of nets and equipment supplied by the Government.

Under a similarly coordinated program, I can visualize private lines operating their own ships with experimental engines, paid for by the Government, or a small hydrofoil cargo ship being built by the Government and privately operated between the United States and Hawaii. These are merely examples of what an amateur can conceive.

Research must be carried on and development must follow. The burden of carrying forward America's present world leadership will fall largely upon you. I am sure that in a few years we will see the American flag in many new ports to pick up cargoes that are hardly known today, in ships that stay only a few hours, and ships that bear small resemblance inside and out to those that now ply the seas.

But they must be American-flag ships, or our children will inherit far less from us than we inherited from our forefathers.

Address Delivered by Secretary of Agriculture Ezra Taft Benson

EXTENSION OF REMARKS

OF

Hon. EVERETT McKINLEY DIRKSEN

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Friday, May 22, 1959

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, the text of the address delivered by Secretary Benson last night at Cedar Rapids, Iowa, at the annual farmer-businessmen dinner at Cedar Rapids, Iowa. The address was alluded to on the floor of the Senate earlier today. It is possible that the full text of the address was not available at the time to show exactly how the Secretary actually treated the REA matter. Therefore I submit the entire text for inclusion in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON, ANNUAL FARMER-BUSINESSMAN DINNER, CHAMBER OF COMMERCE AGRICULTURAL BUREAU AND LINN COUNTY FARM BUREAU, CEDAR RAPIDS, IOWA, MAY 21, 1959

I am delighted to have this opportunity to visit with you in your beautiful city. I am grateful to the Chamber of Commerce Agricultural Bureau, the Linn County Farm Bureau, and to all of you for making this visit possible.

Coming here has aroused a flood of happy memories. I love the State of Iowa. It seems only yesterday—although my grandchildren and the calendar make me realize it was actually 32 years ago—that Mrs. Benson and I first came to Iowa in an old Ford pickup. We had been married only a few days when I enrolled as a graduate student at Iowa State Agricultural College.

My modest scholarship of $70 a month seemed adequate for a young couple who had heard somewhere that two could live as cheaply as one.

During my first year at Iowa State I rode on a special 4-H Club train en route to the international show in Chicago. On that train trip we sang the proud Iowa song, "That's Where the Tall Corn Grows."

The cornstalks with which we kept time to the music, as I recall, were tall enough and husky enough to discourage any who might have doubted our claims.

Today the cornstalks in Iowa may not be as tall as those we remember, but they produce more bushels to the acre. And the farmers have the same vision and the same quiet faith which gave strength to their ancestors who pioneered these rich fields.

So it is good to be back with you. And it is inspiring to see city people and country people sitting at table together. If this gathering results in just a little better appreciation of American agriculture by our people in the cities, and a little better appreciation of American business, industry, and the professions by our farmers, it will have accomplished much.

Tonight I want to set the record straight on some important points concerning our American agriculture. These are the points I have particularly in mind:

First, the so-called farm problem is not just a farm problem—it is a national problem, an American problem.

Second, farmers are not to be blamed for this problem. On the contrary, we should be unstinting in our praise of the American farmer's productive ability. Never in history have so many been fed so well by so few.

Third, this problem cannot be solved by continuing the old outmoded price support, acreage control program—to do so will only make the problem worse.

Fourth, to achieve and maintain a prosperous, expanding, and free agriculture, we must solve the farm problem.

We all know the major elements of this problem.

Vast surpluses of a few commodities exert a depressing influence in the market.

Farm people are caught in a cost-price squeeze.

Half our farms have gross incomes of under $2,500 a year.

Some producers are struggling with acreage allotments which are too small to permit them to farm efficiently.

The costs of maintaining Government farm programs are at an alltime high, and rising.

These are the major elements.

Now, I say to you that this is not just a farm problem. It is an American problem—it is our problem. Whether you live on a farm or in the city, whether you operate a thousand acres or grow a few plants in a windowbox, whether you run a tractor or a machine in a mill, whether you have your money invested in a corn-hog operation or in a business on First, Second, or Third Avenue, whether you are an agricultural producer in one of Iowa's 99 counties or a professional men in one of Iowa's thriving cities and towns—this is our problem, yours and mine.

We taxpayers—and let's all remember that farmers are heavy taxpayers, too—have $9 billion tied up in surplus farm products—most of it corn, wheat, and cotton. We are paying $1 billion a year in storage, interest, and handling charges on these surpluses. Though these costs are assessed against agricultural appropriations, very little of this money goes to our farmers.

But it is not only because all of us are taxpayers that the farm problem is our problem. It is our problem—yours and mine—because past efforts to deal with it have carried us far along the road to Government regimentation and control over agriculture. Many farmers are no longer free to plant, to compete, to market, and to make their own decisions.

Proposals are now being made which, if adopted, would go far to socialize agriculture—to make farmers depend for much of their income on direct payments from the U.S. Treasury. This threatens not only the freedom of agriculture—it threatens the free American economic system in general.

Each one of us, moreover, depends upon agriculture for sustenance. I have heard it said that the economic life of this Nation fluctuates with the ups and downs of the automobile industry. Well, I recall that practically everybody in this country got along from 1942 to 1946 without a new car. But I'd hate to see this Nation try to go without food for 5 days much less 5 years.

The farm problem is our problem because it has a bearing not only on our taxes—not only on our freedom—but on the very food of life itself.

My second point is that the farm problem was not caused by farmers. It is the outgrowth principally of two factors:

The technological revolution in agriculture; and

The continuance of an outmoded price support, acreage control program long after this program had ceased to serve a useful purpose.

Here is what I mean by the technological revolution. For the Nation as a whole, an average acre that produced 28 bushels of corn in 1940 produced 52 bushels last year—nearly double.

An average acre that produced about 15 bushels of wheat in 1940 produced 27 last year—nearly double.

An average acre that produced about 250 pounds of cotton lint in 1940 produced 469 pounds last year—nearly double.

The old price support program was built on the false premise that production can be effectively controlled through acreage allotments and marketing quotas. The experience of the past 25 years has demonstrated that this is not true.

Congress will not legislate, farmers will not accept, and no Secretary of Agriculture could enforce acreage allotments so low as to achieve market balance at 90 percent of parity based on a formula which goes back 45 years.

Under the formula in the old law do you know what the national acreage allotment for wheat would have been this year? Zero—no wheat production whatsoever.

Do farmers want this kind of a program? No. The big majority of farmers do not want Government handouts and Government regimentation.

A recent nationwide poll by the Farm Journal showed that 8 out of 10 farmers responding want greater freedom and less Government in agriculture.

In the referendum of December 1956, 61 percent of the corn farmers voted for lower support and increased acreage.

Last November corn farmers voted by almost 3 to 1 to eliminate corn acreage allotments and lower the level of price supports.

Obviously the farm problem is not the fault of our farmers.

My third point is: We cannot solve the farm problem by continuing the outmoded programs. This is obvious from the current situation.

Producers of cattle, hogs, poultry, fruits, vegetables, and various other products which are not price supported or controlled have had growing markets. We do have temporary gluts in the market. We are having trouble with eggs now, and we are using sound means to relieve the situation. But we are not going to repeat the fiasco of 1950 by putting Government into the egg business.

The so-called basic crops—corn, cotton, wheat, rice, peanuts, and tobacco—the one-fifth of our agriculture that is not free—the crops that have depended the most on supports and controls—these are in the most trouble.

And they will continue to be in trouble, barring some emergency, until they are priced and promoted to sell. History reveals that these crops were baled out of trouble by two wars. None of us wants war as a solution.

The last Congress enacted some badly needed legislation for corn, cotton, and rice. It was a limited move in the direction of common sense. But it came too late to avoid serious surplus troubles and loss of markets. And nothing was done about wheat, tobacco, and peanuts.

That is why corrective farm legislation is doubly important now.

We are facing a very grave crisis in wheat and a serious situation in tobacco and peanuts.

By July 1960 our wheat carryover will be about 1½ billion bushels. Converted into bread, that would provide 515 loaves for every man, woman, and child in this country. We will have $3½ billion of taxpayers' money tied up in wheat alone.

But that is not all. If we continue the present program, it will mean a further buildup of the surplus by 200 million bushels or more a year. I say to you in all sincerity that this could end in disaster of a magnitude such as we have not seen before in our American agriculture.

A ground swell of antifarm program sentiment is developing that endangers the whole price support idea. An editorial in Life magazine urges wiping out the whole program. "The whole farm support program," it says, "is a colossal failure. The only sensible thing to do about it is to get rid of it, stop it. Why go on pouring good money after bad?"

Not for a moment do I believe this is a sound approach. I cite it simply to show the danger that exists—the resentment that is steadily growing against paying tremendous costs for a program that makes the problem worse.

My fourth point is: To have a prosperous, expanding, and free agriculture, we must solve the farm problem.

The huge surpluses have cost farmers billions of dollars in lost income—up to $2 billion a year. This is not the path to prosperity.

Our commodities have been forced out of some of their traditional markets. This is not the road of expansion.

Too many farmers have lost the right to make their own decisions. This is not the highway to freedom.

If we want a prosperous, expanding, and free agriculture, the first necessity is to face the facts—these facts:

The old price support, acreage control program has failed.

The failure is due to the program itself—the program required by old legislation.

Therefore, the remedy lies in changing the legislation—which means changing the program itself.

President Eisenhower has sent four special agricultural messages to the Congress. The latest was in January of this year. Officials of the Department have spent many hours testifying before committees of the House and Senate on the details of our recommendations. I testified in February before the House Agriculture Committee and the Senate Committee. We submitted legislative language for needed changes in the wheat law the forepart of March. The President made two more appeals for action on wheat last week. The date for announcing the 1960 wheat acreage allotment and marketing quota has been extended from May 15 to June 1.

We have recommended that price supports should be based not on the old outmoded parity of half a century ago, but on a percentage of the average market prices for the immediate preceding years. So far as wheat is concerned we have urged that all acreage allotments and marketing quotas should be eliminated as soon as price supports are adjusted to realistic levels. This is the kind of program that corn farmers voted for overwhelmingly in the corn referendum last November.

In this competitive world farmers must be free to make adjustments and commodities must be priced to sell—otherwise surpluses pile up in Government warehouses—and a Government warehouse is not a market. When we do price to sell, markets increase. Here, for example, are some very interesting figures on feed grain consumption for the 6 months ending March 31.

Compared with the same months a year earlier, corn consumption was up 244 million bushels—or 12 percent.

Consumption of grain sorghum was up 93 million bushels—or 42 percent.

Consumption of oats was up 97 million bushels—or 17 percent.

This is a sound development.

We must always remember, however, that balance in agriculture involves good judgment. There is now underway a strong trend toward building up cattle herds. The reduced rate of slaughter indicates an increase in the cattle inventory this year of possibly 4 to 5 million head. I urge cattlemen to make production plans that will avoid overexpansion with undersirable results later on.

Hog producers are increasing production, and returns this year will reflect the larger supplies. Here again, I strongly urge farmers to make wise production decisions.

Our approach is sound. The overwhelming majority of agricultural economists, like the majority of farmers, endorse what we are trying to do as sound and best for agriculture.

A recent survey of agricultural economists of our 49 land-grant colleges has just been been published. Of the 37 economists replying, 4 out of 5 say that, "any laws further hamstringing the free market will hurt the farmer, the consumer, and the Nation."

We cannot price abundant farm products as if they were scarce without piling up surpluses.

The evidence of 25 years says that we cannot balance supply and demand by means of present acreage controls. The economics of the farm problem are simple—we need less government in farming. We must quit trying to fix prices unrealistically. This is the source of the twin evils of production for Government warehouses and Government control over farmers. We must emphasize markets, increased efficiency, and competitive selling. We must eliminate Government's stranglehold on agriculture.

Until this is done, agriculture will be burdened with too much Government, too much politics, and too little common sense.

The longer this situation continues, the more we all have to lose—for this is our problem. But the biggest losers are farmers themselves.

Now I want to say something about another aspect of the farm situation.

In recent months we have been in the middle of a debate about rural electrification.

When I was a youngster on a farm in Idaho many years ago I milked cows by hand, fetched water by the bucket, and studied my lessons by the light of a kerosene lamp. We had no radio or television, no refrigerator or freezer, no milking machine or water pump, no electric lights or telephone.

Later, electric power brought light, a telephone, and running water to the farm. We hailed it enthusiastically, as an emancipator—it freed us from drudgery.

I know what it meant to my mother to have electric power at her fingertip. I know what it means to farm boys and girls to have enough light to read or study by at night. I have seen the worn and tired faces of farm men and women glow with new life at the mere prospect that electric power would soon be available.

Nobody has to sell me on the great work of the Rural Electrification Administration.

I am gravely concerned, however, about a growing national attitude of dependence on government. The tendency seems to be to look to Washington for the solution to every problem. There is no surer way to lose our American heritage of freedom than to let this tendency grow unchecked.

Few of our people realize how far we have already gone on this path. Here is an instance—a contrast—that may help to open our eyes. Back before the turn of the century the Congress passed a bill providing for free gifts of seed to farmers. It involved only a small amount of money—about $10,000 I believe. But the bill was vetoed by President Grover Cleveland—a Democrat—because it also involved a big principle. He expressed the principle thus: "Though the people support the Government, the Government should not support the people."

We are in danger of forgetting those words today. Powerful forces are pushing us toward a planned and subsidized economy which weakens initiative, discourages industry, destroys character, and demoralizes the people.

Now, how does this bear on the debate over rural electrification?

It comes down to this. I believe, and so does President Eisenhower, that REA and the rural electric cooperatives have now come of age. They are strong enough and mature enough to begin to stand more on their own feet. Because I have plainly said so, many ridiculous charges have been made against me.

It has been suggested, for example, that I am against cooperatives. Nothing could be more untrue.

I grew up with cooperatives. I have had the privilege of working for and with hundreds of them, and I have never for a moment lost my faith in cooperative organizations. I am a co-op booster—always have been—and I am proud of it. Sound co-ops have proven their place in the free enterprise system.

Now here is what raised the tempo of the debate in recent months. President Eisenhower in his 1960 budget message proposed a change in REA financing. Since 1944 REA has had an interest rate of 2 percent. This does not cover the costs of the money to the Government. The President suggested that this 2 percent interest rate be replaced by a rate which will cover the current cost to the Treasury of equivalent term borrowing and other reasonable costs. This would apply to new loans only. Further, he suggested that legislation be enacted to broaden the sources of capital for the REA programs. This would assist borrowers in obtaining from private sources funds to finance needed expansion.

I find these proposals just and reasonable. So do most Americans who have the facts.

I want you to know the facts. Decisions about the future of the rural electrification and telephone programs need to be made. These are important programs, far too important for their future to be decided in terms of political expediency.

I have a proposal for a permanent financing plan for the REA electric and telephone systems. Here it is:

1. Authorize these rural systems to have their own bank—their own lending institution—which they may operate and ultimately own entirely.

2. Let them have their own national policy board to direct the affairs of their bank. Members of this board would be nominated by the rural electric and telephone borrowers. Plans for organizing and operating the REA bank should be carefully developed to meet the particular capital requirements of the electric and telephone borrowers.

This system is operating successfully in the Farm Credit Administration with its banks and local lending institutions which are farmer-owned and operated.

When these Farm Credit institutions were first organized, skeptics said that they'd never succeed. Well, the record has been outstanding. The farmer-members and their cooperative service organizations now borrow nearly $3½ billion annually from their own Farm Credit institutions—that's almost as much every year as the whole 24-year total of REA loans.

Farmers have invested more than $287 million capital in their credit institutions. Through careful and prudent management, they have accumulated net earnings of more than $361 million. They have an orderly retirement plan in effect to return their remaining Government capital to the Treasury.

These long-range plans for the Farm Credit System were worked out over a period of time through consultation with representatives of the local and district Farm Credit institutions. That is the way a permanent financing system for the rural electric and telephone borrowers should be developed.

I am very proud of the accomplishments of the rural electric and telephone systems. They are strong and healthy. They should now start formulating plans which would enable the users of these systems ultimately to own and operate their own national financing institution.

The REA programs are among the best investments ever made by the American people.

Let's keep REA and all farm programs sound and fair—fair to farmers and fair to all our citizens.

Our farm people are the salt of the earth. They have always come first with me. As a farmer, the son of a farmer, yes, the grandson of a farmer, and as a former county agent, it is natural that I should feel this way. And I shall continue to speak out for what is right for farmers, and right for America, as long as God gives me life and a voice to do so.

Now, let me return briefly to some of the wild charges that have been made.

It has been said that I have interfered with the administration of REA. This is utterly false.

The Secretary of Agriculture has been responsible for the general direction and supervision of REA since 1939. When I became Secretary in 1953, I made no change in REA's internal policies or procedures.

In 1953, President Eisenhower transmitted to the Congress, a reorganization plan. This plan as it affected REA, was substantially the same as one sought unsuccessfully by the Truman administration. It transferred to the Secretary all functions of REA. It authorized the Secretary to delegate the performance of transferred functions to any other agency of the Department.

After the reorganization plan took effect, I delegated the REA functions to the Administrator of REA to be exercised under the general direction and supervision of the Secretary. To assist me in carrying out this and other responsibilities in connection with our credit programs in agriculture, I designated a Director of Agricultural Credit Services.

In June 1957, I asked the REA Administrator to submit certain loan applications to the Director of Agricultural Credit Services of the Department for his information and possible discussion—for his counsel. I'm just old-fashioned enough to believe that there is safety in counsel. This arrangement did not affect the loan-making authority of the REA Administrator in the slightest degree. He has continued to make all loans.

It has been suggested that I interfered with the approval of a particular loan application—a $42 million generation and transmission loan application submitted to REA in 1957 by Hoosier Cooperative Energy of Indiana.

This, too, is false. I have never interfered with any REA loan application, including the Hoosier application. The so-called $42 million Hoosier loan application has never been disapproved. The fact is that REA has no proper application from Hoosier Cooperative Energy on which it can take action. If and when REA gets such an application, you can be sure it will be processed like any other.

Some people would like the country to believe that I am engineering a weird master plan to wreck REA. Here is a sample of their language.

"That crowd (I assume that includes me) is hell-bent on handing us over to the Wall Street bankers—the Wall Street control power companies, and they are not going to rest until they do it."

Well, let's look at the record—the record of REA progress during the past 6 years.

The REA has been in existence for about 24 years. Almost one-third of all its electric loans have been made in the past 6 years.

The telephone program has been in existence about 10 years. Four-fifths of all telephone loans have been made in the past 6 years.

On January 1, 1953, 45 REA borrowers were delinquent in payments; in April 1959, just one was delinquent.

The net worth of REA electric borrowers has more than doubled in the past 6 years.

The authority of REA to make generation and transmission loans is a vital part of the rural electrification program. Since January 1, 1953, these loans have accounted for almost 31 percent of the total loaned for rural electrification, compared with 19 percent before that date.

If I had plotted a conspiracy to harm REA, you can see that I have failed miserably.

The core of the debate is that I consider it politically, economically, and morally wrong for successful organizations like REA borrowers, with sizable reserves and increasing revenues, to keep dipping into the Federal Treasury at the taxpayers' expense to the tune of millions of dollars per year for interest payments alone.

Surely that makes sense.

But, no matter how many facts are presented, a vocal and organized minority continue to dredge up phony issues. They pursue one of their favorite pastimes—taking potshots at me. They continue to play politics with REA.

When you cut away all the rhetoric, all the noise and fury, here is what they are asking:

"Why single us out to pay our own way? We were doing all right as we were."

The answer is simple. This is not 1935, when only 11 percent of our farms were electrified. This is not 1944, when fewer than half were receiving central-station service. This is 1959, and over 95 percent of our farms are electrified. The backbone electric system to serve nearly all of rural America has been completed; one of the principal objectives of the rural electrification program has been achieved.

REA borrowers will continue to need large amounts of capital funds to meet their increasing load demands. A large part of this continuing need for capital is coming from the increasing loads of nonfarm consumers.

Over one-half of the power sales of REA borrowers is now to nonfarm consumers. That trend will continue. The ratio of new nonfarm consumers to farm consumers is now 3 to 1.

We want to see that these borrowers obtain the additional capital funds they need and continue to prosper as independent community service organizations, paying their own way.

REA borrowers have demonstrated their ability to pay their own way.

I am certain that the majority of the directors, managers, and members of rural electric cooperatives want to pay their own way. They do not want to rely on Government support. This is in keeping with the best of American traditions.

I have full confidence in the judgment of an informed American people. That is why I consider it such a privilege—and such a grave responsibility—to meet with you tonight.

We must build solidly for the future of our agriculture. To do this, I repeat, is not just a farm problem. It is an American problem—our problem.

I pledge to you and through you to all the farm and cit people of America that I will continue to do all in my power to develop and maintain a prosperous, expanding, and free agriculture. And I also pledge to you that I will never support any policy or program which I believe is not in the best interest of our farmers and fair to all of our people, regardless of political pressure.

Our goal, I repeat, is a prosperous, expanding, and free agriculture.

We need such an agriculture to help our Nation confront at full strength those on the international scene who are eagerly scanning our economy for a sign of weakness. We need such an agriculture to meet the inevitably expanding demands of our rapidly growing population.

Let us seek the solutions we so sorely need. There is no room for blind partisanship, for prejudice, for bitter bias. Agriculture is neither Republican nor Democrat. It is American.

As Americans all, let us get on with the job. God willing, the progress, prosperity, and strength of our American agriculture are now only in their beginnings.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 25, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Joel 2: 21: *Fear not, O land, be glad and rejoice; for the Lord will do great things.*

O Thou whose presence is our shield in the stillness of the night and our strength in the struggles of each new day, help us to feel and appreciate more fully how wonderful it is that daily we may enter into communion and counsel with the God of all grace and goodness.

Inspire us with a faith that never wavers and a courage that never falters as we seek to fulfill the high and holy mission which Thou hast entrusted unto us.

Grant that we may authenticate the glory and grandeur of the ideals and principles of democracy by incarnating them more completely in our own personal life.

May we accept its declarations and demands and strive to make them regnant in all the various spheres of human relationships.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Thursday, May 21, 1959, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1901. An act to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco; and

S. 1968. An act to strengthen the wheat marketing quota and price support program.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 57) entitled "An act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes," agrees to the conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. FULBRIGHT, Mr. DOUGLAS, Mr. CLARK, Mr. WILLIAMS of New Jersey, Mr. MUSKIE, Mr. CAPEHART, Mr. BENNETT, and Mr. BUSH to be the conferees on the part of the Senate.

ELECTION TO STANDING COMMITTEES

Mr. MILLS. Mr. Speaker, I offer a privileged resolution, House Resolution 273, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:

Committee on Agriculture: ROBERT W. LEVERING, Ohio.

Committee on Post Office and Civil Service: JAMES C. OLIVER, Maine.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATIONS, 1960

Mr. PRESTON, from the Committee on Appropriations, reported the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes, report No. 377, which was read a first and second time and, with accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. BOW reserved all points of order on the bill.

COMMITTEE ON AGRICULTURE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on H.R. 7246, the wheat bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE LATE HONORABLE JOHN FOSTER DULLES

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, the death of John Foster Dulles takes from our midst not only a man whose nobility of character, whose love of country and love of God and neighbor profoundly impresses us, but a great American, a man who will go down in history as one of our great Secretaries of State. John Foster Dulles served our country in many capacities during a most trying period of the world's history. As Secretary of State he served our country and the free world with outstanding ability, with a discerning mind, and with great courage.

While he has left us, the spirit of John Foster Dulles will always remain in America, for the spirit of John Foster Dulles was the spirit of a government of laws and not of men; the spirit of independence of nations and free people everywhere. His spirit was the spirit of peace on earth. His whole life was dedicated to this great cause. He served as our Secretary of State during one of the most trying periods of our Nation's history, and of the world's history. His superb leadership has been a powerful factor in stopping in the world of today the forces of evilness and destruction in their dastardly intent of the domination of the world and enslavement of all peoples. John Foster Dulles was the spirit of deep faith, of strong courage, of intense love of America and of a grim determination and courage to preserve our institutions of free government and for the people of other nations to preserve their free institutions of government.

While in body John Foster Dulles has left us, his spirit will always remain with all generations of Americans.

Mrs. McCormack and I extend to Mrs. Dulles and her loved ones our profound sympathy in their bereavement. We know that Mrs. Dulles and her loved ones will derive great consolation in their sorrow in the knowledge that John Foster Dulles, husband and father, led such a life and gave such leadership as to command the respect and affection of all persons, without regard to race, color, or creed who believe in God and His law.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?