

DAIRY

Dairy Import Act of 1967 -
Jan. 24

Conditions in Dairy Industry -
March 23

Movement of Butter out of
Government Storage into Domestic
Commercial Market - Oct. 12

The Butter Subsidy Bill -
Oct. 30

By Mr. EASTLAND:

S. 634. A bill to strengthen the security of the United States, lessen a burden on interstate commerce, and protect the right of privacy by prohibiting eavesdropping; to the Committee on the Judiciary.

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

By Mr. BAYH:

S. 635. A bill to change the name of the lakeshore known as the Indiana Dunes National Lakeshore to the Henry F. Schrickler National Lakeshore; to the Committee on Interior and Insular Affairs.

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

RESOLUTIONS

INVESTIGATIONS INTO THE EFFICIENCY AND ECONOMY OF OPERATIONS OF ALL BRANCHES OF GOVERNMENT

Mr. McCLELLAN, from the Committee on Government Operations, reported an original resolution (S. Res. 53) authorizing the Committee on Government Operations to make investigations into the efficiency and economy of operations of all branches of Government, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. McCLELLAN, which appears under the heading "Reports of Committees.")

STUDY OF CERTAIN ASPECTS OF NATIONAL SECURITY AND INTERNATIONAL OPERATIONS

Mr. JACKSON, from the Committee on Government Operations, reported an original resolution (S. Res. 54) to study certain aspects of national security and international operations, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. JACKSON, which appears under the heading "Reports of Committees.")

STUDY OF INTERGOVERNMENTAL RELATIONSHIPS BETWEEN THE UNITED STATES AND THE STATES AND MUNICIPALITIES

Mr. MUSKIE, from the Committee on Government Operations, reported an original resolution (S. Res. 55) authorizing a study of intergovernmental relationships between the United States and the States and municipalities, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. MUSKIE, which appears under the heading "Reports of Committees.")

STUDY OF THE PROBLEMS OF SMALL AND INDEPENDENT BUSINESSES

Mr. SMATHERS (for himself and Mr. JAVITS) submitted the following resolution (S. Res. 56); which was referred to the Committee on Banking and Currency:

S. RES. 56

Resolved, That the Select Committee on Small Business, in carrying out the duties imposed upon it by S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, as amended and supplemented, is authorized to examine, investigate, and make a complete study of the problems of American small and independent business and to make recommendations concerning those problems to the appropriate legislative committees of the Senate.

SEC. 2. For the purposes of this resolution, the committee, from February 1, 1967, to January 31, 1968, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed \$145,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

DAIRY IMPORT ACT OF 1967

Mr. PROXMIRE. Mr. President, today it is my pleasure to introduce for myself and Senators JORDAN of Idaho, YOUNG of North Dakota, LONG of Missouri, CARLSON, JACKSON, MCGOVERN, MORSE, CURTIS, THURMOND, MUNDT, MAGNUSON, MILLER, BURDICK, NELSON, MONDALE, BREWSTER, GRUENING, DOMINICK, HRUSKA, HART, and ALLOT, the Dairy Import Act of 1967.

This proposed legislation would place strict but sensible controls on the importation of all dairy products containing 5 percent or more butterfat, nonfat milk solids, or a combination of the two. It would do this by permitting imports in an amount equivalent to the 1961-65 average. It would also allow imports to share in any growth in domestic consumption. Finally, it would give the President the power to authorize additional imports if he felt they were in the national interest. However, if domestic market prices were less than parity the Secretary of Agriculture would have to purchase an amount of domestic dairy prices corresponding to the amount authorized to be imported by the Presidential order.

Why is such a bill necessary? Part of the answer to this question lies in the nature of the commodity. Fluid milk is perhaps the most perishable farm commodity produced today. The milk our children drink cannot be shipped in its fluid form from one continent to another without deteriorating substantially.

Congress has recognized this perishable attribute as well as the value of the product by authorizing the creation of a milk marketing order system. The system arose out of the economic facts of life in the milk industry. Because fluid milk is so perishable and because it is essential in the diet of our youth a standby supply, or surplus, must always be available to meet possible increases in de-

mand. This necessary surplus, however, dampens prices because it means supply always will outstrip demand. Milk marketing order areas are geographical territories in which the effects of this constant surplus are alleviated by assured prices arrived at by general agreement. The alternative would be prices so low that a great number of dairy farmers would be driven out of business. In the long run this would mean sky high prices to the consumer as a result of very low milk production. This is the boom-or-bust approach that milk marketing orders are meant to remedy.

It is also the type of problem, on an international scale, that the Dairy Import Act of 1967 is meant to remedy. Ever-increasing imports destroy the balance between supply and demand with resulting lower prices to dairy farmers. As more and more dairy farmers go out of business because of high imports and lower prices the supply of fluid milk contracts. Ultimately, this will mean higher prices for the consumer because the supply of fluid milk will not be able to meet demand, and fluid milk is too perishable to be imported.

The adverse impact on domestic milk production of excessive imports was recognized by the Federal Government back in 1953 when Presidential proclamation 3019 limited the entry of certain dairy products into the United States. Unfortunately, for too long these existing dairy import quotas have been circumvented by blatant attempts to doctor dairy products to escape the letter of the law. For example, when butteroil was placed under a quota, evasion of the quota took the form of butterfat-sugar mixtures. The first product of this kind, Exylone, was barred by a regulation applying only to mixtures containing 45 percent or more of butterfat. Almost immediately Junex, containing 44 percent butterfat, started to pour into the country.

My legislation, as I have already indicated, tightens existing controls by setting a 5-percent butterfat or nonfat milk solids limitation on items that can be imported into the United States without restriction. This is essential to the stability of the dairy industry at a time when total imports of dairy products are 12 times as great as the amount authorized under import quotas.

In the short run, it might be argued, continually increasing dairy imports will mean lower prices, even if they result in higher prices over the long haul. Even this argument does not hold water. In past years each pound of butter and cheese imported from abroad has compelled the Government to purchase an equal amount of the domestic product under the price support laws. This means, it is important to note, that under present conditions any advantage the consumer gains through lower import prices is offset by the expenditure of tax dollars through the Federal Government's purchase of domestic dairy products which have been displaced by imports. Thus my bill would cost the consumer nothing. Yet it would hold milk prices at a reasonable level in the long run.

Mr. President, I ask unanimous consent that an excellent analysis of this issue

the highest gross rate paid to any other employee; and

(3) with the prior consent of the head of the department or agency concerned, and the Committee on Rules and Administration, to utilize on a reimbursable basis the services, information, facilities, and personnel of any department or agency of the Government.

SEC. 3. Expenses of the committee under this resolution, which shall not exceed \$90,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

STUDY OF INTERGOVERNMENTAL RELATIONSHIPS BETWEEN THE UNITED STATES AND THE STATES AND MUNICIPALITIES—REPORT OF A COMMITTEE

Mr. MUSKIE, from the Committee on Government Operations, reported the following original resolution (S. Res. 55); which was referred to the Committee on Rules and Administration:

S. RES. 55

Resolved, That the Committee on Government Operations, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by subsection 1(g) (2) (D) of rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of intergovernmental relationships between the United States and the States and municipalities, including an evaluation of studies, reports, and recommendations made thereon and submitted to the Congress by the Advisory Commission on Intergovernmental Relations pursuant to the provisions of Public Law 86-380, approved by the President on September 24, 1959, as amended by Public Law 89-733, approved by the President on November 2, 1966.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1967, to January 31, 1968, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than \$2,300 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1968.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed \$140,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

BILLS INTRODUCED

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

By Mr. MANSFIELD:

S. 610. A bill for the relief of Lilliana Grasseschi Baroni; to the Committee on the Judiciary.

By Mr. PASTORE (by request):

S. 611. A bill to authorize appropriations to the Atomic Energy Commission in accord-

ance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. PROXMIRE (for himself, Mr. JORDAN of Idaho, Mr. YOUNG of North Dakota, Mr. LONG of Missouri, Mr. CARLSON, Mr. JACKSON, Mr. MCGOVERN, Mr. MORSE, Mr. CURTIS, Mr. THURMOND, Mr. MUNDT, Mr. MAGNUSON, Mr. MILLER, Mr. BURDICK, Mr. NELSON, Mr. MONDALE, Mr. BREWSTER, Mr. GRUENING, Mr. DOMINICK, Mr. HRUSKA, Mr. HART, and Mr. ALLOTT):

S. 612. A bill to regulate imports of milk and dairy products, and for other purposes; to the Committee on Agriculture and Forestry.

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

(NOTE.—The above bill was ordered to be held at the desk until February 3, 1967 for additional cosponsors.)

By Mr. SMATHERS:

S. 613. A bill for the relief of Manuel Rodriguez-Fernandez; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 614. A bill to amend section 333 of the Internal Revenue Code of 1954 to bring up to December 31, 1962, the cutoff point for stock and securities acquired by the liquidating corporation; to the Committee on Finance.

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

By Mr. MCGOVERN (for himself, Mr. BARTLETT, Mr. BIBLE, Mr. CANNON, Mr. DOMINICK, Mr. FANNIN, Mr. METCALF, Mr. MONTOYA, and Mr. MUNDT):

S. 615. A bill to preserve the domestic gold mining industry and to increase the domestic production of gold; to the Committee on Interior and Insular Affairs.

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

By Mr. SYMINGTON:

S. 616. A bill for the relief of Albert L. Chapman; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 617. A bill to authorize the State of Washington to use the income from certain lands for the construction of facilities for schools and other public institutions; to the Committee on Interior and Insular Affairs.

By Mr. LONG of Missouri:

S. 618. A bill for the relief of Dr. Chandrasekarapuram Narayanan; his wife, Yamuna Narayanan; and their three children, Manoj Narayanan, Vinodh Narayanan, and Pramilla Narayanan; to the Committee on the Judiciary.

By Mr. GORE (for himself and Mr. BAKER):

S. 619. A bill to authorize the conveyance of certain lands owned by the United States to the State of Tennessee for the use of Memphis State University, Memphis, Tenn.; to the Committee on Labor and Public Welfare.

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

By Mr. MAGNUSON:

S. 620. A bill to consolidate and reenact certain of the shipping laws of the United States, and for other purposes; to the Committee on Commerce.

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

By Mr. METCALF:

S. 621. A bill to provide for certain jury trials in condemnation proceedings in dis-

trict courts of the United States; to the Committee on the Judiciary.

S. 622. A bill to amend the act entitled "An Act to authorize the Secretary of the Air Force to establish land-based air warning and control installations for the national security, and for other purposes", approved March 30, 1949, in order to clarify the intent of Congress with respect to the procurement of communication and power services necessary to carry out the provisions of such act; to the Committee on Armed Services.

By Mr. FULBRIGHT:

S. 623. A bill to give the consent of Congress to the construction of certain international bridges; to the Committee on Foreign Relations.

By Mr. FULBRIGHT (by request):

S. 624. A bill to provide certain increases in annuities payable from the Foreign Service retirement and disability fund, and for other purposes; and

S. 625. A bill to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants offered by a foreign government; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bills, which appear under separate headings.)

By Mr. LONG of Missouri (for himself, Mr. HART, and Mr. KENNEDY of New York):

S. 626. A bill to establish the Office of Ombudsman in the District of Columbia; to the Committee on the District of Columbia.

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

By Mr. BREWSTER:

S. 627. A bill to increase the membership of the Board of Visitors to the Naval Academy, and for other purposes; to the Committee on Armed Services.

By Mr. LONG of Missouri (for himself, Mr. CARLSON, Mr. HOLLAND, Mr. PEARSON, Mr. SCOTT, Mr. SYMINGTON, and Mr. TOWER):

S. 628. A bill to amend the antitrust laws to provide that the refusal of nonprofit blood banks and of hospitals and physicians to obtain blood and blood plasma from other blood banks shall not be deemed to be acts in restraint of trade, and for other purposes; to the Committee on the Judiciary.

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

By Mr. TALMADGE (for himself, Mr. MUSKIE, and Mr. BENNETT):

S. 629. A bill to amend the Tariff Schedules of the United States with respect to the rates of duty on certain fabrics containing wool and silk; to the Committee on Finance.

By Mr. HARTKE:

S. 630. A bill for the relief of Kenrick Hamilton Vernon, Sylvia Louise Vernon, Francis McClaude Vernon, Carrie Hellouise Vernon, Richard Seymour Bickham Vernon, Marion Rosalee Vernon, Marie Elizabeth Vernon, and Elvet Anthony Vernon; and

S. 631. A bill for the relief of Harold Albert, Lona Sarah, Karen Therese, and Bruce Alex Arnold; to the Committee on the Judiciary.

By Mr. BURDICK:

S. 632. A bill to provide for a highway bridge across the Little Missouri River at the Garrison Reservoir; to the Committee on Public Works.

By Mr. PELL:

S. 633. A bill to promote the foreign policy of the United States by strengthening and improving the Foreign Service personnel system of the U.S. Information Agency through establishment of a Foreign Service Information Officer Corps; to the Committee on Foreign Relations.

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

prepared by the National Milk Producers Federation be inserted in the Record at the conclusion of my remarks. I also ask that this bill be laid on the table for additional cosponsors through Friday, February 3, and that the bill be printed in the Record.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). The bill will be received and appropriately referred; and, without objection, the bill and the analysis will be printed in the Record, and the bill will lie on the desk, as requested by the Senator from Wisconsin.

The bill (S. 612) to regulate imports of milk and dairy products, and for other purposes, introduced by Mr. PROXMIER (for himself and other Senators), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the Record, as follows:

S. 612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Dairy Import Act of 1967."

SEC. 2. No imports of dairy products shall be admitted into the United States for consumption except pursuant to authorizations issued by the Secretary of Agriculture in accordance with the provisions of this Act.

SEC. 3. No authorization for imports of dairy products shall be issued by the Secretary which would result in total imports for consumption in any calendar year of butterfat or nonfat milk solids, in any form, in excess of the respective average annual quantities thereof which were admitted for consumption during the five calendar years 1961 through 1965.

SEC. 4. In the event that total annual domestic consumption of milk and milk products in any calendar year shall be greater or less than the average annual domestic consumption of milk and milk products during the five calendar years 1961 through 1965, the total volume of imports for such calendar year authorized under Section 3 shall be increased or decreased by a corresponding percentage. For the purposes of this Act, the Secretary may estimate such total annual domestic consumption on a quarterly basis and reflect adjustments of such estimates in the level of imports authorized in subsequent quarters or in the subsequent year. In computing or estimating such annual domestic consumption under this Act, milk and milk products used in Federal distribution programs shall be excluded.

SEC. 5. The President may permit, if he finds such action is required by overriding economic or national security interests of the United States, additional quantities of imports of any dairy product. Additional imports permitted under this section shall be admitted for consumption under special authorizations issued by the Secretary. No additional imports shall be admitted for consumption under this section at a time when prices received by dairy farmers for milk on a national average as determined by the Secretary are at a level less than parity, unless the Secretary shall, at the time such imports are authorized, remove from the domestic market, in addition to and separate from other price support purchases and operations, a corresponding quantity of dairy products. The cost of removing such dairy products from the domestic market shall be separately reported and shall not be charged to any agricultural program.

SEC. 6. "Dairy products" for the purpose of this Act includes all forms of milk and dairy products, butterfat, nonfat milk solids, and any combination or mixture thereof, and includes also any article, compound, or mix-

ture containing 5 percent or more of butterfat, or nonfat milk solids, or any combination of the two.

SEC. 7. The Secretary may prescribe such rules and regulations as he deems necessary for the effective administration of this Act.

SEC. 8. Nothing contained in this Act shall be construed to repeal section 22 of the Agricultural Adjustment Act or any import limitation established thereunder; but the total annual quantitative limitations on imports of butterfat and nonfat milk solids prescribed by this Act shall prevail, and all imports authorized under said section 22 or any other law shall be included in computing such total.

The analysis, presented by Mr. PROXMIER, is as follows:

INVASION BY EVASION: IMPORTS AND THE DAIRY FARMER

(Published by the National Milk Producers Federation, Washington, D.C.)

INVASION BY EVASION

The most important dairy farmer need in 1967 is the strengthening of import controls on foreign produced dairy products. Ever since quotas were first invoked in 1953 they have been continuously enlarged and eroded. The one remaining recourse is legislation.

To achieve remedial legislation will require the coordinated efforts of every member association of the National Milk Producers Federation. It will need the wide understanding and support of every dairy farmer in America. The facts are clear and unmistakable. They are summarized in this brochure. Your reading time will be well invested.

IMPORT CONTROLS ARE INDISPENSABLE

Effective control of dairy imports is indispensable to dairy farmers and of vast long-range importance to the general public.

Effective import controls are necessary in order that farmers may have an opportunity to achieve parity prices for their milk and butterfat. Achievement of parity prices as a goal of national public policy is clearly set forth in all major agricultural legislation, including the Agricultural Adjustment Act of 1933, the Agricultural Marketing Agreement Act of 1937, and the Agricultural Act of 1949. This parity price goal cannot be attained if large scale imports are permitted because they either will (1) render the price support program ineffective, or (2) involve the government in the purchase of such large volumes of imported products so as to cause the discontinuation of the program.

Effective import controls are necessary to provide dairy farmers a level of income commensurate with that received by other segments of our economy, and to enable farmers to maintain a strong and progressive industry in the face of ever-increasing costs. Prices to farmers for milk and butterfat last reached the parity level in 1952. Since that time they have been considerably below parity. In four of the last five years they have barely been above 75 percent of parity.

Effective import controls are necessary also to assure an adequate supply of fluid milk and other dairy products for our growing population, to meet our needs for national defense and security, to meet the critical needs of our government for use in foreign nations as an integral part of our foreign policy, and to provide for essential uses within the United States. If imports are allowed to impair our production capacity, it cannot be quickly restored.

Effective import controls are necessary to provide an opportunity for U.S. dairy farmers operating in our high-price and high-wage economy to compete free from inroads of large supplies of foreign products made cheap through subsidy arrangements. In the common market countries minimum import prices for butter range from a low of 70 cents per pound in the Netherlands to 94

cents per pound in Belgium and Luxembourg. Such prices are maintained by import levies. These same nations export butter at prices as low as 20 cents per pound.

Effective import controls are necessary to neutralize the great pressures which are generated by the vast difference in subsidized world market prices and the prices which public policy demands be received by American dairy farmers.

BRIEF HISTORY OF DAIRY IMPORTS

Imports will show an increase of 567 percent—almost 7 times above 1953—if U.S.D.A. estimates of dairy products imports for 1967 are realized. Last year imports showed a startling increase. Whereas from 1953-1965 the increase in imports was 75 percent, in 1966 this jumped to 433 percent.

The first dairy proclamation under Section 22, issued in 1953, established annual quotas equal to 189 million pounds of milk equivalent in the form of dairy products. In that year total imports were 525 million pounds. U.S.D.A. estimates that in excess of 3½ billion pounds of milk equivalent will be imported in 1967.

Import quotas established by Presidential Proclamation No. 3019, effective July 1, 1953, and milk equivalent (fat basis)

(In pounds)

Product	Quota	Milk equivalent
Cheese:		
Cheddar.....	2,750,100	27,244,080
Blue mold.....	4,167,000	37,890,531
Italian.....	9,200,100	73,416,798
Edam and Gouda.....	4,600,200	34,869,516
Total cheese.....	20,747,400	173,421,825
Butter.....	707,000	15,235,850
Dried cream.....	500	9,300
Malted.....	6,000	15,900
Dried whole milk.....	7,000	51,450
Dried skim milk.....	1,807,000
Dried buttermilk.....	496,000	709,280
Total milk equivalent of quotas.....	189,443,605

INVASION BY EVASION

Quotas intended to limit entry of dairy products into the U.S. were established July 1, 1953, by Presidential Proclamation 3019. The proclamation reasonably could have been expected to have established maximum quantities of dairy products which may be imported.

The ink on the proclamation was scarcely dry, however, before exporters abroad and importers within the U.S. quickly discovered that import quotas were easy to circumvent and reprisals by the executive branch would not result from such circumvention. It was soon found that any product—irrespective of whether it had ever been imported or even existed—could be imported in unlimited amounts. Such imports establish a "history of imports" which was useful to foreign exporters and U.S. importers in later establishment or enlargement of quotas.

The first overt circumvention of established quotas involved the splitting of "loaves" of Italian-type cheese. The original quotas specified in original loaves. As a consequence, Italian-type cheeses began entering the U.S. as "split" loaves. Also, varieties of cheese, not specified in the original proclamation, entered the market. The import quotas as established were not full or effective since cheese imports outside the quotas exceeded those permitted by a ratio of 3 to 2 the first year.

The tug of war over cheese imports continues to this day. At present the big non-controlled item is Colby cheese, a product practically identical to Cheddar cheese. Colby cheese is entering the country at a rate ten times the volume established as a quota for cheddar.

When Section 22 of the Agricultural Adjustment Act was invoked July 1, 1953, imports of butter were limited to 707,000 pounds annually, but this was circumvented immediately by the importation of butteroil, a product not previously imported. After much urging and a hearing, the Tariff Commission established an import quota on butteroil at 1,200,00 pounds annually. Total imports of butterfat (as butter and butteroil) thus became nearly three times as great as intended when the 707,000-pound quota was established.

Once the quota for butteroil was made effective, evasion and circumvention of such quotas took the form of butterfat-sugar mixtures.

Exylone, the first product of this type to be imported, was used principally in the ice cream trade as a replacement for domestic cream. The domestic cream, of necessity, was churned into butter for sale to the government under the price support program at lower returns to dairy farmers.

The Tariff Commission held another hearing. This time, however, it relied upon a representative period predating imports of Exylone, and established a quota for Exylone at zero.

In barring imports of Exylone, however, the regulation applied only to products containing 45 percent or more of butterfat. The dairy industry argued that this limitation would merely invite new imports in mixtures containing less than 45 percent butterfat. This happened at once.

A new mixture, called Junex, promptly made its appearance. Junex contained 44 percent butterfat and 55 percent sugar. In 1966 alone, 104.5 million pounds entered the United States, dwarfing the quota on butter and butteroil to meaningless terms.

As a substitute for action under Section 22, the executive branch negotiated with Australia, Ireland, and New Zealand, limiting imports for Colby cheese, cream and butterfat-sugar mixtures, all nonquota products, in 1962 through 1964. These agreements could not bind nonsignatory countries. As shipments from the latter countries increased, the agreements were abandoned. In mid-1966 the Secretary of Agriculture promulgated regulations under the Sugar Act limiting the importation of products containing 25 percent and more of sugar.

This regulation, too, proved ineffective. Mixtures containing 44 percent butterfat, 24 percent sugar, and 31 percent nonfat milk solids were at sea before the regulation was issued. In 1966 imports of butterfat-sugar mixtures displaced a market for U. S. dairy farmers equal to 10 percent of total ice cream production.

Imports of dairy products thus continued to increase. The U. S. Department of Agriculture predicts that the total of imports in 1967 will approximate 3.5 billion pounds of milk (calculated on a butterfat basis). This level of imports is 12 times the total authorized by import quotas.

LEGAL BACKGROUND OF IMPORT CONTROLS

In earlier years the dairy industry in the United States was largely self-sufficient, and the small differences in domestic and foreign prices were offset by modest tariffs.

Following World War I, the butter tariff was increased from 2.5 cents to 12 cents per pound to reflect increasing price differentials. The Tariff Act of 1930 set the tariff rate at 14 cents per pound on butter with corresponding rates on other dairy products. Although these were fixed rates, they operated effectively for several years.

These tariff rates were subsequently reduced to inadequate levels under the trade agreement acts. The reduced tariffs were unrealistic in that they failed to take into account the substantial price differences which were developing between domestic and world price levels for dairy products.

The tariff reductions were not correlated with the programs of the Department of Agriculture and the results were at cross purposes. Moreover, ready use by foreign nations of heavy export subsidies, currency devaluation, exchange manipulations, and similar practices operated to render fixed tariff rates practically meaningless and to require the use of import quotas.

Import quotas were imposed on major dairy products in 1942 under the Second War Powers Act. This was done primarily to keep fats needed in the allied countries from being drawn to the high-priced American market, and to help carry out an international allocation of dairy products.

These controls continued in part through 1948. Later, in the 1949-51 period, imports of butter were controlled under special legislation to permit the orderly liquidation of stocks the government had acquired under the support program.

To prevent excessive imports from resulting in unnecessary expenditures under the price support program, Congress in 1951 authorized import quotas in Section 104 of the Defense Production Act. These controls were maintained until 1953, when they were shifted to Section 22 of the Agricultural Adjustment Act.

Section 22 of the Agricultural Adjustment Act was enacted back in 1935 as a part of the agricultural programs designed to provide fair returns to agricultural producers as measured in terms of parity prices. Its purpose was to assure that the government programs would not be rendered ineffective by imports. It was materially strengthened in 1951 when Congress amended it to state clearly and forcefully that the protection which it had authorized for the agricultural programs would take precedence over the trade agreements.

Although Section 22 has been available since 1935, it was not until 1953 that use of it was made to protect the agricultural programs provided by Congress for dairy farmers.

Since that time, the controls set up in 1953 have been continuously eroded because administration of the section has been weak and ineffective.

Particularly in more recent years, evasion of the import controls has become a popular and profitable pastime for importers and foreign nations. Huge quantities of imports are being brought into the country in open and flagrant evasion of the import quotas.

These have resulted in millions of dollars of added and unnecessary cost to the dairy price support program, and they are interfering substantially with the attainment of the goal of the program which is parity prices in the market place.

"DAIRY IMPORT ACT OF 1967"

The National Milk Producers Federation, after careful study and consultation with members of Congress, developed a new import control program which was incorporated in a bill introduced last year by Senator Proxmire and 21 other Senators. Numerous similar bills were introduced in the House.

Legislation has now been introduced in the new Congress, and the Federation will make an all-out fight for its passage. This will not be an easy task, since it must be assumed that there will be strong opposition. The bill should be supported because it sets a fair guideline under which government and industry can operate.

Opposition will arise in spite of action by other nations, such as those in the European Common Market, to protect their own agriculture, and in spite of tremendous differences between our domestic prices and world export prices which make free trade concepts with respect to dairy products completely visionary and unrealistic.

The legislation proposed would use as a base the average annual quantities of butter-

fat and nonfat milk solids imported during the five calendar years 1961-65. 1966 would not be included in the base because it was not a normal year. Heavily subsidized exports of surplus production in foreign countries, coupled with price increases in this country needed to stop a dangerous decline in domestic production, resulted in abnormally large volumes of imports of evasion-type products during 1966. The same condition threatens serious harm to American dairy farmers in 1967, unless Congress acts to fix a limit on imports under this legislation.

The 1961-65 average would be an automatic control and would not require lengthy and unsatisfactory Tariff Commission proceedings as under present law.

The controls would be flexible as between products and countries, subject to the overall limitation that the annual total of all dairy-product imports could not exceed the 1961-65 average. This would permit recognition of any legitimate new dairy products which might be developed while at the same time preventing evasion.

Provision is made to permit the President to authorize additional imports in the national interest. If additional imports are admitted under this provision, at a time when dairy farmer prices are below parity, a corresponding quantity of dairy products would be removed from the domestic market. This would permit the market to respond to domestic market forces and help attain the goal of the agricultural program authorized by Congress, which is parity prices in the marketplace for American dairy farmers.

The bill also provides that as the domestic market expands due to population or other factors, the import total would increase in the same ratio.

Thus foreign countries would share in the growth of the United States market in the same relative proportion as our own farmers, but their exports to this country could not grow by displacing domestic production. This would prevent serious impairment of our dairy industry which is much too important to our national economy and national security to be sacrificed for concepts of free trade which, so applied to the dairy industry, are unrealistic and impractical.

Most important, the new bill would put an end to the subterfuge and evasion practiced under the present inadequate import controls.

Furthermore, a definite and known level of imports would be established to which the market could adjust and on which our own farmers and foreign countries could make sound future plans.

A BILL TO REGULATE IMPORTS OF MILK AND DAIRY PRODUCTS, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the United States of America to Congress assembled, That this Act may be cited as the "Dairy Import Act of 1967."

Sec. 2. No imports of dairy products shall be admitted into the United States for consumption except pursuant to authorizations issued by the Secretary of Agriculture in accordance with the provisions of this Act.

Sec. 3. No authorizations for imports of dairy products shall be issued by the Secretary which would result in total imports for consumption in any calendar year of butterfat or nonfat milk solids, in any form, in excess of the respective average annual quantities thereof which were admitted for consumption during the five calendar years 1961 through 1965.

Sec. 4. In the event that total annual domestic consumption of milk and milk products in any calendar year shall be greater or less than the average annual domestic consumption of milk and milk products during the five calendar years 1961 through 1965, the total volume of imports for such calendar year authorized under section 3 shall be

increased or decreased by a corresponding percentage. For the purposes of this Act, the Secretary may estimate such total annual domestic consumption on a quarterly basis and reflect adjustments of such estimates in the level of imports authorized in subsequent quarters or in the subsequent year. In computing or estimating such annual domestic consumption under this Act, milk and milk products used in Federal distribution programs shall be excluded.

Sec. 5. The President may permit, if he finds such action is required by overriding economic or national security interests of the United States, additional quantities of imports of any dairy product. Additional imports permitted under this section shall be admitted for consumption under special authorizations issued by the Secretary. No additional imports shall be admitted for consumption under this section at a time when prices received by dairy farmers for milk on a national average as determined by the Secretary are at a level less than parity, unless the Secretary shall, at the time such imports are authorized, remove from the domestic market, in addition to and separate from other price support purchases and operations, a corresponding quantity of dairy products. The cost of removing such dairy products from the domestic market shall be separately reported and shall not be charged to any agricultural program.

Sec. 6. "Dairy products" for the purpose of this Act includes all forms of milk and dairy products, butterfat, nonfat milk solids, and any combination or mixture thereof, and includes also any article, compound, or mixture containing 5 percent or more of butterfat, or nonfat milk solids, or any combination of the two.

Sec. 7. The Secretary may prescribe such rules and regulations as he deems necessary for the effective administration of this Act.

Sec. 8. Nothing contained in this Act shall be construed to repeal section 22 of the Agricultural Adjustment Act or any import limitation established thereunder; but the total annual quantitative limitations on imports of butterfat and nonfat milk solids prescribed by this Act shall prevail, and all imports authorized under said section 22 or any other law shall be included in computing such total.

AMENDMENT OF SECTION 333 OF INTERNAL REVENUE CODE OF 1954

Mr. MAGNUSON. Mr. President, I introduce, for appropriate reference, a bill amending section 333 of the Internal Revenue Code of 1954 to bring up to December 31, 1962, securities acquired by the liquidating corporation.

It is and has been for a number of years the established policy of Congress to encourage liquidation of personal holding companies. Provisions to this end were first made by enactment of section 112(b)(7) of the Revenue Act of 1938. Twice thereafter the provision was restored to permit additional liquidations within limited periods of time. When section 333 of the 1954 code was adopted it was expressly recognized that encouragement of such liquidations had permanent value and should be made a regular part of the Internal Revenue Code. See Senate Report No. 1622, 83d Congress, second session, page 256—1954.

Section 333 and its predecessors have facilitated liquidation by postponing until disposition by individual shareholders capital gains tax on securities that have appreciated in value while held by the liquidated corporation.

On the other hand, cash distributed is immediately taxed as a dividend. In order to prevent this conversion of cash into securities to avoid the tax imposed, it has been provided that stock and securities acquired after a specified date should be treated as money. The cutoff date set in 1954 was December 31, 1953.

With the passage of time, the cutoff date has rendered the section increasingly obsolete. There are few corporations whose securities were all acquired more than 12 years ago. If section 333 is to have the permanent effect intended at the time of enactment, it is essential that the cutoff date be advanced.

It should be emphasized that the effect of this proposal on the revenue is not a material consideration since it has been noted in reports of the Senate Finance Committee that any revenue loss resulting from an updating of section 333 is "negligible." See Senate Report No. 781, 82d Congress, first session, 61—1951.

In view of the changes made by the Revenue Act of 1964 in the rules relating to taxation of personal holding companies, Congress should, in the interests of fair administration, provide again the same opportunity for liquidation of existing holding companies that has been recognized for more than 25 years.

My bill would provide a reform in our basic tax structure that has long been needed. Such updating of section 333 has been widely recognized by such bodies as the American Bar Association and the American Institute of Certified Public Accountants.

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

The bill (S. 614) to amend section 333 of the Internal Revenue Code of 1954 to bring up to December 31, 1962, the cutoff point for stock and securities acquired by the liquidating corporation, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on Finance.

TRANSFER OF CERTAIN PROPERTY TO MEMPHIS STATE UNIVERSITY

Mr. GORE. Mr. President, I introduce, for appropriate reference, a bill and ask that it lie on the desk for the remainder of the day in the event another Senator wishes to add his name as a cosponsor.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be held at the desk, as requested by the Senator from Tennessee.

The bill (S. 619) to authorize the conveyance of certain lands owned by the United States to the State of Tennessee for the use of Memphis State University, Memphis, Tenn., introduced by Mr. GORE (for himself and Mr. BAKER), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. GORE. Mr. President, this bill provides authority and direction for the transfer of certain property now known as the Kennedy Hospital, a property under the jurisdiction of the Veterans' Ad-

ministration, to Memphis State University.

Mr. President, I realize that we have established procedures for the disposition of property surplus to the needs of the U.S. Government. I am well aware, too, that the bill I have just introduced provides an exception.

Mr. President, I wish to indicate why I think an exception is justified in this instance. An exception is justified first, because of an urgent educational need. Memphis State University now has an enrollment of more than 14,000 students. The curriculum of the university has been expanded to meet the needs of the student body, and the student body is constantly growing. It is anticipated that by 1970 this will be a university of more than 20,000 students. Memphis is one of the large and one of the most rapidly growing cities in America.

Both the city and the university are truly of importance to the entire mid-South. This is a regional school and is rapidly becoming more so.

Naturally, those who first established the campus and the physical layout of the university did not envision—indeed, who could have envisioned, then?—that this would become a university of truly major proportions.

Nevertheless, the problem is upon us. It is not just a local problem but a State and regional problem as well; therefore, it is a national problem.

The urgency of the need, the good purposes to be served and the need for expeditious action, would justify this exception to which I have referred.

Mr. President, I should like to address a few remarks to the Senate about the need for expedition.

There are a number of unused buildings on the property at the present time. The university can make considerable use of these buildings, particularly if they are acquired before further deterioration takes place. Therefore, upon reference of this bill to the committee, I shall hope to appear and request those who share my views in this regard to join in a request that the committee act expeditiously in dealing with what I regard as an urgent and fully justified need.

I have asked that the bill lie on the desk for further sponsorship for the remainder of the day. I should add that I have spoken to the three Members of the other body representing congressional districts in west Tennessee about the bill and have, as an act of courtesy, supplied them with a copy.

I would hope that Representatives and Senators from Arkansas and Mississippi would likewise join in this effort because, as I have said, it is truly a regional university, soon to become even more so in its importance and its magnitude.

CONSOLIDATION AND REENACTMENT OF CERTAIN SHIPPING LAWS

Mr. MAGNUSON. Mr. President, I introduce, for appropriate reference, a bill to consolidate and reenact certain shipping laws of the United States, and for other purposes.

For a number of years the Committee on Commerce, and others interested in promoting the American merchant marine have been conscious of the need to organize rationally and reenact the multitude of statutes affecting the U.S. shipping and maritime programs.

The U.S. laws relating to the merchant marine, Coast Guard, Customs, and admiralty are collected and organized under about 30 chapters in title 46: Shipping of the United States Code. The Bureau of Customs and the Coast Guard have undertaken a comprehensive revision of about 20 chapters of title 46. This bill brings up to date the other 10 chapters dealing with the U.S. merchant marine.

Many of the laws are of ancient origin. Chapter 17, for example, requires certain fishermen and masters to sign a written agreement on length of time of employment by season or voyages and provides severe penalties for fishermen who desert without leave of the master. The difficulty of relying on the United States Code in this area has also prompted a need for consolidation and compilation.

The project involved the collection of all merchant marine laws, the reorganization of the law, and the rewording of the law after all amendments were incorporated and repealed sections drafted.

During the last Congress, the Senate adopted a resolution authorizing funds to the committee for compilation and revision of the maritime statutes. The committee, under this authorization, contracted with a private consultant, Pike & Fischer, Inc., of Washington, D.C., to prepare the initial draft of the revision. A directive was given that no amendment to the substantive law should be made unless required by recent organizational changes or similar requirements. This work was accomplished in an excellent manner and made available to the committee on schedule in December of 1965. The draft was printed, after careful review by the committee staff, and distributed to Government agencies, maritime industry, labor, and interested persons generally. Numerous comments were received by the committee from all segments of the merchant marine and from all agencies that have an interest and responsibility for our merchant marine policy. On the basis of these comments, legislation was prepared which I introduced in the second session of the 89th Congress.

The bill received wide support and was subsequently passed by the Senate. However, the House of Representatives failed to act upon the bill before adjournment.

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

The bill (S. 620) to consolidate and reenact certain of the shipping laws of the United States, and for other purposes, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on Commerce.

CERTAIN INCREASES IN ANNUITIES FROM THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

Mr. FULBRIGHT. Mr. President, I introduce, by request, a bill to provide for cost-of-living increases in the annuities payable from the Foreign Service retirement and disability fund.

The provisions of this bill are similar to those of S. 3247, approved by the Senate on October 5, 1966, but not acted on in the House of Representatives.

I ask unanimous consent to have printed at this point in the RECORD a letter to the Vice President from Assistant Secretary of State Douglas MacArthur II, the text of the bill, and certainly explanatory material concerning it.

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

The bill (S. 624) to provide certain increases in annuities payable from the Foreign Service retirement and disability fund, and for other purposes, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

S. 624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Foreign Service Annuities Adjustment Act of 1967.

Sec. 2. Each annuity payable from the Foreign Service Retirement and Disability Fund on January 1, 1967 shall be increased effective on that date by 5.7 per centum. No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

Sec. 3. Effective January 2, 1967, section 882 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1064(b)), is amended to read as follows:

"Whenever a cost-of-living annuity adjustment is made in annuities payable from the Civil Service Retirement Fund pursuant to 5 U.S.C. 8340, as amended by P.L. 89-205, such increase shall apply in the same manner to annuities payable from the Foreign Service Retirement Fund."

The letter and explanatory material presented by Mr. FULBRIGHT are as follows:

DEPARTMENT OF STATES,
Washington, January 6, 1967.

THE VICE PRESIDENT,
U.S. Senate.

DEAR MR. VICE PRESIDENT: Enclosed is draft legislation to provide cost-of-living increases in annuities payable from the Foreign Service Retirement and Disability Fund that would establish and continue equity between the Civil Service and Foreign Service retirement systems with respect to cost-of-living adjustments.

A recommendation to this end made by the Cabinet Committee on Federal Staff Retirement Systems was endorsed by the President on March 7, 1966.

Under the current provisions of the cost-of-living adjustment formula applicable to Foreign Service annuities, adjustments now lag 5.7 percent behind adjustments that have been made in Civil Service annuities. Unless this proposed bill is enacted early in the 1st

session of the 90th Congress, it is not anticipated that a cost-of-living adjustment will become effective for Foreign Service annuitants until April 1, 1968, and even then equity between Civil Service and Foreign Service may not be established.

Provisions for the establishment of and continuance of equity between Civil Service and Foreign Service cost-of-living adjustments were included in S. 3247, a bill passed by the Senate on October 5, 1966. This bill did not receive House action before adjournment of the 2nd session, 89th Congress.

Early action by the Senate on this important legislation is urgently requested.

The Department has been informed by the Bureau of the Budget that there would be no objection, from the standpoint of the Administration's program, to the presentation of this draft legislation to the Congress for its consideration.

Sincerely yours,
DOUGLAS MACARTHUR II,
Assistant Secretary for Congressional
Relations
(For the Secretary of State).

EXPLANATION OF BILL

This bill is regarded as emergency legislation to establish and continue equity between the Civil Service and Foreign Service Retirement Systems with respect to cost-of-living adjustments.

P.L. 89-205, commonly known as the "Daniels bill", provided a 6.1 percent cost-of-living adjustment in Civil Service annuities effective December 1, 1965. Under an improved cost-of-living formula also in P.L. 89-205, Civil Service annuitants are receiving a 3.9 percent cost-of-living adjustment effective January 1, 1967.

Under the provisions of the current cost-of-living adjustment formula applicable to Foreign Service annuities, a 4.3 percent increase was effective April 1, 1966. Under the provisions of this same Foreign Service cost-of-living formula Foreign Service annuitants are not expected to be eligible for another cost-of-living increase until April 1, 1968.

The President's Cabinet Committee on Federal Staff Retirement Systems recommended in 1966 that steps be taken to provide for the equitable application of cost-of-living annuity adjustments. It is the objective of this bill to match for Foreign Service annuitants those adjustments provided for Civil Service annuitants in December 1965 and January 1967 and to provide that future cost-of-living annuity adjustments for Civil Service annuitants will trigger identical adjustments for Foreign Service annuitants.

The 4.3 percent cost-of-living annuity adjustment received by Foreign Service annuitants on April 1, 1966 left them 1.8 percent below the 6.1 percent cost-of-living annuity adjustment received by Civil Service annuitants effective December 1965. By adding this 1.8 percent adjustment to the 3.9 percent adjustment which became applicable to Civil Service annuities on January 1, 1967, we arrive at the total 5.7 percent increase sought in this bill.

COST ESTIMATES

The first year cost of this 5.7 percent Foreign Service annuity increase would be \$565,000.

This compares to a first year cost of \$67,000,000 for the 3.9 percent Civil Service annuity increase which became effective January 1, 1967. Increases in the unfunded liability for the two systems are as follows:

Increase in unfunded liability:	
Annuity increase (5.7 percent FS)	\$7,200,000
Annuity increase (3.9 percent CS)	739,000,0

Mr. CASE. Mr. President, because the Senator from New York [Mr. JAVITS] is necessarily absent, he has asked me to make the following statement, which he has prepared:

STATEMENT BY SENATOR JAVITS, READ BY SENATOR CASE

Mr. JAVITS. Mr. President, I join with other Senators this morning in paying tribute to the distinguished former Senator from Illinois, Paul Douglas, on the occasion of his 75th birthday.

During his outstanding career as a Member of this body, he often provided guidance and leadership to those of us particularly interested in human rights. His role in molding and gathering support for civil rights legislation is well known. During the years when fighting for that cause was a lonely struggle, Paul Douglas continued to work diligently, protesting every effort to sidetrack the bills and leading the move to change rule XXII. It is fitting that he played such an important role in the passage of the landmark laws which are now on our books.

His scholarship and practical wisdom were demonstrated time and time again on the Joint Economic Committee, on which I had the honor to serve with him. I was particularly pleased, therefore, when he recently accepted a teaching post at the New School in New York. I know other citizens of my State share my pride in having him as a part-time New Yorker.

To paraphrase his successor, Senator CHARLES PERCY, I hope each of us will be as fine and distinguished a Senator as Paul Douglas.

Mr. PROXMIER. Mr. President, at the request of the senior Senator from Connecticut [Mr. DODD], who was called out of town today, I have been asked to make the following statement, which he has prepared:

STATEMENT BY SENATOR DODD, READ BY SENATOR PROXMIER

Mr. DODD. Mr. President, I join today with the Senator from Wisconsin [Mr. PROXMIER], the Senator from Illinois [Mr. PERCY], and other Senators in paying tribute to former Senator Paul Douglas on his 75th birthday anniversary.

I consider Paul Douglas to be one of the most outstanding and distinguished men to have ever served as a member of this body.

It was Paul Douglas who led the fight for Civil Rights legislation when it was not popular to do so. And to him much of the credit must go for the laws recently enacted in this area.

All through his public life, he has always been the spokesman and champion of the little man. His ideas on consumer legislation have served as the model for much of the work that has already been done to protect consumers. The pending truth-in-lending bill, which I have cosponsored is the product of his labors.

In conclusion Mr. President, I would like to add that I consider Paul Douglas to be one of the most honest and forthright men I have ever known.

I salute him on his birthday and wish him continued good health and happiness.

PAUL DOUGLAS—CONSCIENCE OF THE SENATE

Mr. NELSON. Mr. President, Paul Douglas brought so many different things to the Senate that it is difficult to single out any one. First of all, he was an educator—a distinguished economist and political philosopher—and I think any reading of American history will show how much our American institutions have depended on such men. Much of the progress we have made in the past two decades rests on the ideas and the intellectual stimulation provided by him and by other distinguished educators.

In addition he was a military man, who distinguished himself in combat and showed that philosophers also can be battlefield heroes.

He also was a Chicago alderman, and to me there was always something significant in the fact that this gifted intellectual leader would be willing to serve his city in the rough and tumble ward politics of city government. Paul Douglas could undertake any assignment. No job was too big for him, and none was too small.

Then, of course, he was a distinguished U.S. Senator for 18 years, where he was able to draw upon this exceptional background and make a magnificent contribution to his country and to the world.

For all his great contributions, some of which still lie in the future, I think history will remember him best as the conscience of the Senate during a time of testing for our Nation. Life moves along very swiftly. Men in government are constantly under pressure. We are constantly reminded that we must be "practical," that lofty goals are not attainable, that the world is built on compromises and coalitions. In this setting, a towering figure such as Paul Douglas—philosopher, war hero, alderman and statesman—can render an incomparable service by pointing out that there is a higher road our Nation can travel toward the future.

He lifted the eyes and the minds of the Senate to the higher goals. He helped to point the Nation in the direction of truth and wisdom. He taught us that we could keep our feet on the ground and still reach for the stars. He is a true American hero.

BEST WISHES TO SENATOR PAUL DOUGLAS ON HIS 75TH BIRTHDAY, SUNDAY, MARCH 26—HIS COMPANIONSHIP AND LEADERSHIP ARE MISSED

Mr. RANDOLPH. Mr. President, it is indeed a privilege to join other Senators in extending to former Senator Paul Douglas sincere best wishes on his forthcoming birthday.

It has been a source of pleasure for all of us who served so long with that splendid American in the Senate to have known and worked with him. I want him to know that his gallant leadership in so many vital areas is sorely missed by his friends.

Paul Douglas gave of his warmth, his experience, and his wisdom to a great degree—whether they agreed or did not agree with his positions. I recall now the feeling of sadness on election eve when Eric Sevareid, in commenting on the Illinois senatorial race, said wistfully, "Some very tall timber is falling tonight."

Paul Douglas was, in the Senate, and

will be in private life, "very tall timber" in truth. He has not fallen, however, even though he is no longer here. True to his long career of public service, of contributing to the uplifting of the life of the Nation he loves, he is continuing to perform services to his country.

I wish him many long and rewarding years ahead. We need Paul Douglas and men like him in all areas of our society. His efforts will, I am sure, bring forth continuing good for those for whom he labors, wherever he goes.

Mr. PELL. Mr. President, today is the 75th birthday of Paul Douglas, and I can think of no man who deserves a happy 75th birthday more than he.

Long before I came to the Senate, I admired Paul Douglas. And coming to the Senate and having him as a friend here made me realize how correct I had been in that admiration.

His contributions show not only the theory, but also the practice of good government, for he practiced what he preached. His example was one that we could all well emulate. He was brave not only in the tenacity and forthrightness with which he advanced his ideas, but his physical bravery is self-evident, as seen from his having volunteered for combat duty as a marine at 50 years of age.

I admire him, like him, and wish him the happiest of birthdays.

CONDITIONS IN THE DAIRY INDUSTRY

Mr. MONDALE. Mr. President, I ask unanimous consent that there be inserted at this point in the RECORD a very important letter which the distinguished junior Senator from Wisconsin [Mr. NELSON] wrote to the Secretary of Agriculture regarding the virtually scandalous condition of dairy farmer income in the Nation, and particularly the great upper Middle West.

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

MARCH 22, 1967.

DEAR SECRETARY FREEMAN: The milk holding action of the National Farmers Organization in 25 states and the nationwide Farmers Union campaign to stop buying new farm equipment and automobiles are dramatic demonstrations of the farm unrest throughout the country—and particularly in the Dairy industry.

As I am sure you realize, these are not the frivolous acts of a handful of malcontents. They are the voluntary actions of two groups of the finest farmers in America. They are trying desperately to tell the country that low dairy prices are driving them to bankruptcy.

Tragically, the American consumer is not in the United States who are receiving less aware that the farmers are the only group in the United States who are receiving less money for their labor than they were 20 years ago. As you pointed out in your speech last week in Oklahoma City, today's farm prices are nine percent less than they were in 1947. The dairy farmer still only gets 8-10 cents per quart of milk he produces while the housewife pays three times that much on the retail market.

In the last 15 years, the number of farms selling whole milk nationally has dropped from more than a million to some 500,000 today. Current reports from Wisconsin in-

As a teacher, scholar, author, adviser, politician, and soldier, he has not always been the most comfortable and comforting colleague. His conscience is too strong for him to be easy on himself or on the rest of us. But because of his qualities of compassion and toughmindedness, millions of Americans have gained better and more meaningful lives.

On behalf of my constituents, who regard Paul Douglas as a State of Mainer, I wish him a happy birthday and God-speed in his new endeavors. In addition, for myself, I say thanks for his inspiration, his challenges, his leadership, and his friendship, which have meant so much to me in the Senate.

Mr. JORDAN of Idaho. Mr. President, I join my colleagues in congratulating Paul Douglas on his 75th birthday anniversary.

It was my pleasure to serve with him on the Joint Economic Committee, where he served, in alternate years, a chairman. Paul Douglas is a man of strong convictions. His remarkable career as teacher, soldier, and Senator has provided the background for the meditations of a keen mind to forge ideas that carry weight and influence. I shall always admire his great courage in defending the truth as he sees it. He is a strong man—both physically and intellectually—but with that strength there is also an innate gentleness and amiability. I hope he enjoys many, many more birthdays.

Mr. PROUTY. Mr. President, I wish to join my colleagues in extending to Paul Douglas every good wish on his 75th birthday today.

His inquiring and provocative mind and his outstanding ability had a lasting impact on the course of major legislation which will ever be appreciated by the writers of the history of our generation.

Paul Douglas and I are, of course, of different political "faiths." We differed often on some legislative matters, but we agreed frequently on others.

Our work on different committees in the Senate prevented our working closely on some matters; but we tried to cooperate in other areas of mutual interest.

Basically, however, whether as an adversary or as an ally, Paul Douglas is first and always a very warm and pleasant human being.

It is this kind of person—the Paul Douglas kind of person—who, I think, enjoys birthdays. It is with sincere affection that I wish this, his 75th, to be a happy one.

Mr. KENNEDY of Massachusetts. Mr. President, Paul Douglas is a moral force in our time. His character and courage are standards by which other men may be measured—and there are few men who meet the test. There was no other man in the U.S. Senate or in private life today that I would rather emulate. He brought his wisdom, his patience, his perseverance to the U.S. Senate and our Nation is better for it.

Paul Douglas, the intellectual, the teacher, the soldier, the politician. These were the activities of the men in public life who framed our Constitution—men like Jefferson, Hamilton,

Paine, and Adams, of whom President Kennedy said:

Books were their tools, not their enemies. In the golden years of public service, they created the link between the American scholar and the American politician.

Paul Douglas is a descendant of this tradition, and he is a tradition himself.

How many times did Paul Douglas stand alone, before the Senate and the Nation came to the realization that his position was just and right? How many countless days and nights did he spend in this Chamber, pleading the cause of those who were not represented and calling for policies that a nation could not yet grasp?

He was alone in 1956 fighting for civil rights, and his efforts drew six votes. Six votes on the issue that was to dominate a decade, an issue on which other men came to build their futures when it was acceptable to do so. He was alone 10 years ago with his medicare bill, on an issue that men rely on today as proof of their concern for the elderly.

In 1958, in the midst of the second of the three recessions of that decade, he was calling for a tax cut to free the energy of our economy and return men to work. He was unheeded, yet men take credit today for their wisdom in supporting the tax cuts of the sixties.

When I first came to the U.S. Senate in 1963, Paul Douglas was already an institution, a legendary figure in the political life of our Nation. I have watched him with great respect and admiration. I looked to him for guidance and counsel.

But he has become something more to me than a legend. I have come to understand what this great American meant to the Senate and to us, his Democratic colleagues, and indeed to the Nation. Paul Douglas is our benchmark—for integrity, for courage, for vision, for a sense of humanity and common dignity and human warmth. He has all those qualities we associate with youth: energy, enthusiasm, optimism, and faith in his fellow man. But he also has the additional qualities of wisdom and understanding gained through the years and he offered those qualities to those of us new to the Senate.

This Sunday, Paul Douglas will be 75 years old, as active in his private life as he was in public life. He still serves his Nation, and he has returned to the classroom to again serve our Nation's young.

Mr. President, I join with my colleagues in saluting Paul Douglas. We wish him well.

Mr. LONG of Missouri. Mr. President, I welcome this opportunity to join with other Senators in recognizing the contributions of Senator Paul Douglas on the occasion of his 75th birthday.

Throughout his 18 years in the Senate, his dedication to the principles and goals he espoused was an inspiration to all. I enjoyed the privilege of serving with Senator Douglas on the Committee on Banking and Currency. His philosophy and interest in the problems of the cities and economic conditions in the United States are reflected in many of the major housing and banking laws.

Whenever he differed with respect to

the proper solution of a problem, he was always fair in his actions and willing to consider all aspects of an issue. His efforts to achieve a better land in which to live have created for him a lasting place in the history of this body.

It is a pleasure to take part in the recognition of Senator Paul Douglas, and I wish him a very happy birthday.

Mr. MOSS. Mr. President, it is not often that a man becomes a legend in his time. But in my opinion, Paul Howard Douglas, the former Senator from Illinois, has achieved that special kind of fame. I am glad that we are taking time in the U.S. Senate, on the occasion of his 75th birthday, to tell him how much we admire and respect him, and to thank him for the great contributions he has made toward a better and more tolerant America.

The Paul Douglas legend has many facets. It has grown up around his impassioned battle against poverty and ignorance and injustice. To this battle he has brought his towering intellect, his great skill as a debater, his eloquence, his courage, his integrity, and his deep understanding of both social and economic issues. He has won his battle again and again, and he is widely revered and respected and cherished in the country to which he has given so much.

When I first came to the Senate, as a new Member from Utah, Paul Douglas was already burdened with the many causes which he made his own. But he was generous with his time in personally advising me, and I shall always be grateful to him for helping me through the first weeks and months when I was unaccustomed to the ways of the U.S. Senate.

And so to my former colleague and great friend, I wish a very happy birthday, and many more of them. He is one of the important men of our times.

Mr. TYDINGS. Paul Douglas is an extraordinary public servant. Integrity and breadth of vision have been the keynotes of his remarkable career. John Kennedy has said:

Being ready is what really matters—being ready to meet any challenge, to assume any responsibility, to lose fear for ourselves in an abiding concern for the common good.

Paul Douglas has been ready to fight a host of battles for the common good. He graced this Chamber, and his continued activities as public servant and teacher will grace our land. I am honored to join in the tribute today to Senator Douglas on the occasion of his 75th birthday.

Mr. McGOVERN. Mr. President, I am pleased to join with my colleagues in saluting our distinguished friend Paul Douglas on his 75th birthday.

Senator Douglas is one of the wisest and most compassionate men ever to serve in the U.S. Senate. Beyond that he is a man with a sparkling sense of humor, sharp wit and, a profound grasp of history. I have personally appreciated his many kindnesses and words of encouragement to me.

I wish him well as he continues to serve as a wise teacher and a dedicated citizen.

for breaking with tradition and getting us into it.

He says "it has always been axiomatic that we must exert our power offshore and must never allow ourselves to get sucked deeply into the mainland." Where does this piece of history come from? U.S. forces brought the decision in World War I, but there is no record that they remained in boats afloat in the North Sea. Did the D-Day invasion of 1944 really not happen? Were the Greeks and the South Koreans stimulated to keep their independence by armies of Americans cheering from offshore? This is a world of dreams fashioned to fit a thesis; not a thesis designed to fit the world.

Mr. L. says that we are fighting a "war to exchange casualties with the inexhaustible masses of the Asian continent." By my count we are a nation of nearly 200 million people and we are fighting a nation of 17 million people with its quarter-million recruits in the South. It may be that Lippmann has predicted China would come into the war so often that he has persuaded himself that it is a fact.

The degeneration of the "debate" on Vietnam is a unilateral act. The irrational little mob who assaulted the Pentagon (fewer, by the way, than the number of young Americans who volunteered for the armed services in the same month) and those respectable pundits who provide them with a theoretical justification, have to de-escalate. Nobody else has escalated.

THE BUTTER SUBSIDY BILL

Mr. MONDALE. Mr. President, the Land O'Lakes Creameries, Inc., one of the largest processors of dairy products in the world, has given strong support to S. 2527, which I introduced a short time ago in the Senate. I ask unanimous consent that an editorial, contained in their October 1967 publication *Smoke Signals* be printed in the RECORD.

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

LAND O'LAKE'S SUPPORTS BUTTER SUBSIDY BILL

Land O'Lakes Creameries came out with strong support for the bill introduced today by Senator Walter F. Mondale (D-Minn.). The bill would empower the Secretary of Agriculture to encourage the movement of surplus butter into commercial domestic consumption instead of into government storage by effecting a reduction in prices to consumers by payment made to processors of butterfat used in butter.

Land O'Lakes supports the Mondale bill, according to D. H. Henry, General Manager, because they believe that dairy farm income could better be strengthened by providing payments to processors, which would make possible a decrease in the consumer price of butter—actually a "consumer subsidy".

Land O'Lakes believes that the Senator's bill will prevent butter from piling up in government hands and enable butter to move in domestic markets.

Under Mondale's bill the existing dairy price support would be continued with the Secretary of Agriculture announcing the price support level per hundred weight of milk to the dairy farmer in the same manner that he does with the current price support program.

But this bill adds a new feature. If commercial butter becomes sluggish, this bill would enable the Secretary to But, instead of purchasing butter to support the market, he could reduce the purchase of butter by consumers. Consumers would have the benefit of

There would be no government purchases or storage except to the extent that the Secretary might wish butter to fill government program requirements.

Mondale called attention to the fact that during World War II a similar program maintained milk production to meet wartime needs. Prices to plants and consumers were fixed at relatively low levels and payments were made through plants to encourage dairy farmers to maintain their production.

In 1945, while this program was in effect, the per capita consumption of butter was nearly 11 pounds. At present prices and competitive conditions commercial consumption of butter is scarcely 5.5 pounds.

One of the oldest economic concepts of the dairy industry is that butter is the economic balance wheel. A strong butter market is necessary for the maintenance of the prices of fluid milk and other dairy commodities for all dairy farmers. A surplus of milk-fat above immediate market requirements for other products is manufactured into butter.

Land O'Lakes spokesmen note that figures show that as the spread between the price of substitutes and butter widens, butter consumption drops.

In calling for the passage of the Mondale bill, Land O'Lakes notes that the main problem of the dairy industry is butterfat. They believe that Senator Mondale's bill will move butter into the domestic consumer market, benefiting the farmer with a greater income and the consumer with a lower retail price for butter.

A similar program of direct consumer subsidy on butter in Canada has been very successful in increasing the per capita consumption of butter over the past few years.

ALEXANDER WILEY

Mr. FULBRIGHT. Mr. President, it was with sorrow that I learned of the death last week of Alexander Wiley, a good friend, a colleague of many years, and former chairman of the Committee on Foreign Relations.

As chairman of the committee from 1953 to 1955, I knew Alexander Wiley as a hard-working, conscientious, and fair leader. He enjoyed hard struggle in support of his beliefs, but he never stooped to unfair or dishonest tactics. His willingness to give fair treatment and hearing to those who espoused positions contrary to his own was one of his most admirable qualities.

Alex Wiley was a man of warmth and deep affection. He loved his family, his Senate, and his country.

His bouncy step, often heard in the corridors of the Senate even after departure, will be missed.

I offer my condolences to his wife, Dorothy, and the members of his family.

"PASSING UP THE PORK"—A SENSIBLE APPROACH TO BUDGET CUTTING

Mr. PROXMIRE. Mr. President, recent congressional moves tend to strengthen the feelings of those of us who say that public economic policy is the key to current economic ills. More people—lawmakers and constituents alike—are coming upon the dichotomy between what is happening in the Government sector and what is going on in the private sector. They see Government continuing to undertake expensive but low-return projects, at the same time that predictions multiply of an impending inflationary spiral accompanied by low-capacity utilization and rising unemployment levels.

The present economic dilemma is often simplified as a guns and butter trade off. But, we can have both—if returns to investments justify the commitment. Government policies which misallocate resources by employing unrealistic investment evaluations must be eliminated.

One area in which Government policies have created significant dislocations is the huge and expensive public works program. Government cost-benefit analysis has employed what economists term an unrealistically low discount rate. The result has been gross overinvestment in public works projects as well as increasing inflationary pressures—because these low-return projects compete for scarce resources with many other higher return investments—and lower economic growth.

However, the picture seems to be changing. Given a choice between a tax increase and lower public works expenditures, the public would opt for spending cuts. The slats of the pork barrel are falling off; the long-used argument of political suicide by advocating public works budget slashes is proving untrue.

According to an article in last Friday's Wall Street Journal:

The old fashioned pork barrel seems to be suffering a decline in relative esteem.

The voter is realizing the need for some sort of Government spending priorities. Budget cuts cannot be indiscriminate. There must be some system to show relative payoffs of alternative proposals. Congress must act as soon as possible to rectify policies which justify wasteful investments. And Congress must also establish a rational and realistic ordering of budget needs.

I ask unanimous consent that the Wall Street Journal article entitled "Passing Up the Pork," be printed in the RECORD.

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

PASSING UP THE PORK: LEGISLATORS, HOME FOLK QUIETLY ACCEPT FREEZE ON PUBLIC WORKS PLANS—MANY AGREE THE PET PROJECTS SHOULD YIELD TO ECONOMY—SCHOOL AID IS STILL SOUGHT—BUT SOME CONTINUE TO FIGHT

(By Arlen J. Large)

WASHINGTON.—A \$368,000 contract for an anti-erosion job on a beach at Hunting Island, S.C., is on the list of public works ordered "frozen" by President Johnson in the Government's current budget squeeze.

"Local interest is high," warns the Army Corps of Engineers in its confidential inventory of the frozen projects. "Efforts have extended over several years with local money now available. Considerable public criticism anticipated."

Yet South Carolina's two Senators so far have heard no cries of outrage from the area, and neither has the Congressman from that district, Democrat Mendel Rivers. "The people down there are willing to take their medicine," says Mr. Rivers.

The largest project on the Engineers' freeze list is an \$8.2 million contract for construction of the Rend Lake Dam in southern Illinois. The home folks aren't in revolt, reports Democratic Rep. Kenneth Gray, "because I've assured them that it's only temporary; the President doesn't intend to stop the project."

Both Reps. Rivers and Gray are quick to stress the great worth of these vital projects, and both think the freeze is a bad mistake.

That is Coolidge Roosevelt

The other bill I am particularly interested in concerns the North Cascades National Park in Washington. I am familiar with this area and it is extremely rugged and beautiful. Fortunately little timber is involved for so much of it is near or above the timber line. I am convinced that it could be developed as a park so that many could enjoy it and I know of few natural areas that deserve to be saved.

Sincerely,

EWART M. BALDWIN.

MOUNT ANGEL COLLEGE,

Mount Angel, Oreg., October 25, 1967.

Senator WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Please support the general plan outlined by the Senate Interior Committee regarding the Redwood National Park (S. 2515), but, if possible, try to increase the size to the least 70,000 acres. We urge you, also, to vote to keep the Exchange of the Northern Redwood Purchase Unit in the plan.

We feel that conservation of our few remaining natural resources, especially those of such beauty and grandeur as the redwoods, is of vital importance to our country, and we urge you to support conservationists in every way possible.

Once again we want to express our appreciation for your stand against the Johnson war policies.

Sincerely,

LELAND AND AMELDA JOHN.
SILVERTON, OREG.

PORTLAND, OREG.,
October 26, 1967.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SIR: We urge your support of S. 2515 and modifying it to increase the size to at least 70,000 acres. It seems to us important to keep the Purchase Unit in the plan. We hope this will at long last secure a Redwood National Park.

Respectfully yours,

CARROLL S. HIGGINS.
LUCILE H. HIGGINS.

OCTOBER 23, 1967.

Subject: Redwoods National Park.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Board of Directors of the Izaak Walton League, which represents the Nation-wide membership, held its regular fall meeting over the past weekend. The Board discussed the Redwoods National Park proposal and your Committee bill S. 2515, one of the key conservation issues of the 90th Congress. Copies of the bill and the Committee Report had previously been distributed.

The Board was highly commendatory of the Committee for working its way through all the complexities of the issue and reaching agreement on a workable plan for a worthwhile National Park.

The Board unanimously agreed on the following points:

1. To support the Committee's recommended two-unit Park;
2. To support full funding for acquisition of lands for the Park;
3. To oppose use of the Northern Redwoods Purchase Unit as trading stick for lands to be acquired.

The League over the years has supported and now supports land exchanges when that serves to block uplandings, to achieve more effective and efficient administration and management or to eliminate undesirable inholdings. The League as consistently has opposed proposals to use national forest lands as payment in kind when Federal acquisition is necessary for other projects of broad public

interest. The League does not believe that the choice lies between a national park on one hand and national forest lands on the other—both are needed. Rather, the League believes that the Country can afford to acquire directly the lands necessary to establish the National Park approved by your Committee.

The League's opposition to one provision of S. 2515 in no way detracts from our evaluation of the Committee's accomplishment in reporting out this important measure.

Sincerely yours,

J. W. PENFOLD,
Conservation Director IWLA.

SALEM, OREG.,
October 26, 1967.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Please support acquisition of Redwood National Park by purchase rather than exchanging national forest lands.

OREGON STATE RIFLE ASSOCIATION.

PORTLAND, OREG.,
October 26, 1967.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Urge enthusiastic support of S. 2515. Modify to increase Redwood National Park to at least 70,000 acres. For instance, increase protection of stream side area with wider buffer zone. National redwood purchase unit exchange important for partial funding of park and should be supported.

LESLIE SQUIER.
ANNE SQUIER.

PORTLAND, OREG.,
October 26, 1967.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Support S. 2515. Urge expansion to 70,000 acres purchase unit exchange seems wise.

WILLIAM BLOSSER.

PORTLAND, OREG.,
October 25, 1967.

Senator WAYNE MORSE,
Washington, D.C.:

Urge your strong support S. 2515 Redwood National Park. "Would recommend increase to 70,000 acres plus retention purchase unit exchange Forest Service land to preserve more Lower Redwood Creek and Emerald Mile Area.

JAMES W. GAMWELL.

PORTLAND, OREG.,
October 25, 1967.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.:

We favor the Redwood National Park concept; are opposed to the exchange of our National Forest land for this accomplishment.

RICHARD L. HUBBARD,
President, Oregon Division, Izaak Walton League of America.

CORVALLIS, OREG.,
October 25, 1967.

Senator MORSE,
Washington, D.C.:

I encourage you to support the new Interior Committee Redwood Park bill, S. 2515, with the modifications advocated by the Sierra Club to increase the size of the park to a minimum of 70,000 acres.

Sincerely,

RICHARD B. NORGAAARD.

DISSENT ON VIETNAM

Mr. McGEE, Mr. President, Columnist Howard K. Smith pointed to the unilat-

eral escalation of America's domestic critics in his Sunday offering in the Washington Star. His column, in fact, makes a good point: that the dissenters in our own country have been so carried away with their own arguments that they have convinced themselves, that they tailor facts to fit their preconceived notions, that their dissent feeds on itself to grow ever larger in its irrationality. They have caused a general degeneration of the so-called debate over U.S. policy, Mr. President, and seem to be debating, not the administration, but a bogey man of their own making.

Mr. President, I ask unanimous consent that Howard K. Smith's column, "The Unfair War Dissenters," be printed in the RECORD.

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

THE UNFAIR WAR DISSENTERS

(By Howard K. Smith)

The impression is being cultivated that both sides in the Vietnam "debate" have now escalated their arguments beyond the level of fairness and that together they threaten the nation's moral fabric. Both, says James Reston, should now "elevate them guns a little lower."

In fact, equating the two is a false exercise. It is the dissenters alone who have departed from reason and fairness. It is the baby doctor from Ohio and the preacher from Yale who have encouraged young people to stop thinking and break the law—not their opponents. Consider the great contrast between the quality of the two demonstrations of last weekend—Doctor Spock's in Washington and that in New York by the Committee for Responsible Patriotism. Guess which of the two got the most television coverage?

Administration supporters have said the hysterical dissenters are encouraging Ho Chi Minh to pile higher the mound of lives on which to build his ideological empire. Hanoi promptly confirmed it and set up a committee for liaison with its American sympathizers.

Secretary Rusk made the unoriginal point that China has made herself the essential enemy, a fact confirmed daily by Peking. Marshal Lin Biao, Mao's heir-designate, said in his party line-setting treatise that "the colossus of U.S. imperialism can be split up" and "destroyed" by methods invented and supplied by Peking.

If their success has been limited so far, intimidation may become more forceful when China soon gets her stock of nuclear weapons. Mr. Reston finds that "silly" and has dredged up the Kaiser's old racist and demagogic cry of "Yellow Peril" to discredit Mr. Rusk, perhaps the least race-minded of U.S. officials. The two arguments are not equal. One is fair and the other is not.

The quality of dissent attains a kind of peak in Walter Lippmann's arguments. Mr. Lippmann has published an essay proposing that we get out of Asia and put our forward base in Australia instead. The thought is attractive and I vote for it. But first I want some minimal reasoning to show that we won't, because of such a move, have to fight a much worse war a little later.

Mr. L. doesn't provide any such reasoning, and the thinking he does on the way to his conclusion is not convincing. He says, for example, that Presidents Eisenhower and Kennedy kept us out of a big war in Vietnam, and that it was Mr. Johnson who violated the American tradition (by what tradition?) and got us into it, about as sound as praising President Eisenhower and Hoover for keeping us out of War II and criticizing President F.

But their relatively docile response points up a significant shift in Congressional and public attitudes toward the supposedly all-morsels in the traditional "pork barrel."

NEW FASHIONS IN SPENDING

Dams, watershed projects, river dredging, new Federal buildings and the like have historically been symbols of a lawmaker's influence in Washington, and they still are. But in recent years new fashions in Federal spending have boosted the relative glitter of cash for schools and colleges, aid in fighting water pollution and more generous benefits for veterans and the elderly.

Until lately, Uncle Sam has bestowed the old and new kinds of Federal bacon with roughly equal generosity. But both Congress and the public now face hard choices about Government spending priorities, and the old-fashioned pork barrel seems to be suffering a decline in relative esteem.

Democratic Sen. Jennings Randolph of West Virginia, chairman of the Senate Public Works Committee, says he has heard only scattered grumbling from colleagues about the \$66 million in frozen Corps of Engineers projects. In contrast, "nearly every Senator" has beefed to him about the Administration's threatened stretch-out of highway construction funds, he says.

"A dam that helps prevent a flood can be vital," observes Sen. Randolph, "but there's a detachment about that kind of project that you don't get with money for highways or schools. Those things are more personal to people than regular public works."

UNPUBLISHED CUTBACKS

The idea that people have become disenchanted with old-style pork can surely be overdrawn; the Corps of Engineers hasn't widely circulated its list of frozen projects, and the lack of protest may be due partly to ignorance. But consider the experience of Democratic Rep. Richard Fulton with his long-celebrated Federal courthouse annex in Nashville, which comprises the bulk of his district.

Early this month Mr. Fulton asked the Budget Bureau to deter construction of the \$8 million annex "in the interest of economy and the economic health of the nation." The gesture was hailed for its novelty on a national TV news show, and Mr. Fulton received praise in newspaper editorials across the land. He also is receiving a freshet of favorable mail from Nashville and elsewhere.

Wrote a Federal employee who works in the existing cramped courthouse: "I would much rather continue working in this building than to see this money being spent at a time when we sorely need to economize."

"Please let me know when you need some campaign money from a Republican source," offered a man in Bronxville, N.Y. A Kingsport, Tenn., lawyer sent a \$1 contribution toward a "Richard H. Fulton memorial statue."

AN ORDER OF PRIORITIES

Mr. Fulton says he hasn't received a single complaint about delay of the courthouse annex. He makes clear his own priorities for economizing: "It doesn't include the things that affect the health and welfare of the individual." He says he never would have suggested a cutback in school-aid money for his district or lower outlays for the heart-cancerstroke research center in Nashville.

Some other lawmakers are also showing untraditional restraint on certain public works projects for their home districts.

Each year the Administration sends Congress a list of Corps of Engineers rivers and harbors projects for which money is needed. The mark of a successful lawmaker is to get down pet unbudgeted projects added to the annual appropriations bill. Last July Democratic Sen. John Pastore of Rhode Island wrote a note to Chairman Allen Ellender of the Senate Appropriations subcommittee on public

works asking him to insert \$80,000 for an "essential study" of repairs to the Cliff Walk, a scenic seaside footpath near Newport threatened with wave erosion. Sen. Ellender, a Louisiana Democrat, obliged.

By the time the public works appropriations bill reached the Senate floor this month, however, the atmosphere had changed. The President's request for a tax increase had been rebuffed; lawmakers had worked themselves into an economy lather, at least in their speeches. Republican Sen. John Williams of Delaware moved to delete from the bill unbudgeted funds for the 41 projects that various Representatives and Senators had added. Voting with Mr. Williams, and thus against the "essential" Cliff Walk project, was Sen. Pastore.

Sen. Pastore says that because of the budget situation, "We should set an example by eliminating all projects that may be desirable but not essential." He is insisting, though, that the Cliff Walk money shouldn't be taken out of the bill unless the other unbudgeted projects are removed. "I don't want to be discriminated against," he says. "After all, that \$80,000 isn't going to balance the budget."

Another liberal Democrat, Sen. Joseph Clark of Pennsylvania, also voted for the Williams amendment, though it would chop a small project in his state. It's a question of priorities, he told the Senate, urging higher outlays against urban poverty and crime: "To me that should have a higher priority than any public works project," he declared.

Still, the more reserved Congressional attitude toward the pork barrel is far from a wholesale reversal. In fact, only nine other Senators voted with Sens. Williams, Proxmire and Clark for cutting out the unbudgeted projects. And of the 41 other projects then in the bill, 19 have since survived a House-Senate conference on the measure; included is the Cliff Walk project.

Long-standing proposals for some projects have almost assumed a political life of their own, which lawmakers can't ignore; Sen. Carl Hayden fights in peace and war for his beloved central Arizona water supply project; Maine's Congressional delegation is ready to bleed for the hotly disputed Dickey-Lincoln School power dam; Republican Sen. Hiram Fong of Hawaii laments denial of funds to put more sand on Waikiki Beach and vows to try again next year.

COMPLAINTS MAY MOUNT

Though there has been little squawking so far about the President's freeze of nearly \$66 million on contracts for Corps of Engineers projects, complaints may mount as the suspension of work continues. "We've not had too much repercussion," reports a corps official. "A delay of only a couple of weeks can't make much difference. But it will start hitting harder as time goes on." Warns the tolerant Rep. Gray, discussing the frozen contract for Rend Lake Dam in Illinois: "If Congress adjourns and then comes back in January to find the freeze still on, it will be a different story."

When the newer, more glamorous varieties of "pork" are threatened, the howls can be lusty. The new Federal program for fighting water pollution—a popular cause with the voters—consists mainly of grants for local sewage treatment plants. The Senate increased the Administration's \$203 million appropriation request for this year by 10%, and lawmakers accusing the President of stinginess already are talking about an extra appropriation early in the next session.

Neither of California's Senators has complained about the freezing of some small old-fashioned levee and flood control projects in their state. But both exploded when West Virginia's Sen. Randolph and his coal-state colleagues proposed a cut in nuclear reactor research money. The cut would have set back the new nuclear-powered ocean water desalting plant scheduled for construction south of

Los Angeles. The successful plea of liberal Republican Thomas Kuchel and conservative Republican George Murphy: Cut something else.

JUSTIFYING PROJECTS

The current budget pinch has encouraged a louder assault on the Corps of Engineers' traditional method of justifying rivers-and-harbors projects: The cost-benefit ratio. For a 50-year period, a project must show a return of more than \$1 in benefits for every \$1 spent or face rejection. Such critics as Democratic Sen. William Proxmire of Wisconsin contend the benefits often are inflated and costs are minimized in computing cost-benefit ratios.

Yet the corps' own figures helped doom a famous symbol of pork-barrel enterprises—the proposed Lake Erie-Ohio River canal, also known as "Mike Kirwan's Ditch." Pushed for years by Youngstown's Democratic Rep. Michael Kirwan, the \$1 billion-plus project originally carried a rather impressive 3-to-1 cost-benefit ratio. But the engineers revised estimates downward, and the canal's many foes in Ohio and Pennsylvania contended the latest ratio of 1.2-to-1 was too low. Mr. Kirwan sadly dropped the project this year when Gov. Raymond Shafer of Pennsylvania formally notified the corps he wouldn't cooperate on the project.

A low cost-benefit ratio isn't always fatal. The current public works appropriation bill provides an unbudgeted \$150,000 for planning the control of natural salt pollution in the Wichita River in Texas. The project strongly backed by local officials, has a cost-benefit ratio of 1.1 to 1.

Nor is a high ratio a guarantee of success. The corps calculates Sen. Fong's Waikiki Beach project would bring benefits of \$15.90 for every \$1 spent on spreading more sand and building erosion-control devices. That, says the frustrated Senator, is one of the highest ratios for any proposed project. The high benefits are attributed to more tourist business for nearby hotels if the famous beach is enlarged.

BUTTER LEGISLATION

Mr. MONDALE. Mr. President, the Dairy Record, the No. 1 trade magazine for the dairy industry, in its October 18, 1967, issue editorialized on S. 2527, the so-called butter legislation.

I ask unanimous consent that this very favorable editorial be printed in the RECORD.

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

NEEDS INDUSTRY SUPPORT

The bill introduced by Senator Walter F. Mondale of Minnesota to subsidize the price of butterfat used in butter, which would make it possible to reduce the retail price to encourage its use by consumers, is one that should receive the dairy industry's full support and endorsement.

The measure, in effect, is a consumer subsidy and it is legislation that every major dairy organization throughout the country has endorsed.

While, at this writing, we have not seen a copy of the Mondale bill, the salient points of it are that it empowers the Secretary of Agriculture to move surplus butter into commercial domestic consumption rather than into government storage by effecting a reduction in price to consumers by payments made to processors of butterfat used in butter.

Another feature of the bill is that the existing dairy price support program would be continued with the Secretary of Agriculture announcing the price support level per hundredweight of milk to the dairy farmer, as under the present support program.

However, something additional has been added in the Mondale bill. If commercial butter markets drag, the secretary, instead of buying butter in the market to support price, could reduce the retail price to encourage butter purchases by consumers. There would be no actual butter purchases or storage, except that which is needed to fill the requirements of the government programs.

It will be recalled that during World War II, prices of butter were rolled back and a subsidy was paid to dairy farmers through the plants. At that time, the dairy industry was critical of the Roosevelt Administration because of the rollback in butter prices, because consumers came to regard the rollback prices as what the real price of butter should be. Consumers, of course, did not take into account that a subsidy was being paid.

The situation then and now, however, is very much different. Even during rationing in 1945 while the program was in effect, the per capita consumption of butter was almost 11 pounds. At today's prices and competitive conditions, commercial consumption is about 5.5 pounds per capita.

The butter industry, during and immediately after World War II, was in a much healthier condition. Today it is in a surplus situation because of an unfortunate series of incidents, such as the cholesterol theory jag, the diet craze, the encouragement that the government has given to the oleomargarine industry and also the government's stubborn refusal to do something about imports until this country became a dumping ground for subsidized foreign dairy products.

LAW OF THE SEA

Mr. BARTLETT. Mr. President, in June of this year a Second Annual Summer Conference of the Law of the Sea Institute was staged at the University of Rhode Island. Among the participants was William C. Herrington, former Special Assistant to the Secretary of State for Fisheries and Wildlife.

Mr. President, I found the paper delivered to the conference by Mr. Herrington to be extraordinarily informative. Even though I have become reasonably familiar with the Geneva Convention on Fishing and the Conservation of the Living Resources of the Sea, as chairman of the Merchant Marine and Fisheries Subcommittee of the Senate Commerce Committee, I found reading Mr. Herrington's paper to be so educational that I would like others to have the same opportunity. Therefore, I ask unanimous consent that Mr. Herrington's paper, entitled "The Future of the Geneva Convention on Fishing and the Conservation of the Living Resources of the Sea," be printed in the RECORD.

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

THE FUTURE OF THE GENEVA CONVENTION ON FISHING AND THE CONSERVATION OF THE LIVING RESOURCES OF THE SEA

(By William C. Herrington)

Last year at the first Rhode Island Law of the Sea Conference, at the end of my paper on the "1958 Geneva Convention on Fishing and Conservation of Living Resources" I commented as follows:

"Now, eight years since the Geneva Fisheries Convention was negotiated, we must admit that much of the world has not yet caught up with its provisions, in practice at least. With this in mind the U.S. has recently begun to talk up a proposal that the FAO convene a World Fishery Conference

that would consider, among other fishery matters, how the convention could be most effectively implemented and encourage more ratifications. Such a conference could also consider auxiliary procedures, such as the development of joint enforcement measures, which would make the provisions of the Geneva Convention more effective."

I understand that the informal reaction to this sounding out from fisheries people of other countries has been something less than enthusiastic. You should keep this reaction in mind in connection with some of my later comments on the possibility of improving the convention.

I have been asked to discuss at this Conference the future of the Geneva fisheries convention. I propose to approach the subject by first considering what countries have ratified the convention, speculate on the reasons behind their action, and then discuss the possibilities of further accessions and the likely motivating considerations. This will point up some of the strengths and limitations of the convention and the modifications needed to make it more effective. It will also provide a background for evaluating the possibility of achieving these modifications and, failing this, the possible alternatives.

WHO HAS ACCEPTED THE CONVENTION

As of June 1, 1967, the following countries were parties to the Geneva Fisheries Convention: Australia, Cambodia, Colombia, Dominican Republic, Finland, Haiti, Jamaica, Malagasy Republic, Malawi, Malaysia, Mexico, Netherlands, Nigeria, Portugal, Senegal, Sierra Leone, South Africa, Switzerland, Tobago, Trinidad, Uganda, U.K., U.S.A., Venezuela, Yugoslavia.

The combined catches of these countries in 1965 made up about 14% of the World total. Three of the countries accounted for more than 1/2 of this 14%, the next four accounted for about 1/4, while the remaining 18 produced about 1/4. The average catch of the 18 was about 50,000 m.t. each. Only the first three countries, together accounting for about 10% of the World total, generally would be classed as major fishing countries.

Why have these countries become parties to the Convention? I expect mostly because they favor the development of an international fishery regime based on law and order and consider the Fisheries Convention, while not fully satisfactory, is an improvement over the existing situation. Few of them will have their current problems substantially helped or hindered by the Convention in its present form. The majority I expect made no sophisticated analysis of the impact of the Convention on their long range fishery interests.

NOW LET US CONSIDER THE NONMEMBERS

The reasons why these countries have not become parties to the Convention are more varied and perhaps in many cases more deep seated than the reasons for most ratifications.

One group led by the USSR presumably favors most of the provisions of the Convention. However, the members of this group will not accept the requirements for obligatory settlement of differences concerning the conclusions to be drawn from scientific data bearing on the need for and nature of conservation measures. (Yet without this provision each country if it desires to prevent or delay action on regulations, is free to bicker as long as it wishes regarding the conclusions that should be reached concerning conservation requirements.)

There is another group of countries made up largely of coastal states which would like to have broad jurisdiction over the fishery resources in waters adjacent to their coasts. They do not join primarily because they fear that such accession would handicap their efforts to develop such broad jurisdiction.

A third group is made up of conservatives, mostly sophisticated European fishing countries (and Japan), which hold back official recognition of any special rights of the coastal states for fear it will adversely affect their overseas fishing operations. However, some of this group with substantial coast lines (and coastal fisheries) of their own may be experiencing growing internal conflicts as their long range fishing operations are increasingly and effectively challenged by competition from relative newcomers to long range high seas fishing, and their coastal fisheries suffer increasingly from the aggressive operations of these same newcomers. If the position of such countries should change, it probably would be to support measures that would give substantially more protection to established inshore fisheries than does the present convention.

There is still a fourth group which is made up of countries that generally favor the provisions of the Convention but are not at present involved in any serious fishing controversy or, if they are, do not see that the Convention would provide any near time help in solution of their current problems. Since the Convention has not been accepted (and is not likely to be) by an overriding majority of countries, including most of the substantial fishing countries, its provisions do not have the force of international law. They apply only to those who are members of the Convention and this group does not include most of the parties to current major fishing disputes. In such disputes the Convention at best serves as a guide or precedent. For this reason the party to the dispute whose position is most at odds with the general provisions of the Convention, is less than ever inclined to join up for fear of strengthening the position of the other party. Meanwhile this other party can see little to be gained from joining since the provisions of the Convention would not be binding on the non-member.

Countries not involved in fishing disputes generally lack urgent and practical incentives for accession. In such situations we often find action on accession rather low on the priority lists of their Foreign Offices where it must compete for attention with more pressing and in their view more practical matters.

If fishery disputes could be taken to the World Court for settlement in fact as well as in theory, some countries would have a substantially greater incentive to accede to the Convention, for the greater the membership the more influence its provisions would have on the Court. However, such disputes rarely reach the Court for one party or the other which is dubious of the soundness of its case under international law (as influenced by the 1958 Law of the Sea Conference and resulting Convention), refuses to make use of the services of the Court.

To substantially alter this membership situation would require some new development that would provide a practical incentive for immediate action (such as the discovery of gas and oil in the European continental shelf did for the Continental Shelf Convention). At the moment I do not see such a development on the near horizon and therefore conclude that we are not likely to soon see any substantial number of new accessions, certainly not enough to give the Convention the force of international law.

For these reasons the principal effect of the Convention will continue to be its moral and technical influence. By and large countries will continue to seek solutions to their fishery problems through bilateral and multilateral agreements which from time to time may borrow provisions from the Geneva Convention. For example, the setting up of an independent committee of experts in population dynamics by the International Whaling Commission, which played a key role in initiating a realistic conservation program



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